**PROMOTION MIX**

**PHARMACEUTICAL MARKETING**

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**PROMOTION MIX**

**According to Philip kotler**; promotion includes all the activities the company undertakes to communicate and promote its products to the target market.

The fourth element of the 4 P’s of Marketing Mix is the promotion; that focuses on creating the awareness and persuading the customers to initiate the purchase, which is considered as a mode of communication that business adopts for achieving the specific set of objectives such as:

* To provide information about the availability of features and uses of the product to the prospective buyers.
* To stimulate demand for a product by creating awareness and interest among the customers.
* To differentiate the product from the competitor’s product by creating the brand loyalty.
* To stabilize sales by highlighting the importance and features of the product.
* Reduce purchase risk
* Increase demand of a product

Basically, there are four Kinds of Promotion that companies adopt:

1. Informative promotion

2. Persuasive promotion

3. Reminder promotion

4. Buyer Behavior Modifications

Promotion represents “voice” of company and its brand. The several tools that facilitate the promotion objective of a firm are collectively known as the Promotion Mix.

**PROMOTION MIX:**

A company’s total promotion mix also called its marketing communications mix consist of the specific blends of advertising, public relations, personnel selling, sales promotion and direct marketing tools that the company uses to engage consumers , persuasively communicate customer value and build customer relationship.

**ELEMENTS OF PROMOTION MIX**

1. **ADVERTISING:** Advertising is “any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.” The complete information along with the attractive graphics of the product or service can be shown to the customers that grab their attention and influences the purchase decision. Advertising is around us all the time—for example, ads are on television and radio, in newspapers and magazines, in train stations and on trains, on the sides and inside of buses, in public restrooms, in taxis, on websites, and on billboards. Small businesses must choose advertising media (e.g., radio, television, newspapers, billboards, the Internet, and magazines) based on its product, target audience, and budget. Advertising offers several **advantages** to the small business. For example, advertising is able to reach a diverse and geographically dispersed audience; it allows the seller to repeat a message many times; and it provides the opportunity for dramatizing the company and its products through the artful use of print, color, and sound. **Disadvantage** includes, difficult to determine effectiveness, false advertisement, only advertisement is not enough for product promotion.
2. **PERSONAL SELLING:** Personal selling, “the process of communicating with a potential buyer (or buyers) face-to-face with the purpose of selling a product or service” This is one of the traditional forms of promotional tool wherein the salesman interacts with the customer directly by visiting them. It is a face to face interaction between the company representative and the customer with the objective to influence the customer to purchase the product or services. Although personal selling plays an important role in the sale of consumer products, it is even more important in the sale of industrial and business products. More than four times as many personal selling activities are directed toward industrial and business customers than toward consumers.

 **Objectives** of Personal Selling,

* **Building product awareness**
* **Creating interest**
* **Providing information**
* **Stimulating demand.**
* **Reinforcing the brand**

Like all other forms of marketing communications, personal selling offers both advantages and disadvantages. On the **plus side,** personal selling is flexible and dynamic, providing companies with the best opportunity to tailor a message to satisfy customers’ needs. Personal selling can help a small business to build strong, loyal relationships with customers and consumers. The biggest **disadvantage** may be the negative perceptions that many people have of salespeople: pushy, annoying, slippery, and willing to do anything for the sale—whether legal or not. The reality, of course, is that most salespeople (unfortunately, not all) do not fit this stereotype. The successful salesperson is the person who focuses his or her efforts on satisfying customers over the long term. . Also on the negative side is the high cost of personal selling.

**The traditional sales process is typically seen as a series of six steps**:

1. **Prospecting and qualifying.** Locating potential customers who have a need for a product and the ability to pay for it.
2. **Pre-approach.** It is important to learn as much about a prospect as you can. For example, you want to know about the prospect’s needs, attitudes about available products and brands, critical product attributes and benefits desired, and current vendor(s).
3. **Presentation and demonstration.** This is where the salesperson tells the product “story” to the buyer: the product’s features, advantages, benefits, and value.
4. **Overcoming objections.** You should expect customers to pose objections. The key to overcoming these objections is to maintain a positive approach.
5. **Closing.** This is when the salesperson asks the prospect to buy the product.
6. **Follow-up and maintenance.** These activities are necessary for customer satisfaction and repeat business.
7. **SALES PROMOTION:** Given the expense of advertising and the fact that consumers are exposed to so many advertising messages every day, many companies correctly believe that advertising alone is not enough to get people to try a product a product or a service. Enter lower-cost sales promotion techniques. Sales promotion refers to the variety of short-term incentives to encourage trial or purchase of a product or a service. Examples of commonly used sales promotions include contests, sweepstakes, coupons, premiums and gifts, product samples, rebates, low-interest financing, price discounting, point-of-sale displays, and frequent user or loyalty programs. The sales promotion is the short term incentives given to the customers to have an increased sale for a given period .Generally, the sales promotion schemes are floated in the market at the time of festivals or the end of the season. **Sales Promotion** **Advantages,** **attracting new customers with price,** **gain community favor,** **encourage repeat purchases,** **entice reluctant customers (**Giving away a free product or service is usually a good way to get people to try a product or a service for the first time) **providing information**. Sales promotions can be delivered to the customer in a variety of ways, such as snail mail (US Postal Service), in person, in local new newspapers and regional editions of national magazines, on television and radio, in e-mail, on websites, and in electronic coupons that are sent to a customer’s mobile device

## PUBLIC RELATIONS AND PUBLICITY: Public relations (PR) and publicity are designed to promote a company’s image or its individual products. The marketers try to build a favourable image in the market by creating relations with the general public. The companies carry out several public relations campaigns with the objective to have a support of all the people associated with it either directly or indirectly. The public comprises of the customers, employees, suppliers, distributors, shareholders, government and the society as a whole. The publicity is one of the form of public relations that the company may use with the intention to bring newsworthy information to the public. Traditional PR tools include press releases and press kits that are sent to the media to generate positive press on behalf of the business. Other common platforms include speeches, seminars (online and offline), brochures, newsletters, annual reports, charitable donations, community relations, and company magazines.

1. **DIRECT MARKETING**: Direct marketing is the “promotion of a product from the producer directly to the consumer or business user without the use of any type of channel members.” With the intent of technology, companies reach customers directly without any intermediaries or any paid medium. Common direct marketing platforms include catalogs; direct mailing; telemarketing; television shopping; electronic shopping; fax mail; voice mail; blogs; websites e-mails, text messages, Fax, are some of the tools of direct marketing. Direct marketing offers several **advantages** such as **flexible targeting, customized messages, up-to-date, low cost, control and accountability.**

Thus, the companies can use any tool of the promotion mix depending on the nature of a product as well as the overall objective of the firm.

# FACTORS AFFECTING PROMOTION MIX:

The management must consider the following factors in determining the promotion mix, these are:

1. **Nature of Product:** The different type of product requires different promotional tools. Such as, for the industrial products Viz. Machinery, equipment or land personal selling is more appropriate as a great deal of pre-sale and after-sale services is required to sell and install such products. On the other hand, advertising and publicity are more suitable for the consumer goods, especially the convenience goods.
2. **Nature of Market**: The number and location of customers greatly influence the promotion mix. In case the group of potential customers is small and are concentrated in a particular locality, then personal selling is more likely to be effective. Whereas, if the customer base is large and widespread, then the blend of advertising, personal selling, and the sales promotion is required to sell the product. Also, the type of customers influences the managerial decisions of the promotion mix. The type of promotion for the urban, educated and institutional customers would be different as compared to the rural, illiterate and household customers.
3. **Stage of Product’s Life:** The promotion mix changes as the product moves along its life cycle. During the introduction stage, the principal objective of the promotion is to create the primary demand by emphasizing the product’s features, utility, etc. therefore, the blend of advertising and publicity is required. As the product reaches its maturity stage the advertising and personal selling is required to maintain the demand of the customers. And finally, during the decline stage the expenses on other promotional activities are cut, and more emphasis is laid on sales promotion with the intent to push up the declining sales.
4. **Availability of Funds:** The marketing budget also decides the promotion mix. If the funds available for the promotion are large, then the blend of promotional tools can be used, whereas in the case the funds are limited then the management must choose the promotional tool wisely.
5. **Nature of Technique:** Each element of the promotional mix has unique features that significantly influences the purpose of promotion. Such as, the advertising is an impersonal mode of communication that reaches a large group of customers. Its expression can be amplified with the use of colors and sound that helps in developing the long lasting brand image in the minds of the customer.
6. **Promotional Strategy:** The promotion mix largely depends on the company’s promotional strategy, i.e. whether it accepts the Push Strategy or a Pull Strategy. In a Push strategy, personal selling and trade promotion are likely to be more effective. In the case of a Pull Strategy, advertising and consumer promotion are more appropriate.
7. **Readiness of Buyer:** Different promotional tools are required at different stages of buyer readiness. Such as, at the comprehension stage, the blend of advertising and personal selling plays a vital role. Whereas at the conviction stage, personal selling is more effective. At the time of sales closure, the blend of sales promotion and personal selling is likely to be more effective. Hence, the advertising and publicity are more effective at the early stages of buying decision process while the sales promotion and personal selling are more effective during the later stages.

**PROMOTION METHOD**

These methods are used to set the total promotion budget. There are four method:

**1- Affordable method**: company set promotion budget which they can easily afford.small companies often use this method because they think that they set the budget at a level the company cannot spend more on advertising. But the negative side of this method ignore the effects of promotion on sales.

**2- Percentage of sales methods:** is to set the promotional budget at a certain percentage of current or forecasted sales or unit sales price. Advantages: easy to use, and help management think about the relationship between promotion, selling price and profit per unit. Disadvantage is promotion depends on funds, if sale of product decreases then promotion also decreases.

**3-Competitive-parity method:** companies set their promotion budget to match the competitor’s outlays. Advantages includes represents company standards, avoid promotion wars.

**4-Objective and task method:** Companies set budget according to their goals which objectives they want to achieve.it includes, defining promotion objectives, determing tasks to achieve the objectives, estimate costs.

**MARKETING MIX PROMOTION STRATEGIES**

The two promotional strategies which is applied to get the product to the target market is Push and Pull Strategy. While in **Push strategy**, the idea is to push the company’s product onto customers by making them aware of it, at the point of purchase. **Pull strategy**, relies on the notion, “to get the customers come to you”. The two types of strategies differ, in the way consumers are approached.

**PUSH STRATEGY:** The strategy wherein marketing channels are used to push the product or service to sales channel is called push strategy. It explains the movement of products & services and information through intermediaries to the final consumer. In this strategy, the company takes their product to the customers, who are neither aware of it nor seeking it but the product is introduced to them, through various promotional activities.

**PULL STRATEGY:** The business strategy which aims at generating interest or demand for a particular product or service of the target audience, in a way that they demand the product or service from the channel partners, is called pull strategy. In this strategy, the consumer demands are intensified by directing marketing strategies on them, which results in the ‘pulling’ of products. Pull strategy uses methods like social networking, blogging, word of mouth, strategic placement of a product, media coverage and so on, for reaching a large audience.

**Comparison between push and pull strategy:**

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| --- | --- | --- |
| **Basis For Comparison** | **Push Strategy** | **Pull Strategy** |
| **Meaning** | Push strategy is a strategy that involves direction of marketing efforts to channel partners. | Pull strategy is a strategy that involves promotion of marketing efforts to the final consumer. |
| **What is it?** | A strategy in which third party stocks company's product. | A strategy in which customers demand company's product from sellers. |
| **Objective** | To make customer aware of the product or brand. | To encourage customer to seek the product or brand. |
| **Uses** | Sales force, Trade promotion, money etc. | Advertising, Promotion and other forms of communication. |
| **Emphasis on** | Resource Allocation | Responsiveness |
| **Suitability** | When the brand loyalty is low. Suitable for new products. | When the brand loyalty is high. Suitable for established products. |
| **Lead Time** | Long | Short |
| **Procedure** | Involves channels* Manufacturer promotes to wholesaler
* Wholesaler promotes to retailer
* Retailer promotes to consumer
* Consumer –buy products
 | Involves channels* Manufacturer promotes to consumers
* Consumer demand retailer
* Retailer promotes to wholesaler
* Wholesaler demands to manufacturer
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