Chapter 5 Integration With Marketing

ABSTRACT

Sales promotion is an integral part of sales and marketing today. They are of two types – consumer promotion and trade promotion. Consumer promotion is run to entice consumers to the retail outlets and purchase the product. It also helps in building awareness and is normally run for a short period of time. Trade promotions are run to motivate the trade and the intermediaries to sell more of the product. It is a push strategy where the intermediaries try to sell more to the consumers. The downside of sales promotion is that when run repeatedly, or for a very long period of time, the brand image of the product is harmed. Sales promotions has to be run in synchronization with the integrated marketing communications plan of the brand or the product. These are normally high-profile events with lot of consumer attention through the media. More often than not, sales promotion is supported by media exposure and other communication methods, and hence, they have to be in sync with each other. The processes of buying and selling runs parallel and hence the integrated marketing communications along with sales promotion plans must take cognizance of the stage at which the product and the market is operating. While doing all these, the marketer as well as the sales team must keep in mind that there is a lot of difference between FMCG and consumer durable sales. The depth and width of distribution are completely different. The nature of intermediaries is completely different and hence the selling process also has to be quite different. International sales management is also a different cup of tea and this expertise comes over years of experience. One thing that has gained in importance in sales management and operations is ethics. This needs to be inculcated in the DNA of the sales team – right from the top to the bottom of the hierarchy.

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LEARNING OBJECTIVES:

- Sales promotion and their benefits
- Types and nature of sales promotions
- Impact of Integrated Marketing Communication (IMC) on sales
- Parallel process of buying and selling
- Consumer durables versus FMCG sales
- International Sales Management
- Ethics in Sales

INTRODUCTION

Sales Promotion

Sales and marketing go hand-in-hand. In fact, till now, sales is part of the marketing department only. As has been discussed in the earlier chapters, marketing and sales coordination is very important in order to synchronize the pull and push of products and brands to the customer. One such important coordination points is sales promotion. American Marketing Association has defined sales promotion in the following manner: "In a specific sense, sales promotion includes those sales activities that supplement both personal selling and advertising and coordinate them and help to make them effective, such as displays, shows and expositions, demonstrations and other non-recurrent selling efforts, not in the ordinary routine" (American Marketing Association, n.d.). Sales promotion is for a specific and preferably short period of time where the main purpose is to provide incentives to the customer to buy their product/brand.

Types of Sales Promotion

Sales promotions are fundamentally of two types. They are: (A) consumer promotion, and (B) trade promotion. Consumer promotion is targeted at the consumer – a typical example being the company offering three shirts for the price of one, directly to the consumers. Here the trade does not get anything extra from the scheme except additional sales. There is normally full support of advertising announcing the scheme to the consumers and the trade is expected

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