

DEPARTMENT OF MBA

INTEGRATED MARKETING COMMUNICATION

SUBJECT CODE: 22MBAMM412

UNIT - 01

Introduction & Basic Concepts

Role of IMC in marketing process, IMC planning model, Marketing, and promotion process model. Communication process, steps involved in developing IMC programme, Effectiveness of marketing communications

Advertising: Purpose, Role, Functions, Types, Advertising Vs Marketing mix, Advertising

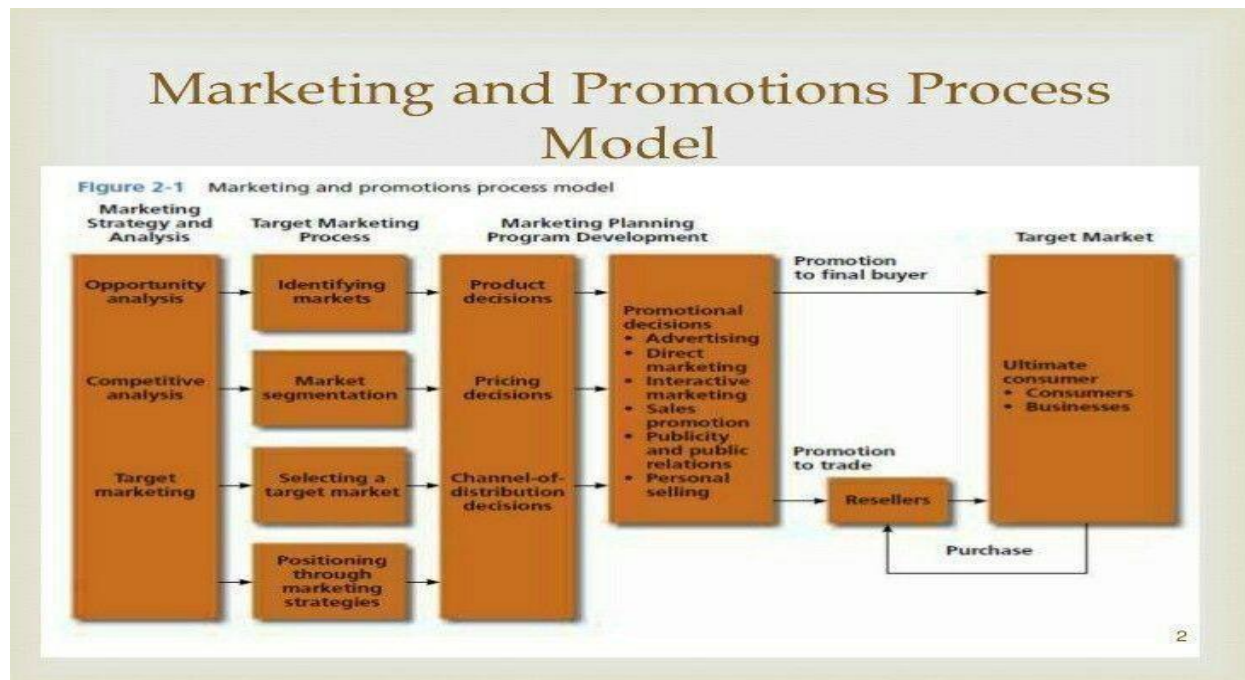
Meaning and definition:

IMC is defined as customer centric, data driven method of communicating with the customers. IMC is the coordination and integration of all marketing communication tools, avenues, functions, and sources within a company into a seamless program that maximizes the impact on consumers and other end users at a minimal cost. Integrated Marketing Communications is a simple concept. It ensures that all forms of communications and messages are carefully linked together.

Reasons for the growing importance of IMC

- A shift of marketing – from media advertising to other forms of promotion particularly consumer – and – trade oriented sales promotion.
- Less reliance on advertisement focused approaches
- A shift in marketplace power from manufacturers to retailers
- Rapid growth and development of database marketing
- Demand for greater accountability
- Rapid growth of internet and the nature of how companies do business, Communicate & interact with consumers.

Marketing and promotion process model



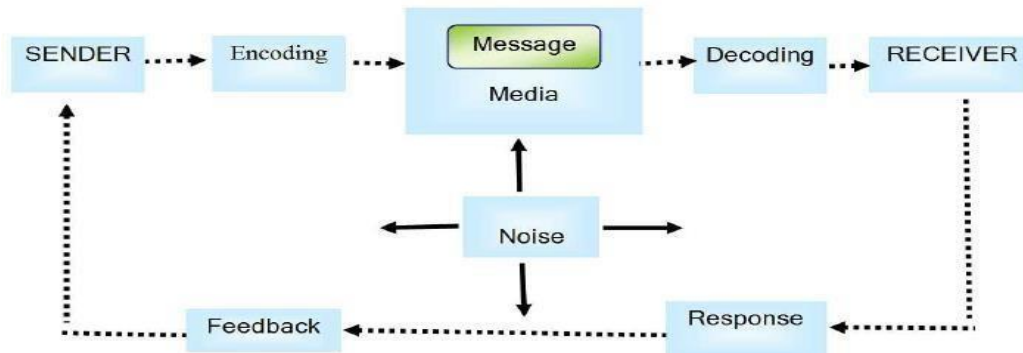
Marketing and promotion process model for the product and services has also been analyzed, so that firms can make appropriate strategies to gain advantages. In order to introduce new product in the market, business firms have to follow the product life cycle. Marketer has to make campaign of the product that is in a mature stage of the product life cycle. Marketing and Promotion Process Model is focused towards introducing the new product in the market, as it assists the management to plan and develop marketing strategy.

Marketing research is helpful in developing the marketing strategies in regard to product, pricing, distribution and promotion decision. In order to make the promotion of product at the maturity stage, marketing planning program development is the difficult task. Organizations have to decide, which type of marketing and promotion activity is suitable in order to grab the large part of customers.

In addition, marketing expert should have appropriate knowledge about the current trends and culture in the external environment, so that the advertisement and taglines can be created as per the culture and values of the target market, which is helpful to create positive impact. It is difficult to identify the promotional program at the maturity stage of the product. In the maturity stage, marketing expert has to take various promotional decisions in order remain the product in

the market for long period. Therefore, marketing expert has to frame different policies and strategies in order to address the issues in making the marketing and promotional development plan. Marketing research and development program is helpful in addressing the issues in making promotional decisions.

Communication process:



Communication is the process of conveying information between two or more people. The communication process is the steps we take in order to achieve a successful communication. A sender is the party that sends a message.

A channel of communication must also be selected, which is the manner in which the message is sent. Channels of communication include speaking, writing, video transmission, audio transmission, electronic transmission through emails, text messages and faxes and even nonverbal communication, such as body language. Lindsey also needs to know the target of her communication. This party is called the receiver.

The receiver must be able to decode the message, which means mentally processing the message into understanding. If you cannot decode, the message fails. For example, sending a message in a foreign language that is not understood by the receiver probably will result in decoding failure.

Sometimes, a receiver will give the sender feedback, which is a message sent by the receiver back to the sender. For example, a member of Lindsey's team may provide feedback in the form of a question to clarify some information received in Lindsey's message.

IMC planning model:



Involves the process of planning, executing, evaluating & controlling the use of our various promotional mix elements to effectively communicate with targeted audience, it provides framework for developing, implementing and controlling our organization's 'IMC' program.

Review of marketing plan: before launching our product we put in our minds that it will not be easy to compete with big names in tea industry such as Lipton for example; there for we understood that we must come up with something new, something different in-order to be unique, special and to attract our needed customers and play it wisely with the world's number one Lipton.. Therefore, we had to understand our market situation: where we are (Now) and where it tends to go (Future) and how it will tend to go there, some detailed steps had to takeplace such as:

The Marketing Plan

A document that describes the overall marketing strategy and programs developed for a company, product, or brand. The plan includes:

- To examine the overall marketing plan
- Role of advertising in promotion

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- To do competitive analysis
 - Assess the environmental influence
 - Monitoring and evaluating the success of marketing activities.

IMC Program Situation

Analysis Internal Factors

- Assessment of the firm's promotional organization and capabilities
- Review of the firm's previous promotional programs
- Assessment of firm or brand image and implications for promotion
- Assessment of relative strengths and weaknesses of product/service.

External Factors

- Environmental analysis
- Competitive Analysis
- Customer Analysis
- Who buys our product or service?
- What factors influence the decision making process?
- Contact points where customers can be reached?

Budget determination

- Setting a tentative objective for marketing communication
- Allocating tentative budget, deciding on the budget strategy
- Calculating the cost of promotion activities, percentage of sales revenue to Allocated towards promotional activities.

Developing integrated marketing communication program:

- Here the company will set the objectives and strategies for the different promotional tools like advertising, promotion, personnel selling, direct marketing etc.

Integration and implementation of marketing communication strategies.

- Here the company will integrate the different marketing tools and create the overall marketing plan and implement the plan in the market.

Monitor, evaluate, and control the promotional program.

- It is the last step in the process of IMC planning where they monitor on the implemented

process and take corrective action based on evaluation.

Steps involved in developing IMC programme

There are typically six steps in the IMC planning process. Each are important in their own right and can be applied to practically any business or organization, no matter the size or industry. While your plan might utilize each marketing communications function differently, the overall idea remains the same.

Below are the major steps to keep in mind when developing your IMC strategy.

Step 1: Know your target audience

As a general rule, there is no “general audience”. You always want to communicate with a specific audience to make the most effective use of your resources.

Segmenting specific audiences into groups based on characteristics will help you identify who are most likely to purchase or utilize your products and services.

Step 2: Develop a situation analysis

Commonly referred to as a SWOT Analysis, this is basically a structured method of evaluating the internal strengths and weaknesses, and external opportunities and threats that can impact your brand. A situation analysis can provide much insight into both internal and external conditions that can lead to a more effective marketing communications strategy.

Step 3: Determining marketing communication objectives

In this step, you basically want to document what you want to accomplish with your IMC strategy. Objectives should be measurable if you truly want to map your campaign’s effectiveness at the end of your plan’s term.

Step 4: Determining your budget

Having a realistic idea on what you have to work with is important, as it will shape the tactics you develop in the next step. Once you determine your overall budget, you will want to come back to this after completing step five to further refine your budget allocations.

Step 5: Strategies and tactics

Looking back at the objectives you created in step three, you will want to develop strategies which are ideas on how you will accomplish those objectives. Tactics are specific actions on how you plan to execute a strategy.

Step 6: Evaluation and measurement

Almost as important as the plan as a whole, you want to outline a method of how you will evaluate the effectiveness of your IMC strategy. Sometimes elements of your plan will not work. It is important to know what did or didn't, try to understand why, and make note for future planning.

The more focused on how you will utilize your resources for promoting your business, the more you will understand where your money is going and how it's performing. An IMC strategy is important for any business or organization.

Effectiveness of marketing communication

1. Measuring the Effectiveness of advertising.
2. Measuring the Effectiveness of sales promotion.
3. Measuring the Effectiveness of public relations.
4. Measuring the Effectiveness of Sponsorship.

Elements of marketing communication.

1. Advertising
2. Personal selling
3. Publicity.
4. Sales promotion
5. Directing marketing
6. Word of mouth
7. Online marketing
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Advertising vs marketing mix

BASIS FOR COMPARISON	MARKETING	ADVERTISING
Meaning	The activity of understanding the market conditions in order to identify the customer needs and creating such a product that it sells itself.	Advertising is a part of market communication process which is done with the aim of seeking attention of the public towards a particular stuff.
Aspect	Product, Price, Place, People, Promotion, Process.	Promotion
Term	Long term	Short Term
Scope	Market Research, Promotion, Advertisement, Distribution, Sales, Public Relations, Customer Satisfaction.	Radio, Television, Newspaper, Magazines, Hoardings, Social Media, Sponsorships, Posters.
Importance	More and more sales	Creates Awareness
Focus on	Creating market for the new or existing product and building brand image.	Grabbing the attention of the general public

of superior competitors, it goes into decline and is eventually withdrawn. However, most products fail in the introduction phase. Others have very cyclical maturity phases where declines see the product promoted to regain customers.

Thus, in this case, a suitable advertising and promotion campaign is required to be identified and followed. Strategies for the differing stages of the PLC

Introduction stage of PLC

The need for immediate profit is not a pressure. The product is promoted to create awareness. If the product has no or few competitors, a skimming price strategy is employed. Limited numbers of product are available in few channels of distribution. Advertising differentiates the product.

Print ad of a Printer giving details about its specifications

Growth stage of PLC

Competitors are attracted into the market with very similar offerings. Products become more profitable and companies form alliances, joint ventures and take each other over. Advertising spend is high and focuses upon building brand. Market share tends to stabilise. Advertising establishes participation with the marketplace.

Maturity stage of PLC

Those products that survive the earlier stages tend to spend longest in this phase. Sales grow at a decreasing rate and then stabilize. Producers attempt to differentiate products and brands are key to this. Price wars and intense competition occur. At this point, the market reaches saturation. Producers begin to leave the market due to poor margins. Promotion becomes more widespread and uses a greater variety of media. Advertising puts price ahead of the competition.

Decline stage of PLC

At this point, there is a downturn in the market. For example more innovative products are introduced or consumer tastes have changed. There is intense price-cutting and many more products are withdrawn from the market. Profits can be improved by reducing marketing spend and cost cutting. Defensive advertising or for revitalization

Unit-02

Advertising Agency: Type of agencies, Services offered by various agencies, Criteria for selecting the agencies and evaluation.

Advertising objectives and Budgeting: Goal setting – DAGMAR approach, various budgeting methods used.

Definition

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. 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.

Typical ad agency clients include businesses and corporations, non-profit organizations and private agencies. Agencies may be hired to produce television advertisements, radio advertisements, online advertising, out-of-home advertising, mobile marketing, and AR advertising, as part of an advertising campaign.

Types of agencies:

1. Full Service Agencies

- Large size agencies.
- Deals with all stages of advertisement such as copywriting, artwork, production of ads, media planning etc.
- Different expert people for different departments.
- Starts work from gathering data and analyzing and ends on payment of bills to the media people.

2. In house advertising agencies.

This type of agency is owned by the advertiser. Big organization prefers these types of agencies which are in built and work only for them. It is as good as full service agencies. It performs almost all functions that an outside full service dos.

3. Interactive advertising agency

- Modernized modes of communication are used.
- Uses online advertisements, sending personal messages on mobile phones, etc.
- The ads produced are interactive, having new concepts and very innovative.

4. Creative boutiques

- Small sized agencies with their own copywriters, directors, and creative people. No other function is performed other than creating actual ads.
- The specialized creative functions include copy writing, artwork and production of advertisement.
- Most of them convert into a full service agency or merge with other agencies to provide a wide range of services.
- These are shop agencies that provides only creative functions and not full-service.

5. Specialist advertising agencies.

- Some agencies undertake advertising work only in certain areas. There are agencies that specialize only in financial services.
- Buys place for advertise and sells it to the advertisers.
- Sells time in which advertisement will be placed.
- Schedules slots at different television channels and radio stations.
- Finally checks whether the ad has been placed at opted time and place or not.

Criteria for selecting and evaluating agencies:

- Years of experience: While selecting an advertising agency, it is advisable to look into the number of years they have been in the industry. Not only does experience teach new things but also helps in recognizing what the client is actually looking for, this helps in saving both time and money
- Where is it located: World is now a global village and distance is no more a hurdle, however if given a choice, it is always better to look for an advertising agency which is located locally so that it is easy to establish an effective communication.
- Clientele: In order to establish confidence at the first phase, it's wise to inquire about the advertising agencies current and past clientele. You will also be able to find out the kind of services they offer by looking into their past performances.
- Past performance: As mentioned above, looking into the advertising agencies' past performance gives you an idea about the way they work and the result, which is delivered, accordingly you can bid for price and set a cost structure.
- Attitude & Approach: The initially stages of communication and inquiry will provide you a rough idea about the ad agencies' attitude. Since it is a creative field, therefore it is very important for the ad agency to be flexible and keep a positive attitude.
- Techniques and skills: Try and look into their expertise and the services, which they have rendered before. How successful an ad agency has been in the past does not always mean they would be able to do justice for you as well. Try and find out the skills they have and their forte and see whether it would match to your requirements.
- Cost: Cost and pricing forms a very important part of any marketing or promotional activities. Make sure you take into consideration the total expenditure involved as well as arrangements for dispersal of expenses. It's better to discuss in advance how both the

parties would like the payment to be, either fixed cost on an annual basis or a monthly payment on a flexible tenure.

- Applauds and recognition : If you are looking to play safe then it's wise to hire an advertising agency which is already recognized and is known to be delivering good services, however if you are ready to experiment then sometimes small fish and new players also deliver quality results.

Functions of advertising agencies:

1. Contacting clients
2. Creative function
3. Approval from client
4. Ad-Execution
5. Marketing function
6. Advertising planning
7. Developing and preparing advertising planning copy.
8. Media selection and media scheduling
9. Research function.
10. Accounting functions.

Specific objectives of advertising:

1. To increase Demand
2. To educate masses
3. To build goodwill
4. To reach customer left out of salesman
5. To sell new product
6. To build new brand
7. To attract and help middlemen
8. To remain the customers.
9. To inform about changes in marketing mix.
10. To enter new geographical area.

Factors determining Advertising objectives:

1. Stage in plc
2. Available finance
3. Level of competition
4. Marketing objectives
5. Nature of product
6. Market segmentation
7. Distribution strategy.

DAGMAR Approach:

DAGMAR is a marketing expression that stands for “**D**efining **A**dvertising **G**oals for **M**easured **A**dvertising **R**esults”. 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 method is an established technique of creating effective advertising.

1. Awareness

- Awareness of the existence of a product or a service is needful before the purchase behavior 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 organization 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 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.

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- 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.

Advertising budget:

An advertising budget is an estimate of a company's promotional expenditures over a certain time period. More importantly, it is the money a company is willing to set aside to accomplish its marketing objectives. When creating an advertising budget, a company must weigh the value of spending an advertising dollar against the value of that dollar as recognized revenue.

Various budgeting methods used:

There are several allocation methods used in developing a budget. The most common are listed below:

- Percentage of Sales method
- Objective and Task method
- Competitive Parity method
- Market Share method
- Unit Sales method
- All Available Funds method
- Affordable method

It is important to notice that most of these methods are often combined in any number of ways, depending on the situation. Because of this, these methods should not be seen as rigid but as building blocks that can be combined, modified, or discarded as necessary. Remember, a business must be flexible ready to change course, goals, and philosophy when the market and the consumer demand such a change.

Media planning: Developing Media plan, Problems encountered, Media Evaluation-Print, Broadcast media, Support media in advertising.

Media strategy: Creativity, Elements of creative strategies and its implementation, Importance of Headline and body copy.

➤ **1. Definition of media:**

According to Philip Kotler, “The communication channels through which the message moves from sender to receiver is called media”. The communication channels used in advertising includes, Television, radio, printing press, outdoor advertising etc

➤ **Definition of media planning:**

According to George E. Belch, “media planning is the series of decisions involved in delivering the promotional message in most effective manner to the largest number of potential customers at lowest cost”.

Media plan is a document describing Objectives, Strategy, Tactics, resource allocation, media mix to be used in order to reach the target customers.

Media planning process



➤ Media Planning - A series of decisions involving the delivery of messages to audiences.

➤ Media Objectives - Goals to be attained by the media strategy and program.

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- Media Strategy - Decisions on how the media objectives can be attained.
 - Media - The various categories of delivery systems, including broadcast and print media.
 - Broadcast Media - Either radio or television network or local station broadcasts. Print Media - Publications such as newspapers and magazines.
 - Media Vehicle - The specific message carrier, such as the Washington Post or 60 Minutes.
 - Coverage - The potential audience that might receive the message through the vehicle.
 - Reach - The actual number of individual audience members reached at least once by the vehicle in a given period.
 - Frequency - The number of times the receiver is exposed to vehicle in a specific time period.

Problems encountered in media planning.

1. Insufficient information.

- Media plan requires lot of information about Target customers, Competitors, Media strategies of competitors etc

2. Time pressure

- Some time environment changes are sudden and quick, sudden changes require immediate decisions regarding advertisement.
- Example: Change in media strategy of our immediate competitor requires immediate counter media strategy.

3. Difficulty in audience measurement.

- Audience measurement here refers to number of persons who are exposed to a particular media

4. Difficulty in cost comparison.

It is difficult to compare the cost of different Medias as company pay the money based on different criteria.

- Print-cost per word or square centimeter.
- Broadcast – cost per second

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- Outdoor media- cost per sign board is known

Types of advertising media.

Print media:

- It includes printing advertisements in Newspapers, magazines, and other printed surfaces such as posters and outdoor boards.
- **Newspapers** and **Magazines** are the majorly used print Medias.
- The importance of the print media can be declined in future days due to rise of mobile technology and internet.

Broadcast media:

- When one talks of advertising the people first thinks about **Television and Radio.**

Television:

- Television is the ideal medium of advertising because of its ability to combine visual Images, Sound, Motion, and Color.

Radio:

- Radio is a mass media that appeals to the ear and brain of listeners.
It ruled from 1920 to 1970

Support media.

1.out-of-Home Media

Out of home advertising [outdoor advertising] essentially any type of advertising that reaches the consumer while he or she is outside the home.

2.Transit Advertising:

Advertising that appears inside and outside the public transportation vehicle, In waiting areas, and at the stations and terminals is called as Transit Advertisement.

- Less Cost , High Exposure, High frequency

3. Promotional product marketing:

Promotional products such as pens, mugs, key rings, calendar and T-shirts etc are given in order to market particular product. It involves posting messages and promotional items outside where the people can see them.

4.Movie theater advertising: Movie theater advertising is an effective medium for Advertising, its

advertising recall are 4 times greater than the ads placed in television.

5. Point of purchase media:

Point of purchase refers to advertising at the place and time of purchase.

6. Exhibition and trade fair

It is a huge gathering of manufacturers for the purpose of displaying, demonstrating
And booking orders for their latest product

Importance of media planning:

1. Optimum utilization of resources.
2. Helps in achieving advertising objectives
3. Selecting appropriate Media
4. Selection of optimum media mix
5. Helps in Allocating advertising budget
6. Ensures appropriate timing of advertising.

Media Evaluation

1. Evaluating Audience Exposure

Which of my media vehicle reached the large number of customers?

It may be tested by external auditing company or internal

2. Advertising ROI and Media Efficiency.

Return on investment, which means Cost of creating and running advertisement versus
The revenue generated.

3. Wear out:

The points where the advertising get tired and there is no response or less response than at
the

Launch is called wear out.

4. Media Optimization:

Advertisers want to know their money is being spent in the most efficient way and for
the greatest impact.

Creative Strategy:

“A creative Strategy is a policy or guiding principle that specifies the general nature and Characteristics of message to be designed.”

Elements of Creative strategy:

1. Strategic Objectives:
2. Target Audience:
3. Product and its positioning:
4. Communication Medial
5. Advertising message
6. Creative style

Elements of Advertising copy.

1. Headlines:

- The words that occupies central or dominant positions in the ad form the head line
- It capture the maximum attention of the readers or viewers
- Headlines are generally typed in large fonts.

2. Sub-Heads

- Secondary heads are mostly larger than body copy but smaller than main headings.
- Sub heads can be visible within the body copy or below or above the headline

3. Body copy

- The main text of the print ad is called body copy
- It is the extension of headlines and secondary heads written in smaller fonts.

4. Catchy phrases

- A phrasal verb or idiom identified by its persistent pronouncement is called catchy phrase
- Example: Just Do It [Nike]

5. Logo and signatures.

Logos and signatures are intended to be included in every advertisement of the firm. Example: Sachin sign in Rorito gel pen ad

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6. **Closing idea** : The end or closing part of the ad-copy, it communicates the direction, information, and Adequate stimulus to the target group to take action. Example: Hurry up, rush, Offer valid for limited period only.

Classification of Headlines.

1. **Benefits headline:**

Headline in an advertisement that speaks of benefits of the product.

Example: “If one does not get the pimple free skin in 5 days, take the money back”

2. **Information headline:**

They will inform the reader about the unknown facts.

3. **Proactive headline:**

Companies use proactive headlines mainly to provoke the readers’ curiosity by rolling their Thought process.

Example: Philips TV “One will never go back to ordinary TV”

4. **Humor headline:**

It is used in order to evoke the humor of the consumers.

Example: “pen is mightier than sword”

5. **Question headline:**

A question headline encourages the readers by asking questions so that they can search For the answer in the body copy.

Example: “Are you looking for a better kitchen”

6. **Command headline:**

A command headline orders the reader in a way that might seem negative and impossible. Example: “cut cost, Replace your inkjet printer”.

Direct Marketing

Direct Marketing: Features, Functions, Growth, Advantages/ Disadvantages, And Direct Marketing Strategies. Promotion: Meaning, Importance, tools used, Conventional/unconventional, drawbacks, pushpull strategies, Co-operative advertising, Integration with advertising and publicity Public relation/ Publicity:- Meaning, Objectives, tools of public relations, Public relationstrategies, Goals of publicity, Corporate Advertising – Role, Types, Limitations, PR Vs Publicity.

Definition of direct marketing

Direct marketing is a promotional method that involves presenting information about your company, product, or service to your target customer without the use of an advertising intermediary. It is a targeted form of marketing that presents information of potential interest to a consumer that has been determined to be a likely buyer.

For example, subscribers to teen magazines might be presented with Face book ads for acne medication, which, based on their age, they are likely to need. On the other hand, members of the United States Equestrian Federation might all receive an email promotion offering special pricing on horse gear. Current residents of Wilmington, Delaware might receive a flyer announcing the arrival of Wegmans supermarket to their area. Conversely, people in Wilmington, Ohio would not.

Advantages of Direct Marketing

There is a range of advantages of direct marketing, these are summarised below:

1. Builds Loyalty

A well-run direct marketing campaign can build brand loyalty by continual brand messaging on direct marketing channels. This is particularly effective where multi-channel messaging is used,

e.g. email, direct mail, SMS, etc. all in one consistent joined-up coherent campaign.

2. Direct

As the name suggests, this technique is direct. This engagement directly with the customer eliminates price hikes due to “middlemen” and provides a direct approach. This has benefits as the organisation is totally in charge of the contact and can apply in-house CRM techniques to effectively manage the relationship.

3. Effective

Direct marketing, when managed well, has a long-standing reputation for high profitability and great ROI.

4. Monitorable

Tracking and monitoring can be put in place to effectively analyse the results of a campaign. Strengths can be accentuated and weaknesses eliminated with a view that through continual tweaks/enhancements campaign ROI and metrics will only continue to grow in the medium-long term.

5. Personalised and Targeted

Direct marketing can be personalised based on the actual experience of working with a customer and/or socio-economic factors. Even for prospects, personalisation can be achieved through techniques such as customer segmentation and data profiling.

6. Reduced Competitor Awareness

Competitors will have a much lower level of awareness with direct marketing as it is direct to the customer. Other marketing techniques such as TV, radio, internet advertising, etc. are public and open to counter-moves by competition.

Disadvantages of Direct Marketing

There are some disadvantages of direct marketing, these are summarized below:

Environmental Impact

Some of the direct marketing channels are associated with having an environmental impact (most noticeably direct mail). This can be reduced by targeted direct mail campaigns and using environmentally friendly materials. This marketing technique is no worse than many indirect marketing methods (e.g. billboard posters).

Image Impact

It is a common perception that image can be adversely affected by some direct marketing campaigns (direct mail and telemarketing in particular). Whilst this is true for poorly managed campaigns, the effects can be avoided by ensuring contacts are opted-in and happy to receive marketing messages (which is best practice anyway!).

Limited Reach

This is a “perceived” disadvantage of direct marketing to many. The limited reach is because mass broadcast techniques (e.g. TV, radio, internet advertising, etc.) are not used. Although it’s true that the reach is less, the reach achieved is more specific and targeted. Reach can be extended by buying high-quality targeted opt-in additional contacts from reputable sources such as Baker Goodchild.

Privacy Intrusion

The main drawback of direct marketing is its links with privacy intrusion (this is particularly related to telemarketing and direct mail). This is definitely the case with badly managed campaigns and links closely to the image impact above. Once again, with true opt-in consent and best practice campaign management, privacy would not be an issue.

Difference between direct marketing and advertising

Direct marketing	Advertising
It involves direct selling to individuals.[identification of customer is known by name and address]	It involves mass selling
Building personal relationship is easy in direct marketing.	Personal relationship cannot be formed in mass advertising.
Direct marketing copy focus on ‘you’ and ‘benefits’.	Advertising copy focus on ‘ME’ and ‘It’.
Here the marketplace is the medium through which the customer order the product. i.e mail, telephone , internet.	Here the market place is Retail outlet from where the product or services are purchased.
The product is managed and controlled by the marketer until it delivers to customers	Here marketer may lose control over the product as it enters the distribution channel.
The main function of direct marketing is to stimulate order and queries	The main function of advertising is to create awareness, Brand image etc.

Features of direct marketing. [Ingredients]

- 1. Targeting:** This includes selecting the Recipients.
- 2. Interaction:** Sending message and receiving feedback
- 3. Control:** Evaluating outcomes and correct the deviation
- 4. Continuity:** It includes Customer retention, continues product up gradation.

Reasons for growth of direct marketing

Direct marketing is the distribution of products, information, and promotional benefits to members of the target market through interactive communication vehicles in a manner that allows customer response to be measured.

Some limitations of direct marketing are:

1. Advancement of technology
2. Popularity of phone
3. Increased use of credit card
4. Change in consumer lifestyle
5. Negative aspect of retailing

Strategies and tools of direct marketing:

1. Mail order marketing
2. Telemarketing
3. Direct selling
4. Database marketing
5. SMS Marketing
6. Social media marketing.

Promotion:

Definition: Promotions refer to the entire set of activities, which communicate the

product, brand, or service to the user. The idea is to make people aware, attract, and induce to buy the product, in preference over others.

Description: There are several types of promotions. Above the line promotions include advertising, press releases, consumer promotions (schemes, discounts, contests), while below the line include trade discounts, freebies, incentive trips, awards and so on. Sales promotion is a part of the overall promotion effort.

Benefits/Importance of promotion

Promoting your brand will help you in many different ways:

- Increase brand awareness
- Provide appropriate information
- Increase Customer Traffic
- Build sales and profits

Not only will these but promotions also help your company to introduce products easily in the ever-so-competitive market.

1) Increasing brand awareness:

Promotions help in creating brand awareness. With the help of various media like the television, billboards, radio or local newspaper news, you can spread across information about your brand and company, which helps people to find out more about you and look into your products and make purchases.

2) Segment Identification

If your promotional and marketing strategy is loosely structured, it might not be successful in targeting the “right” audiences. Having a full-proof and well-thought-out promotional strategy and marketing plan can help you identify different segments of consumers in the market and offer suitable solutions for your clients.

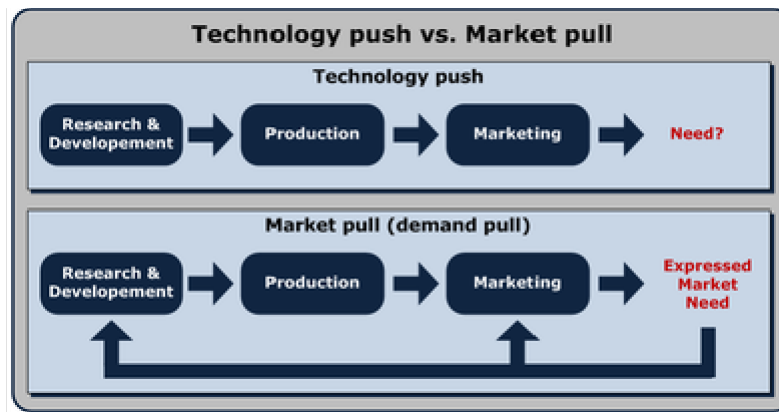
3) Increasing customer traffic

Promotion also helps in increasing customer traffic. The more you promote your brand, the more will the customers know about you and your company and the more will they be interested in your products. Promotion can be done even by giving out free samples which work wonders for customers! They try your product and ultimately, come to you and make purchases.

While promotional strategies are very much important, marketers and businesses must take into account a few aspects of their marketing mix plan. It is essential that businesses

make use of the right media tool to target their customers. These days, when social media is the most effective tool on the online platform, promotional strategies need to extend beyond radio, television, and print.

Push-pull strategies



What are Push and Pull Strategies?

Simply put, a push strategy is to push a product at a customer, while a pull strategy pulls a customer towards a product. Push strategy is a quick way to move a customer from awareness to purchase, while pull strategy is about creating an ongoing relationship with the brand. Both serve a purpose in moving the customer along the journey from awareness to purchase, however pull strategies tend to be more successful at building brand ambassadors.

While some companies decide to adopt one or the other it is important to find a complementary balance between the two. Choosing your marketing strategy and tactics should be done carefully and with a thorough understanding of your business, current brand awareness, and target audience. For example, launching a new unknown product would require more push than an established brand.

Push and pull tactics within the larger strategy should work together seamlessly to move the customer through their journey. For example, the impact of a flyer in the mail is lost without a website for the customer to visit to learn more. Modern consumers are savvy and require several interactions with a company and product before engaging.

Publicity

Publicity has been defined as:

1. William J. Stanton:

“Publicity is any promotional communication regarding an organization and/or its products where the message is not paid for by the organization benefiting from it.”

2. Philip Kotler:

“Non-personal stimulation of demand for the product or service, or business unit by placing commercially significant news about it in public medium or obtaining favorable presentation of it upon radio, television, or stage that is not paid for by the sponsor.”

Types of Publicity

Social media. Platforms such as Face book, Instagram, and Twitter allow you to connect with your potential customers. A strong social media presence keeps your brand in your followers' minds. Rather than trying to make a single post that goes viral, focus on building an interested audience in a slow and steady fashion.

Cultural relevance. A clever social media post, viral video, catchy slogan, popular commercial, or attention-grabbing public comment can put your business in the cultural spotlight. When that happens, you get free publicity anytime someone references your cultural moment.

Product placement. Send free products or offer free services to public figures, bloggers, or other media personalities. Your products may end up being featured in their blogs, social media posts, or other public content.

Partnerships. Working with other brands or businesses that have a larger audience can allow you to get your brand in front of a wider audience and generate publicity. Approach potential partners about collaborations, product swaps, or offering your products and services as a free bonus to some of their customers.

Promotional swag. Branded items such as calendars, pens, notepads, tote bags, and phone cases can put your brand name and logo in front of a wide audience. However, you have no guarantee that your target audience will be the one seeing this swag. Think of swag as a fun bonus for customers, rather than a guaranteed way to generate publicity, and budget accordingly.

Characteristics of Publicity:

Key characteristics of publicity have been briefly described in following part:

1. Meaning:

Publicity is not a paid form of mass communication that involves getting favorable response of buyers by placing commercially significant news in mass media. It involves obtaining favorable presentation upon radio, newspapers, television, or stage that is not paid for by the sponsor.

2. Non-paid Form:



Publicity is not a paid form of communication. It is not directly paid by producer. However, it involves various indirect costs. For example, a firm needs some amount for arranging function, calling press conference, inviting outstanding personalities, decorating of stage, other related costs, etc.

3. Various Media:

Mostly, publicity can be carried via newspapers, magazines, radio, or television. For example, in case a product is launched by popular personality in a grand function, the mass media like newspapers, television, radio, magazines, etc., will definitely publicize the event

4. Objectives:

Sales promotion is undertaken for a wide variety of purposes. They may include promotion of new product, pollution control, and special achievements of employees, publicizing new policies, or increase in sales. It is primarily concerns with publishing or highlighting company's activities and products. It is targeted to build company's image. In a long run, it can contribute to increase sales.

5. Control of Producer:

Company has no control over publicity in terms of message, time, frequency, information, and medium. It comes through mass media like radio, newspapers, television, etc. It is given independently by the third party. It is presented as a news rather than propaganda

6. Credibility/Social Significance:

Publicity has high degree of credibility or reliability as it comes from mass media independently. It is given as news for social interest. It has more social significance compared to other means of market promotion.

7. Part of Public Relations:

Publicity is a part of broad public relations efforts and activities. Public relations includes improving, establishing, and maintaining direct relations with all publics. Publicity can help improve public relations.

8. Costs:

Publicity can be done at much lower cost than advertising. Company needs to spend a little amount to get the event or function publicized.

9. Effect:

Publicity message is more likely to be read, viewed, heard, and reacted by audience. It has a high degree of believability as it is given by the third party.

10. Repetition:

Frequency or repetition of publicity in mass media depends upon its social significance or the values for news. Mostly, it appears only once.

Importance of Publicity:

Like advertising and sales promotion, sales can be increased by publicity, too. Publicity carries more credibility compared to advertisement. Publicity is cost free; it does not involve direct cost. Publicity offers many benefits to the producers and distributors.

Importance of publicity can be made clear from the below stated points:

1. Publicity is an effective medium to disseminate message to the mass with more credibility. People have more trust on news given by publicity.
2. The credibility level of publicity is much higher than advertising and other means of market promotion. People express more trust on what the third party independently says. It appears directly through newspapers, magazines, television, or radio by the third party. It is free from bias.
3. It provides more information as the valuable information is free from space and time constraints. Similarly, publicity takes place immediately. No need to wait for time or space in mass media. It enjoys priority.
4. The firm is not required to pay for publicity. The indirect costs related to publicity are much lower than other means of promotion.

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5. It is a part of public relations. It is free from exaggeration; it carries more information about company. It is more trustable. It helps establish public relations.
 6. Generally, publicity covers the varied information. It normally involves name of company, its goods and services, history, outstanding achievements, and other similar issues. The knowledge is more complete compared to advertisement.
 7. Publicity directly helps intermediaries and sale persons. Their tasks become easy. Publicity speaks a lot about products on behalf of intermediaries and salesmen. Sellers are not required to provide more information to convince the buyers.
 8. It is suitable to those companies, which cannot effort the expensive ways to promote the product.
 9. Publicity increases credit or fame of the company. Publicity on company's assistance in relief operations during flood, earthquake, draught, and other natural calamities highlights its name and social contribution in mass media. People hold high esteem to this company.
 10. Publicity can be used by non-commercial organizations/institutes like universities, hospitals, associations of blinds or handicaps, and other social and missionary organizations. They can publicize their noble works by the medium of publicity.

Corporate advertising

What is corporate advertising?

Corporate advertising is the advertising done for an entire institution/ company/ organization and not for individual brands or products. This kind of activity is an extension of the Public Relations (PR) activity done by the company to improve its image in the minds of the public and increase its goodwill, which is an extremely important intangible asset.

Instead of advertising for its individual brands and products, the corporate advertises to build its own image. We know many companies across the globe, which have numerous brands under them. HUL, P&G, Volkswagen, General motors' are some examples. All of these

companies also take part in corporate branding, wherein instead of branding only one particular product or brand, they brand the corporate itself.

These companies invest in improving the overall perception of the company itself. They want to prove that the company is ethical and all its brands and products are secondary. The primary focus for these companies are their customers, which is what they try to prove through corporate advertising.

The main objective of corporate advertising is to improve the image of the company and make it a more desirable workplace at times and also a desirable corporation to buy from.

Role of corporate advertising

four types of corporate advertising commonly used by organizations are:

1. PR Ad
2. institutionally Ad
3. corporate Identity Ad
4. recruitment Ad

Public Relations Ad: It is typically used to improve the company's relations with labor, government, customers, or even suppliers. Thus, when a company sponsors arts events, programmes on television or charitable activities, they are engaging in PR.

PR Ad is used when a company wishes to communicate directly with one of its important publics to express its feelings or to enhance its point of view to that particular audience. They are designed to enhance a company's general community citizenship and to create public goodwill.

Institutional Ad: otherwise called corporate advertisement

The promotional message aimed at creating an image, enhancing reputation, building goodwill, or advocating an idea or the philosophy of

an organization, instead of sales promotion. When employed by an organization to market itself (instead of its products), it is called corporate advertising.

Institutional advertising is marketing designed to promote a company rather than a specific good or service. It can be designed to make the public more aware of a company or to improve the reputation and image of an existing company. Depending on the company, this can be a form of brand advertising.

Corporate Identity Ad: this is embarked upon on rare occasion such as when organization decides to change its name, logo, address, trademark, or corporate signature or in case of a merger. When such occasions occur, there is need for Corporate Identity Advertising, this is to communicate the change to the public.

Recruitment Ad: This is used when the prime objective is to attract employment applications. Recruitment advertising, also known as Recruitment Communications and Recruitment Agency,

Includes all communications used by an organization to attract talent to work within it.

Recruitment advertisements may be the first impression of a company for many people, and the first impression the firm makes goes a long way to determining interest in the job opening being advertised. Recruitment advertisements typically have a uniform layout and contain the following elements:

Limitations of corporate advertising.

1. It limits the amount of self-promotion that is possible.

Most forms of cooperative advertising are designed to primarily promote the lead brand with the strongest outreach or following. Now if that is your business, you are setup in a good position. For most small businesses, however, that means they are ceding most of the time or space in the advertisement to the other brands, manufacturers, or distributors involved.

2. It requires additional administrative work.

The amount of time it takes to process the paperwork involved with cooperative advertising often reduces the value it is able to provide. Companies taking advantage of available co-op dollars must provide evidence that they are spending the money in a manner that is authorized. Small businesses might even be required to use specific vendors or media outlets for the final product, even if that is a venue they don't think will be effective.

3. It may require specific audience targeting.

Some cooperative advertising opportunities are only available when a business is willing to target a specific audience demographic. If demographic is not within the primary audience for the business involved, then the advertising revenues being spent may have a minimal impact. For some small businesses, the cost to reach their preferred audience, with the inclusion of co-op dollars, may be several thousand dollars higher than if they simply agree to follow the money trail.

4. It may provide the wrong messaging to certain customers.

Cooperative advertising may create messages, which go against the mission or vision of one of the companies involved. This is often seen when small businesses want to promote low product costs, while the provider of co-op dollars might wish to present a high-end image to upscale consumers. When the wrong message is directed to the consumer base, it may affect the total number of future customers, which may access the brand later on.

5. It may create conflicts in the design of the advertising.

There may be different objectives in play for the different companies involved in the cooperative advertising effort. Those objectives may be different enough that only one company would benefit from the release of the marketing materials. In circumstances like this, tension is placed on the relationship between each party, which makes it more difficult to do business with one another in the future. Some co-op deals can even lead to the cancellation of vendor or manufacturing contracts.

6. It can result in funding issues that may affect certain companies.

In some co-op advertising relationships, one company may be asked to front the capital for the marketing efforts. In return, the other company provides ongoing payments to compensate for their share of the expenses. Franchisees may be asked to pay a specific percentage of their sales in an advertising royalty to gain access to co-op advertising where they may have zero control over the creative. If the structures are not equal from the very start, a contract for cooperative advertising may only benefit the company with the better financial structure in the arrangement.

7.It may be limited to one specific medium.

Many co-op advertising arrangements are limited to a medium that has been previously approved by the other brand. For a small business, that might mean they are stuck with the higher costs of television advertising, even though they feel like radio is a better option for their message. Even though there may be tangible reasons why one specific medium is preferred over others, the uniqueness of each business can be limited by the need to stick with approved resources.

Monitoring, Evaluation and control

Monitoring, Evaluation and control: Measurement in advertising, various methods used for evaluation, Pre-testing, Post testing.

Measuring/Evaluating Advertising effectiveness refers to evaluation of advertising results against the pre-established standards of performance and objectives. Advertising objectives can be sales objectives or communication objectives. In evaluation process it is estimated up to what extent advertising campaign has been able to achieve its sales or communication objectives.

1. Message evaluation:

Message evaluation refers to testing the effectiveness of message [how much the message reached to the customers]

Methods of message evaluation:

1. Concept testing: It aimed at the actual content of the ad and impact that content has on potential customer
2. Recall test:
3. Recognition test
4. Attitude and opinion test

2. Behavioral Evaluation

This mechanism deals with evaluating the apparent customer response to the different advertising efforts. Consumer behavior includes enquiries, store visit, and actual buying. The company can evaluate consumer-buying behavior based on overall sales.

Types of Test

Following are the types of test applied in advertisement evaluation:

- Pre-Testing
- Concurrent Testing
- Post Testing

1. Pre-Testing

Pre-Testing follows the universal law "Prevention is better than cure". Advertising can be pretested at several points in the creative development process. Pre-Testing helps the advertiser to make a final go or no go decision about finished or nearly finished advertisement. Pre-Testing method refer to testing the potentiality of a communication message or ad-copy before printing, broadcasting, or telecasting. Following are the types of pre-testing methods:

A. Qualitative Methods of Pre-Testing

- **Focus Group:** Focus group involves exposing the ad to a group of 8 to 12 respondents. Focus groups are used with surprising frequency for making final go or no go decision. A moderator facilitates the discussion and walks the group through a series of issues that are outlined in discussion guide.
 - **In-depth Interview:** In-depth interview involve one on one discussion with respondents. Interviews are very effective when a researcher has a good idea of critical issues but does
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not have a sense of the kind of responses one will get. This method can be effectively used to generate new ad concepts and ideas.

- **Projective Techniques:** In this technique, the respondent is instructed to project himself into the situation and verbalize the thoughts. Projective technique can be very effective for evaluating ad concepts and for generating new ad concepts. However, it cannot be used for making final decisions.

B. Quantitative Methods of Pre-Testing

- **Checklist Method:** Checklist method is used to test the effectiveness of ad-copy. The purpose of this method is to ensure that all elements of the ad-copy are included with due importance in the advertisement. As it is a pre-test method any omitted element of ad can be included in the copy before release of the advertisement.
 - **Consumer Jury Method:** This method involves the exposure of alternative advertisements to a sample of jury or prospects. This test is designed to learn from a typical group of prospective customers. Advertisements which are unpublished are presented before the consumer jury either in personal interviews or group interviews and their reactions are observed and responses are recorded.
 - **Sales Area Test:** Under this method advertising campaign is run in the markets selected for testing purposes. The impact of the campaign is evaluated by actual sales in the selected markets. The market with high sales is considered the best market for effective sales campaign. In other markets, suitable changes are made in the advertising campaign.
 - **Questionnaire Method:** It is a list of questions related to an experiment. The draft of an advertisement along with some relevant questions is to be sent to a group of target consumers or advertising experts. Their opinions are collected and analyzed to find out whether the proposed advertisement is satisfactory or not.
 - **Recall Test:** Under this method, advertising copies are shown to a group of prospects. After few minutes, they are asked to recall and reproduce them. This method is used to find out how far the advertisements are impressive.
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- **Reaction Test:** The potential effect of an advertisement is judged with the help of certain instruments, which measure heartbeats, blood pressure, pupil dilation etc. Their reactions reveal the psychological or nervous effects of advertising.

2. Concurrent Testing

Concurrent testing is evaluated throughout the whole advertisement execution process. Tests are conducted while audience is exposed to different type of media. Following are the types of concurrent testing methods:

- **Consumer Diaries:** Diaries are provided to a selected customers. They are also informed to record the details of advertisements they watch, listen, or read. The diaries are collected periodically. The result obtained from such a survey reveals the effectiveness of advertisement.
- **Co-incidental Surveys:** This method is also called as co-incidental telephone method. Under this method, samples of customers are selected and calls are made at the time of broadcast of the advertisement programme. The data obtained and analyzed will give a picture about the effectiveness of an advertisement.
- **Electronic Devices:** Now day's electronic devices are widely used to measure the effectiveness of an advertisement. They are mainly used in broadcast media. These are auto meters, track electronic units etc.

3. Post Testing

Post testing is done to know- to what extent the advertising objectives are achieved.

Following are the types of post testing methods:

- **Recognition Test:** Recognition test involves the ability of viewers to correctly identify ad, brand, or message they previously exposed to. The types of recognition test are:
 - **Starch Test** - The Starch test is applied only to print ads that have already run. The interviewer shows each respondent a magazine or newspaper containing the ads being tested. For each ad, the interviewer asks the respondents to reply to ad related questions.
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- **Bruzzone Test** - The Brazened test is conducted through mail surveys. Questionnaires containing frames and audio scripts from television commercials are sent to respondents and respondents are asked whether they recognize the ad and brand.
 - **Recall or Impact Test:** The recall test is designed to measure the impression of readers or viewers of the advertisement. If a reader has a favorable impression of the advertisement, he will certainly retain something of the advertisement. The measures of interest would be obtained by interviewing the readers, viewers, or listeners, days after the advertisement or commercial is appeared in the newspaper, or on TV Interviewer asks the readers or viewers to answer some ad related questions, and in response to the question asked, the reader reveals the accuracy and depth of his impression.

International Advertising: Global environment in advertising, Decision areas in international advertising Internet advertising: Meaning, Components, Advantages and Limitations, Types of Internet advertising Industrial advertising: B 2 B Communication, Special issues in Industrial selling.

International Advertising:

International advertising entails dissemination of a commercial message to target audiences in more than one country. Target audiences differ from country to country in terms of how they perceive or interpret symbols or stimuli; respond to humor or emotional appeals, as well as in levels of literacy and languages spoken. How the advertising function is organized also varies. In some cases, multinational firms centralize advertising decisions and budgets and use the same or a limited number of agencies worldwide. In other cases, budgets are decentralized and placed in the hands of local subsidiaries, resulting in greater use of local advertising agencies.

Global environment in advertising:

1] Economic Environment

2] Cultural Environment

3] Demographic Environment

4] Political/Legal Environment

1] Economic Environment: A country's economic condition reflects the buying behavior of the country. Consumers generally have higher level of income in well-developed countries like USA, Japan, and Canada etc. so the company can choose these countries for advertising their products.

2] Cultural Environment: culture is another important aspect of international marketing. Cultural variables such as Language, customs, Attitude, lifestyle, Values, Tastes and preferences play a major role in international marketing.

3] Demographic Environment: Demographic factors like Age, Education, Income, Household size, Employment rate, occupation and literacy rate etc affect the marketing environment.

4] Political/Legal Environment: The Company should aware of political and legal environment before entering to that country. Political Environment influences the business in various levels.

Decision areas in international advertising:

- 1] Global advertising objectives
- 2] Targeting Issues
- 3] Positioning the global brand
- 4] Setting the Budget
- 5] Executing the International campaign.

Advantages and limitations os International advertising:

Advantages:

- 1. Reduces cost:** If a company is manufacturing a good in larger quantities it automatically reduces its cost. Therefore, if companies operate in international market it gains cost competency in local and global market.
- 2. Can deal with seasonal fluctuations:** A company manufacturing winter wears will have a market demand for a limited time if it is operating in just one market. So to deal with such kind of situations companies need to go globally to create demand for their products.
- 3. Increases profit:** more sales equals to more profit. Therefore, it is beneficial for companies to enter International markets
- 4. Earns foreign exchange:** operating in other countries helps a company earn foreign exchange for the country.
- 5. Employment:** it helps create employment home country and host country.

Dis-advantages

- 1. Different culture:** It is not necessary that the company would find same culture in both home country and host country.
- 2. War:** if in any case a war breaks in host country then the company will be at loss.
- 3. Infrastructure:** infrastructure in the host country may not be that developed which might create barriers for the company.
- 4. Government rules:** rules of the government in host country might not be very supporting.
- 5. Marketing mix:** Company might have to develop a totally different marketing mix for its product in host country than in home country, which will incur cost.

Internet advertising:

Online advertising, also known as online marketing, Internet advertising, digital advertising or web advertising, is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. Many consumers find online advertising disruptive and have increasingly turned to ad blocking for a variety of reasons.

Components of internet advertising:

- Search engine optimization (SEO)
- Pay-per-click advertising (PPC)
- Web design.
- Content marketing.
- Social media marketing.
- Email marketing.

Advantages of internet marketing:

- Convenience and Quick Service.
- Low Cost for Operations.
- Easy to Measure and Track Results.
- Demographic Targeting.
- Global Marketing.
- Ability to Multitask.

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- 24/7 Marketing.
 - Automated, Tech-Savvy Marketing.

Dis-Advantages of internet marketing:

1. Measurement problems
2. Web-Snarl
3. Clutter
4. Privacy issues
5. Irritations.

Industrial Advertising

Company advertising its products and services to the companies which actually use the same as raw materials.

The role of B2B advertising is to

- 1] Create awareness
- 2] Increasing sales efficiency
- 3] Increasing Personal selling
- 4] Supporting channel members

Special issues in industrial selling:

1] market related issues:

- A. Size of the market is small
- B. Geographically concentrated
- C. High Competition

2] Product related issues: In B2B selling the product must be according to the specifications given by the customer company. Because it is used as the component part to produce finished product.

3| Price Related issues: The products are sold to consumers based on the MRP by the retailers in B2C market, whereas in B2B selling the price depends on Competitive bidding and price negotiations.

4| Promotional related issues: When it comes to industrial selling the company should use the tools like Trade journals, sales promotion activity, Trade shows, Catalogs, which normally cost more.

5| Channel related issues: In B2C, there is multi-level distribution channel, which consists of wholesalers, Retailers, Middlemen etc.. However, in B2B, the company should use its OWN sales/marketing personnel.

6| Buying Behavior related issues:

Buying behavior in B2B marketing is more dependent on Product Specifications, Product quality, Availability, timely supply, Acceptable payment rather than social and Psychological needs.
