



CHAPTER - 11

MARKETING

MANAGEMENT

WHAT IS MARKET

In the traditional sense, the term 'market' refers to the place where buyers and sellers gather to enter into transactions involving the exchange of goods and services.

But in modern marketing sense, the term market refers to a set of actual and potential buyers of a product or service.

WHAT IS MARKETING

Marketing is the sum total of all these activities which move goods and services from producers to consumers. A number of activities, such as product designing or merchandising, packaging, warehousing, transportation, branding, selling, advertising and pricing are required.

DEFINITION OF MARKETING

Phillip Kotler has defined marketing as, "a social process by which individual groups obtain what they need and want through creating offerings and freely exchanging products and services of value with others".

FEATURES OF MARKETING

1. Needs and Wants: - A marketer's job in an organisation is to identify needs of the target customers and develop products and services that satisfy such needs.

2. Creating a Market Offering: - Market offering refers to a complete offer for a product or service, having given features like size, quality, taste, etc. at a certain price; available at a given outlet or location and so on.

3. Customer Value: - The job of a marketer, therefore, is to add to the value of the product so that the customers prefer it in relation to the competing products and decide to purchase it.

4. Exchange Mechanism: - The process of marketing works through the exchange mechanism. Exchange refers to the process through which two or more parties come together to obtain the desired product or service from someone, offering the same by giving something in return.

WHAT CAN BE MARKETED

Anything that is of value to the other can be marketed. It can be a product, or a service or a person or a place or an ideas or an event or an organisation or experience or properties.

WHO IS A MARKETER?

Anybody, who takes more active role in the exchange process will be taken as the marketer.

MARKETING MANAGEMENT

Marketing management refers to planning, organising, directing and control of the activities which facilitate exchange of goods and services between producers and consumers or users of products and services.

Philip kotler has defined Marketing management as the art and science of choosing target markets and getting, keeping and growing customers

through creating, delivering and communicating superior customer values of management.

MARKETING VERSUS SELLING

Marketing involves whole range of activities relating to planning, pricing, promoting and distributing the products that satisfy customer's needs.

The function of selling, on the other hand, is restricted to promotion of goods and services through salesmanship, advertising, publicity and short-term incentives so that title of the product is transferred from seller to buyer or in other words product is converted into cash.

DIFFERENCE BETWEEN MARKETING AND SELLING

BASIS OF DISTINCTION	MARKETING	SELLING
1. Part of Process vs wider Term	Marketing is a much wider term consisting of number of activities such as identification of the Customer's need, developing of the product to satisfy these needs, fixing prices, and persuading the potential buyer to buy the same.	Selling is only a part of the process of the marketing and is concerned with the promoting and transferring possession and ownership of by goods from seller to the buyer.
2. Transfer of Title vs Customer Satisfaction	The main focus is on achieving maximum satisfaction of the Consumer needs.	The main focus is on transfer of ownership of the product from seller to the buyer

3.Profit through Sales vs Customer Satisfaction	With a view to earning profit, priority is given to consumer's satisfaction.	To earn profit preference is given to maximum sales. To earn profit preference is given to maximum sales.
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MARKETING MANAGEMENT PHILOSOPHIES

Under the marketing management philosophy, there is five concept.

1. PRODUCTION CONCEPT

In the production concept the focus of business activities was on production of goods. It was believed that profits could be maximised by producing at large scale, thereby reducing the average cost of production. It was also assumed that consumers would favour those products which were widely available at an affordable price.

2. PRODUCT CONCEPT

Mere availability and low price of the product could not ensure increased sale and as such the survival and growth of the firm. Therefore, the emphasis of the firms shifted from quantity of production to quality of products. The focus of business activity changed to bringing continuous improvement in the quality, incorporating new features, etc.

3. SELLING CONCEPT

With the passage of time, the marketing environment underwent further change. It was assumed that the customers would not buy, or not buy

enough, unless they are adequately convinced and motivated to do so. Therefore, firms must undertake aggressive selling and promotional efforts to make customers buy their products. The use of promotional techniques such as advertising, personal selling and sales promotion were considered essential for selling of products.

4. MARKETING CONCEPT

Marketing orientation implies that focus on satisfaction of customer's needs is the key to the success of any organisation in the market. It assumes that in the long run an organisation can achieve its objective of maximisation of profit by identifying the needs of its present and prospective buyers and satisfying them in an effective way. All the decisions in a firm are taken from the point of view of the customers.

5. THE SOCIETAL MARKETING CONCEPT

The societal marketing concept is the extension of the marketing concept as supplemented by the concern for the long-term welfare of the society. Apart from the customer satisfaction, it pays attention to the social, ethical and ecological aspects of marketing.

FUNCTION OF MARKETING

1. Gathering and Analysing Market Information: One of the important functions of a marketer is to gather and analyse market information. This is important for making an analysis of the available opportunities and threats as well as strengths and weaknesses of the organisation and help in deciding what opportunities can best be pursued by it.

2. Marketing Planning: Another important activity or area of work of a marketer is to develop appropriate marketing plans so that the marketing objectives of the organisation can be achieved.

3. Product Designing and Development: The design of the product contributes to making the product attractive to the target customers. A good design can improve performance of a product and also give it a competitive advantage in the market.

4. Standardisation and Grading: Standardisation ensures the buyers that goods conform to the predetermined standards of quality, price and packaging and reduces the need for inspection, testing and evaluation of the products.

Grading is the process of classification of products into different groups, on the basis of some of its important characteristics such as quality, size, etc.

5. Packaging and Labelling: Packaging refers to designing and developing the package for the products. Labelling refers to designing and developing the label to be put on the package. The label may vary from a simple tag to complex graphics.

6. Branding: A very important decision area for marketing of most consumer products is whether to sell the product in its generic name or to sell them in a brand name.

7. Customer Support Services: A very important function of the marketing management relates to developing customer support services such as after sales services, handling customer complaints and adjustments, procuring credit services, maintenance services, technical services and consumer information.

8. Pricing of Product: Price of product refers to the amount of money customers have to pay to obtain a product. Generally lower the price, higher would be the demand for the product and vice-versa. The marketers have to properly analyse the factors determining the price of a product.

9. Promotion: Promotion of products and services involves informing the customers about the firm's product, its features, etc., and persuading them to purchase these products.

10. Physical Distribution: The two major decision areas under this function include (a) decision regarding channels of distribution or the marketing intermediaries (like wholesalers, retailers) to be used and (b) physical movement of the product from where it is produced to a place where it is required by the customers for their consumption or use.

11. Transportation: Transportation involves physical movement of goods from one place to the other.

12. Storage or Warehousing: Usually there is a time gap between the production and procurement of goods and their sale or use. It may be because of irregular demand for the products.

ROLE OF MARKETING

All marketing organisation operates either to earn profit or pursue some other goals. Whether it is a profit organisation, or non-profit organisation, marketing plays an important role in achieving its objectives. It helps the individual consumer's in raising their standard of living by making them available the significant role in the economic development of a nation.

(A) Role in a firm

The modern concept of marketing plays a significant role in achieving objectives of a firm. It emphasis that customer satisfaction is the key to the survival and growth of an organisation in the competitive marketing environment. By adopting market orientation, an organisation whether profit making or non - profit making, can achieve its goals in the most effective manner.

(B) Role in the Economy

Marketing plays a significant role in the development of an economy. It acts as a catalyst in the economic development of a country and help in raising the standard of living of the people. It can inspire people to undertake new activities and to set up enterprises for producing goods that are needed by the customers.

MARKETING MIX

Marketing mix refers to the aggregate of policies formulated with a view of successful completing the different marketing activities.

DEFINITION OF MARKETING MIX

According to R.S. Davar, “The policies adopted by manufacturers to attain success in the market constitute the marketing mix.

ELEMENTS OF MARKETING MIX

The marketing mix consists of various elements, which have broadly been classified into four categories, popularly known as four Ps of marketing. These are: (i) Product, (ii) Price, (iii) Place, and (iv) Promotion.

1. Product: Product means goods or services or ‘anything of value’, which is offered to the market for sale. The important product decisions include deciding about the features, quality, packaging, labelling and branding of the products.

2. Price: Price is the amount of money customers have to pay to obtain the product. In case of most of the products, level of price affects the level of their demand.

3. Place: Place or Physical Distribution include activities that make firm's products available to the target customers. Important decision areas in this respect include selection of dealers or intermediaries to reach the customers, providing support to the intermediaries.

4. Promotion: Promotion of products and services include activities that communicate availability, features, merits, etc., of the products to the target customers and persuade them to buy it.

PRODUCTS

The word Product is used to refer only to the physical or tangible attributes of a product. E.g. car or cell phone etc.

From the customer's point of view, a product is a bundle of utilities, which is purchased because of its capability to provide satisfaction of certain need.

CLASSIFICATION OF PRODUCTS

Products may broadly be classified into two categories — (i) consumers' products, and (ii) industrial products.

(i) CONSUMER PRODUCTS

Products, which are purchased by the ultimate consumers or users for satisfying their personal needs and desires are referred to as consumer products.

The consumer product have been classified on the basis of two important factor: (a) the extent of shopping efforts involved (b) durability of product.

(a) The extent of shopping efforts involved

On the basis of the time and effort buyer are willing to spend in the purchase of product, we can classify the consumer product into following three categories.

1. Convenience Products:

Those consumer products, which are purchased frequently, immediately and with least time and efforts are referred to as convenience goods. Examples of such products are cigarettes, ice creams, medicines, newspaper, stationery items toothpaste etc.

2. Shopping Products:

Shopping products are those consumer goods where buyers devote considerable time, to compare the quality, price, style, suitability, etc., at several stores, before making final purchase. Some of the examples of shopping products are clothes, shoes, jewellery, furniture, radio, television, etc.

3. Specialty Products:

Specialty products are those consumer goods which have certain special features because of which people make special efforts in their purchase. For example, if there is a rare collection of artwork or of antiques

(b) Durability of Products

On the basis of their durability, the consumer products have been classified into three categories— Durable, Non-durable and Services.

1. Non-durable Products: The consumer products which are normally consumed in one or few uses are called non-durable products. For example, products like toothpaste, detergents, bathing soap and stationary products etc.

2. Durable Products: Those tangible consumer products which normally survive many years, for example, refrigerator, radio, bicycle, sewing machine and kitchen gadgets are referred to as durable products.

3. Services: By services we mean those intangible activities, benefits which are offered for sale, e.g., dry cleaning, watch repairs, hair cutting, postal services, services offered by a doctor, an architect and a lawyer.

(ii) INDUSTRIAL PRODUCTS

Industrial products are those products, which are used as inputs in producing other products. The examples of such products are raw materials, engines, lubricants, machines, tools, etc.

Classification

The industrial goods are classified into the following major categories:

(i) Materials and Parts: These include goods that enter the manufacture's products completely. Such goods are of two types:

(a) raw material: including farm products like cotton, sugar cane, oil seed and natural products such as minerals (say crude petroleum, iron ore), fish and lumber; and

(b) Manufactured material and parts: These are again of two types – component materials like glass, iron, plastic and component parts such as tyre, electric bulb, steering, and battery.

(ii) Capital Items: These are such goods that are used in the production of finished goods. These include: (a) installations like elevators, mainframe Computers, and (b) equipment's like Hand Tools, Personal Computer, Fax Machines, etc.

(iii) Supplies and Business Services: These are short lasting goods and services that facilitate developing or managing the finished product. These include: (a) maintenance and repair items like Paint, Nails, etc., and (b) operating supplies like Lubricant, Computer Stationary, Writing Paper, etc.

BRANDING

Generic name refers to the name of the whole class of the product. For example, a book, a wristwatch, tyre, camera, toilet soap, etc.

If products were sold by generic names, it would be very difficult for the marketers to distinguish their products from that of their competitors. Thus, most marketers give a name to their product, which helps in identifying and distinguishing their products from the competitors' products. This process of giving a name or a sign or a symbol etc., to a product is called branding. The various terms relating to branding are as follows:

- 1. Brand:** A brand is a name, term, sign, symbol, design or some combination of them, used to identify the products from those of the competitors. For example, some of the common brands are Bata, Lifebuoy, Dunlop, and Parker.
- 2. Brand Name:** That part of a brand, which can be spoken, is called a brand name. In other words, brand name is the verbal component of a brand.
- 3. Brand Mark:** It appears in the form of a symbol, design, distinct colour scheme or lettering.
- 4. Trade Mark:** A brand or part of a brand that is given legal protection is called trademark. The protection is given against its use by other firms. Thus the firm, which got its brand registered, gets the exclusive right for its use.

CHARACTERISTICS OF GOOD BRAND NAME

Following are some of the considerations, which should be kept in mind while choosing a brand name.

- (i) The brand name should be short, easy to pronounce, spell, recognise and remember.**
- (ii) A brand should suggest the product's benefits and qualities.**

(iii) The brand name should be adaptable to packing or labelling requirements.

(iv) The brand name should be sufficiently versatile to accommodate new products, which are added to the product line.

(v) It should be capable of being registered and protected legally.

PACKAGING

Packaging refers to the act of designing and producing the container or wrapper of a product. Packaging plays a very important role in the marketing success or failure of many products, particularly the consumer non-durable products.

LEVELS OF PACKAGING

There can be three different levels of packaging. These are as below:

1. Primary Package: It refers to the product's immediate container. In some cases, the primary package is kept till the consumer is ready to use the product.

2. Secondary Packaging: It refers to additional layers of protection that are kept till the product is ready for use.

3. Transportation Packaging: It refers to further packaging components necessary for storage, identification or transportation.

IMPORTANCE OF PACKAGING

(i) Rising Standards of Health and Sanitation: Because of the increasing standards of living in the country, more and more people have started purchasing packed goods as the chances of adulteration in such goods are minimised.

(ii) Self Service Outlets: The self-service retail outlets are becoming very popular, particularly in major cities and towns. Because of this, some of the traditional role assigned to personal selling in respect of promotion has gone to packaging.

(iii) Innovational Opportunity: With the increasing use of packaging more innovational opportunity become available in this area for research.

(iv) Product Differentiation: Packaging is one of the very important means of creating product differentiation. The colour, size, material, etc., of package makes real difference in the perception of customers about the quality of the product.

FUNCTIONS OF PACKAGING

(i) Product Identification: Packaging greatly helps in identification of the products. A product is packed in special sized, coloured and shaped container for keeping its difference from the product of competitors.

(ii) Product Protection: Packaging protects the contents of a product from spoilage, breakage, leakage, pilferage, damage, climatic effect, etc. This kind of protection is required during storing, distribution and transportation of the product.

(iii) Facilitating Use of the Product: The size and shape of the package should be such that it should be convenient to open, handle and use for the consumers.

(iv) Product Promotion: Packaging is also used for promotion purposes.

LABELLING

Labelling refers to the process of preparing a label. A simple looking but important task in the marketing of goods related to designing the label to be put on the package. Labels are useful in providing detailed information about the product, its contents, method of use etc.

1. Describe the Product and specify its contents: one of the most important function of labels is to describe the product, its usage, cautions in use etc. and specify its content.

2. Identification of the Product or brand: The other important function performed by labels is to help in identifying the product or brand.

3. Grading of Products: Another important function performed by labels is to help grading the products into different categories. Sometimes marketers assign different grades to indicate different features or quality of the product.

4. Helps in Promotion of Products: A carefully designed label can attract attention and give reason to purchase. We see many product labels providing promotional messages

PRICING

When a product is bought, some money is paid for it. Price may therefore be defined as the amount of money paid by a buyer in consideration of the purchase of a product or a services.

FACTORS AFFECTING PRICE DETERMINATION

1. Product cost: This includes the cost of producing, distributing and selling the product.

There are broadly three types of costs: viz., Fixed Costs, Variable Costs and Semi Variable Costs.

Fixed costs are those costs, which do not vary with the level of activity of a firm say with the volume of production or sale.

Those costs which vary in direct proportion with the level of activity are called variable costs.

Semi variable costs are those costs which vary with the level of activity but not in direct proportion with it.

2. Extent of Competition in the Market: Price is affected by the nature and the degree of competition. Competitors' prices and their anticipated reactions must be considered before fixing the price of a product.

3. Government and Legal Regulations: In order to protect the interest of public against unfair practices in the field of price fixing, Government can intervene and regulate the price of commodities.

4. Pricing Objectives: Pricing objectives are another important factor affecting the fixation of the price of a product or a service. Generally the objective is stated to be maximise the profits.

5. Marketing Methods Used: Price fixation process is also affected by other elements of marketing such as distribution system, quality of salesmen employed, quality and amount of advertising, sales promotion

efforts, the type of packaging, product differentiation, credit facility and customer services provided.

PHYSICAL DISTRIBUTION

It is concerned with making the goods available at right place, so that people can purchase the same.

COMPONENTS OF PHYSICAL DISTRIBUTION

1. Order Processing: In a typical buyer-seller relationship, order placement is the first step. Products flow from manufacturers to customers via channel members while orders flow in the reverse direction, from customers to the manufacturers.

2. Transportation: Transportation is the means of carrying goods and raw materials from the point of production to the point of sale.

3. Warehousing: Warehousing refers to the act of storing and assorting products in order to create time utility in them. Generally larger the number of warehouses a firm has, lesser would be the time taken in serving customers at different locations but greater would be the cost of warehousing and vice-versa.

4. Inventory Control: A very important decision in respect of inventory is deciding about the level of inventory. Higher the level of inventory, higher will be the level of service to customers but the cost of carrying the inventory will also be high because lot of capital would be tied up in the stock.

PROMOTION

Promotion refers to the use of communication with the twin objective of informing potential customers about a product and persuading them to buy it.

PROMOTION MIX

Promotion mix refers to combination of promotional tools used by an organisation to achieve its communication objectives. Various tools of communication are used by the marketers to inform and persuade customers about their firm's products. These include: (i) Advertising, (ii) Personal Selling, (iii) Sales Promotion, and (iv) Publicity.

ADVERTISING

Advertising is perhaps the most commonly used tool of promotion. Advertising means providing knowledge about some special product or services or idea to potential customers so that they are stimulated to buy it.

DEFINITION OF ADVERTISING

In the words of C.L. Bowling, "Advertising can be described as the art of creating a demand for articles and services."

FEATURES OF ADVERTISING

1. Paid Form: - Only that attempt of the seller on which he has to spend some money to communicate information to the consumer is called advertising.

2. Impersonality: - The advertiser and the consumer do not come into personal contact.

3. Identified Sponsor: Advertising is undertaken by some identified individual or company, who makes the advertising efforts and also bears the cost of it.

MERITS OF ADVERTISING

Advertising, as a medium of communication, has the following merits:

(i) Mass Reach: Advertising is a medium through which a large number of people can be reached over a vast geographical area.

(ii) Enhancing Customer Satisfaction and Confidence: Advertising creates confidence amongst prospective buyers as they feel more comfortable and assured about the product quality and hence feel more satisfied.

(iv) Economy: Advertising is a very economical mode of communication if large number of people are to be reached.

LIMITATION OF ADVERTISING

1. Less Forceful: - It is less forceful than the personal selling as there is no compulsion on the prospects to pay attention to the message.

2. Lack of Feedback: - The evaluation of the effectiveness of advertising message is very difficult as there is no immediate and accurate feedback mechanism of the message that is delivered.

3. Inflexible: - Advertising is less flexible as the message is standardized and is not tailor made to the requirement of the different customer group.

4. Less Effective: - Repeated advertisement has turned out to be less effective.

OBJECTIONS TO ADVERTISING

It is important to examine the major criticisms against advertising.

1. Adds to Cost: The opponents of advertising argue that advertising unnecessarily adds to the cost of product, which is ultimately passed on to the buyers in the form of high prices.

2. Undermines Social Values: Another important criticism of advertising is that it undermines social values and promotes materialism. Some advertisements show new life styles, which don't find social approval.

3. Confuses the Buyers: Another criticism against advertisement is that so many products are being advertised which makes similar claims that the buyer gets confused as to which one is true and which one should be relied upon.

4. Encourages Sale of Inferior Products: Advertising does not distinguish between superior and inferior products and persuade people to purchase even the inferior products.

PERSONAL SELLING

Personal selling involves oral presentation of message in the form of conversation with one or more prospective customers for the purpose of making sales. It is a personal form of communication.

DEFINITION OF PERSONAL SELLING

According to Richard Buskrik, “Personal Selling consists of contracting perspective buyers of product personally”.

FEATURES OF PERSONAL SELLING

1. Personal Form: In personal selling a direct face-to-face dialogue takes place that involves an interactive relationship between the seller and the buyer.

2. Development of Relationship: Personal selling allows a salesperson to develop personal relationships with the prospective customers, which may become important in making sale.

3. Oral Conversation: - There is an oral conversation between the sales person and the buyer regarding the features of the product.

4. Quick Solution of Queries: -The prospective buyers can make inquiries regarding the product. Salesman answers these queries and removes any doubts in the mind of the buyer.

MERITS OF PERSONAL SELLING

(i) Flexibility: The sales presentation can be adjusted to fit the specific needs of the individual customers.

(ii) Direct Feedback: It is possible to take a direct feedback from the customer and to adapt the presentation according to the needs of the prospects.

(iii) Minimum Wastage: The wastage of efforts in personal selling can be minimised as company can decide the target customers before making any contact with them.

ROLE OF PERSONAL SELLING

Personal selling plays a very important role in the marketing of goods and services. The importance of personal selling to businessmen, customers and society.

IMPORTANCE TO BUSINESSMEN

Personal selling is a powerful tool for creating demand for a firm's products and increasing their sale. The importance of personal selling to a business organisation may be:

(i) Effective Promotional Tool: Personal selling is very effective promotional tool, which helps in influencing the prospects about the merits of a product and thereby increasing its sale.

(ii) Flexible Tool: It helps business persons in adopting their offer in varying purchase situations.

(iii) Minimises Wastage of Efforts: Compared with other tools of promotion, the possibility of wastage of efforts in personal selling is minimum.

(iv) Consumer Attention: There is an opportunity to detect the loss of consumer attention and interest in a personal selling situation.

(v) Lasting Relationship: Personal selling helps to develop lasting relationship between the sales persons and the customers, which is very important for achieving the objectives of business.

IMPORTANCE TO CUSTOMERS

(i) Help in Identifying Needs: Personal selling helps the customers in identifying their needs and wants and in knowing how these can best be satisfied.

(ii) Latest Market Information: Customers get latest market information regarding price changes, product availability and shortages and new product introduction, which help them in taking the purchase decisions in a better way.

(iii) Induces Customers: Personal selling induces customers to purchase new products that satisfy their needs in a better way and thereby helps in improving their standards of living.

IMPORTANCE TO SOCIETY

Personal selling plays a very productive role in the economic progress of a society. The more specific benefits of personal selling to a society are as follows:

(i) Converts Latest Demand: Personal selling converts latest demand into effective demand.

(ii) Employment Opportunities: Personal selling offers greater income and employment opportunities to the unemployed youth.

(iii) Career Opportunities: Personal selling provides attractive career with greater opportunities for advancement and job satisfaction as well as security, respect, variety, interest and independence to young men and women.

SALES PROMOTION

Sales promotion activities include offering cash discounts, sales contests, free gift offers, and free sample distribution. Sales promotion is usually undertaken to supplement other promotional efforts such as advertising and personal selling.

MERITS OF SALES PROMOTION

(i) Attention Value: Sales promotion activities attract attention of the people because of the use of incentives.

(ii) Useful in New Product Launch: Sales promotion induces people to break away from their regular buying behaviour and try the new product.

(iii) Synergy in Total Promotional Efforts: Sales promotion activities are designed to supplement the personal selling and advertising efforts used by a firm and add to the overall effectiveness of the promotional efforts of a firm.

LIMITATION OF SALES PROMOTION

(i) Reflects Crisis: If a firm frequently rely on sales promotion, it may give the impression that it is unable to manage its sales or that there are no takers of its product.

(ii) Spoils Product Image: Use of sales promotion tools may affect the image of a product. The buyers may start feeling that the product is not of good quality or is not appropriately priced.

COMMONLY USED SALES PROMOTION ACTIVITIES

1. Rebate: Offering products at special prices, to clear off excess inventory.

2. Discount: Offering products at less than list price.

3. Refunds: refunding a part of price paid by customer on some proof of purchase.

4. Product combinations: Offering another product as gift along with the purchase of a product.

5. Quantity gift: Offering extra quantity of the product commonly used by marketer of products.

6. Instant draw and Assigned Gift

7. Lucky Draw

8. Usable benefits.

9. Full finance @ 0%: Many marketers of consumer durables such as Electronic goods, automobiles etc. offer easy financing schemes.

10. Sampling: Offer of free sample of a product, say a detergent powder or tooth paste to potential customers at the time of launch of a new brand.

11. Contests: Competitive events involving application of skills or luck.

PUBLICRELATIONS

Managing public opinion of an organisation is an important task which can be performed by the marketing department. This public may be interested in the company and its product and have an impact on the business ability to achieve its objectives. Thus, it becomes imperative to manage public opinion and the company's relation with the public on a regular basis. Therefore, public relations involve a variety of programmes designed to promote or protect a company's image and its individual products in the eyes of the public.

ROLE OF PUBLIC RELATIONS

The role of public relations can be discussed with respect to the functions which the department performs. Public relations itself is an important tool in the hands of the marketing department, which can be used to the advantage of the business.

1. Publicity: Publicity is similar to advertising, in the sense that it is a non-personal form of communication. However, as against advertising it is a non-paid form of communication. Publicity generally takes place when favourable news is presented in the mass media about a product or service.

2. Press release: Information about the organisation needs to be presented in a positive manner in the press. The public relations department is in contact with the media to present true facts and a correct picture about the company. Otherwise news can get distorted if taken from other sources.

3. Corporate communication: The image of the organisation needs to be promoted through communicating with the public and the employees within the organisation. This is usually done with the help of newsletter, annual reports, brochures, articles and audio-visual materials. Companies rely on these materials to reach and influence their target markets.

4. Lobbying: The organisation has to deal with government officials and different ministers in charge of corporate affairs, industry, finance with respect to policies relating to business and the economy.

5. Counselling: The public relations department advises the management on general issues which affect the public and the position the company would like to take on a particular issue. The company can build goodwill by contributing money and time to certain causes like environment, wildlife, children's rights, education, etc. Such cause-related activities help in promoting public relations and building goodwill.

(a) Building awareness: Public relations department usually creates a favourable impression on the target customer.

(b) Building credibility: If news about a product comes in the media whether print or electronic it always lends credibility and people believe in the product since it is in the news.

(c) Stimulates sales force: It becomes easier for the sales force to deal with the retailers and convince dealers if they have already heard about the product in the news before it is launched. Retailers and dealers also feel it is easier to sell the product to the ultimate consumer.

(d) Lowers promotion costs: Maintaining good public relations costs much less than advertising and direct mail. However, it requires a lot of communication and interpersonal skills to convince the media to give space or time for the organisation and its product.

DIFFERENCE BETWEEN ADVERTISING AND PERSONAL SELLING

ADVERTISING	PERSONAL SELLING
1. Advertising is an impersonal form of communication.	Personal selling is a personal form of communication.
2. In Advertising same message is sent to all the customers in a market segment.	In personal selling, the sales talk is adjusted keeping view customer's background and needs.
3. Advertising is inflexible as the message can't be adjusted to the needs of the buyer.	Personal selling is highly flexible as the message can be adjusted.

4. Large number of people can be approached.

Only a limited number of people can be contacted.

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