



ENVILLE POLYTECHNIC

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COURSE TITTLE: PRINCIPLE OF MARKETING

COURSE CODE: BAM 115

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Questions

1. The Factors Influencing Pricing Decision Making
2. Advertising
3. Features Of Advertising
4. Function Of Advertising
5. Types Of Advertising, Advantage And Disadvantage
6. Importance Of Advertising
7. Discuss Briefly On Personal Selling

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INTRODUCTION

The pricing decisions made by businesses are influenced by a multitude of factors, each playing a critical role in determining the optimal pricing strategy for products or services. These factors encompass both internal and external elements that must be carefully considered to achieve a balance between profitability, competitiveness, and customer value.

ADVERTISING

Advertising is a dynamic and pervasive form of marketing communication that serves as a powerful tool for businesses to promote their products, services, and brands to target audiences. Through various media channels and creative strategies, advertising aims to capture attention, evoke emotions, influence perceptions, and ultimately drive consumer behavior.

PERSONAL SELLING

Personal selling is a dynamic and interactive form of marketing communication that involves one-on-one interactions between a salesperson and a prospective customer. Unlike other marketing channels such as advertising or public relations, personal selling relies on direct human interaction to engage with customers, understand their needs, and persuade them to make a purchase.

FACTORS INFLUENCING PRICING DECISION MAKING

They include offering cost, the demand, the customer whose need it is designed to meet and you have to identify your product pricing goals. Regardless of whether you are an enterprise, or a small business, without a business goal you can't succeed. You have to know your costs, know your customers, and you have to do market research. With this you can stop the factor influencing pricing decision

If effective product development, promotion and distribution sow the seeds of business success, effective pricing is the harvest.

Firms successful at creating customers with the other marketing mix activities must still capture some of this value in the prices, they earn. Yet despite its importance, many firms do not handle pricing well. We'll look at internal and external consideration that affect pricing decision and examine general pricing approaches and dig into pricing strategies.

BOOK: PRINCIPLE OF MARKETING, THIRTEEN EDITION

1. **Market Share:** The pricing decision might be important when the firm has a good of gaining a bold in a new market or retaining a certain percentage of an exist market.
2. **Weight and Technicality:** When the products are bulky large and technically complex, it is useful to choose direct to channel of distribution.
3. **Cost of Channel:** Direct selling usually is costlier and distribution arranged through intermediaries is more inexpensive.

WHAT IS ADVERTISING:

- Advertising is an industry used to call the attention the public to something, typically a product or service.
- Advertising is the means of communication in which a product, brand or service is promoted to a viewership in order to attract interest, engagement and sales.

- Advertising is a marketing actually that can help you to reach out to potential customer and encourage them to buy your product or service.
- Advertising is the practice and techniques employed to bring attention to a product or services. advertising aims to put a product or service in the customers.

TYPES OF ADVERTISING

1. NEWSPAPER

Newspaper is one of the traditional media used by businesses. Both big and small alike, to advertise their businesses.

ADVANTAGE OF NEWSPAPER.

- It can reach a huge number of people in a given geographic area.
- You have the flexibility in deciding the advertisement size and placement within the newspaper.
- Your advertisement can be as large as necessary to communicate as much of a story as you care to tell.
- Free help in creating and producing advertising copy is usually available.

DISADVANTAGE OF NEWSPAPER

- Advert space can be expensive.
- Poor photo reproduction limits creativity.

- Newspaper is a price-oriented medium most advert are for sales.
- Advertisement have a short shelf life, as newspaper are usually read once and then.

2. MAGAZINES

Magazines are periodical publications that typically contain a diverse range of articles, features, photographs, and advertisements. They are printed on glossy paper and are often bound with staples or glue. Magazines cover a wide array of topics, catering to various interests and demographics, including fashion, lifestyle, entertainment, politics, science, technology, and more.

TYPE OF MAGAZINES

- **Consumer Magazines:** These magazines target general readers and cover a wide range of topics such as fashion, lifestyle, health, home décor, entertainment, and travel. Examples include Vogue, People, National Geographic, and Time.
- **Special Interest Magazines:** Special interest magazines focus on specific hobbies, interests, or niche topics. They cater to enthusiasts of subjects such as photography, cooking, gardening, sports, technology, and cars. Examples include Wired, Bon Appétit, Better Homes & Gardens, and Sports Illustrated.
- **Trade Magazines:** Trade magazines are geared towards professionals and businesses within a particular industry or field. They provide industry news, trends, analysis, and insights relevant to practitioners and stakeholders. Examples include Forbes, Harvard Business Review, The Hollywood Reporter, and Adweek.
- **Scholarly or Academic Journals:** These publications contain peer-reviewed research articles, scholarly papers, and academic discourse on specialized topics in various fields such as science, medicine, humanities, and social sciences. Examples include Nature, Science, The Lancet, and The Journal of Marketing.

- News Magazines: News magazines offer in-depth coverage and analysis of current events, politics, and world affairs. They often provide a more in-depth perspective compared to daily newspapers and may include investigative journalism, opinion pieces, and editorials. Examples include The Economist, Newsweek, The Atlantic, and The New Yorker.

ADVANTAGE OF MAGAZINES.

- High reader involvement means that more attention will be paid to your advertisement message.
- Better quality paper permits better color reproduction and full-colour adverts.
- Magazine allows for better targeting of audience, as you can choose magazine publication that cater for your specific audience or whose editorial content specializes in topics of interest to your audience.

DISADVANTAGE OF MAGAZINES.

- Long lead times means that you have to make plans weeks or months in advance.
- The slower lead time heightens the risk of your advert getting overtaken by events.
- There is limited flexibility in terms of advert placement and format.

3. RADIO

Radio is a form of advertising via medium of radio.

ADVANTAGE OF RADIO.

- Rates can generally be negotiated.
- Gives your business personality through the creation of campaign using sounds and voices.
- Radio is a universal medium enjoyed by people at one time or another during the day, at home, at work, and even in the car.

DISADVANTAGE OF RADIO

- Listeners cannot go back to your advert to listen all over again to important point.
- Because radio listeners are spread over many stations, you may have to advertise simultaneously on several stations to reach your target audience.

3. TELEVISION

Television advertisement have been very popular ever since they were introduced. The cost of television advertising often depends on the duration of the advertisement, The time of broadcast (prime time/lull time), sometimes the show on which it will be broadcast, and of course, the popularity of the television channel itself.

ADVANTAGE OF TELEVISION.

- Independent stations and cable offer new opportunities to pinpoint local audience.
- Television being an image- building and visual medium, offers the ability to convey your message with sight, sound and motion.

DISADVANTAGE OF TELEVISION

- Adverts on network affiliate are concentrated in local news broadcast and station breaks.
- 2. Relatively expensive in terms of creatives, production and airtime costs.
Function of Advertising.

The purpose of advertising is nothing but to sell something a product, a service or an idea. The real objective of advertising is effective communication between producer and consumers.

- Preparing Ground for New Product: New Product needs introduction because potential customer have never used such product before and the advertisement prepare a ground for that new product.
- Creation of Demand: The main objective of the advertisement is to create a favorable climate for maintaining and improving sales. Customers are to be reminded about the product and the brand.
- Facing the competition: Another important objective of the advertisement is to face the competition. Under competitive conditions, advertisement help to build up brand image and brand loyalty and when customers have developed brand loyalty, it becomes difficult for the middlemen to change it.
- Barring New Entrants: From the advertiser's point of view, a strongly built image through long advertising help to keep new entrants away.
- Creating or Enhancing Goodwill: Large scale advertising is often undertaken with the objective of creating or even the good will of the advertising company.

IMPORTANCE OF ADVERTISING

Advertising broadens the knowledge of the consumers. With the aid of advertising, consumers find and buy necessary product without much waste of time. This speeds up the sales of commodities, Increases the efficiency of labour in distribution, and diminishes the costs of selling.

BENEFITS OF MANUFACTURERS

1. It increases sales volume by creating attraction towards the product.
2. It help easy introduction of new product into the markets by the same manufacturer.
3. It helps to establish a direct contact between manufacturer and consumers.
4. It creates a highly responsive market and thereby quickens the turnover that result in lower inventory
5. Advertising is necessary to meet up with the competition in the market and to survive it.
6. Retail price, maintenance is also possible by advertising where price appeal is the promotional strategy.

BENEFITS TO WHOLESALE AND RETAILERS.

1. Easy sale of products is possible since consumers are aware of the product and it's quality.
2. It supplements the selling activities.
3. It ensures more economical selling because selling overheads are reduced.

4. It enables them to have product information.

4. It increases the rate of the turn-over of the stock because demand is already created by advertising.

BENEFITS TO CONSUMERS.

1. Advertising stresses quality and very often prices. They form an indirect guarantee to the consumer of the quality and price.
2. It helps them to know where and when the products are available. This reduces the time they spent in shopping.
3. Modern advertisements are highly informative
4. This is perhaps the only medium through which consumers could know the varied and new uses of the product.
5. It provides an opportunity for the customer to compare the merits and demerits of various substitutes.

BENEFITS OF SALESMEN

Salesmanship is incomplete without advertising. Advertising serves as the forerunner of a Salesman in the distribution of goods.

Advertisement is beneficial to Salesmen in the following ways:

1. Introducing the product becomes quite easy and convenient because the manufacturer has already advertised the good. Informing the consumer about the product and its quality

2. Advertising prepares necessary ground for a Salesman to begin his work effectively.hence sales effort are enhanced.
3. The contact established with the customer by a Salesman is made permanent through effective advertising, because a customer is assured of the quality and prices of the product.
4. The salesman can weight the effectiveness of advertising when he makes direct contact with the consumers.

BENEFIT TO COMMUNITY OR SOCIETY

1. Advertising brings to the greatest number of people actual knowledge concerning useful things
2. Advertising leads to a large- scale production, thereby creating more employment opportunities for the public in various jobs directly or indirectly.
3. It assures employment opportunities for the professional men and artist.
4. Advertising does provide a glimpse of a country's way of life. It is, in fact, a running commentary on the way of living and behavior of the people and is also an indicator of some of the future in the this regards.

FUNCTION OF ADVERTISING

1. **Informing and Educating:** One of the primary functions of advertising is to inform and educate consumers about products, services, features, benefits, and promotions. Through advertisements, businesses can communicate important information such as product specifications, pricing, availability, and special offers, helping consumers make informed purchasing decisions.

2. **Creating Awareness:** Advertising helps to create awareness and generate visibility for brands, products, or services among target audiences. By increasing brand exposure through various media channels, businesses can attract the attention of potential customers and build recognition and familiarity with their offerings.
3. **Building Brand Image and Identity:** Advertising plays a crucial role in shaping and reinforcing brand image, identity, and perception in the minds of consumers. Through consistent messaging, storytelling, and visual elements, advertisements help to establish a distinct brand personality, values, and positioning that resonate with target audiences.
4. **Generating Sales and Revenue:** Advertising serves as a powerful tool for driving sales and revenue growth by stimulating demand, generating leads, and encouraging purchase behavior. Effective advertising campaigns can influence consumer attitudes and behaviors, leading to increased sales volume, market share, and profitability for businesses.
5. **Differentiating from Competitors:** Advertising allows businesses to differentiate their products or services from competitors and highlight unique selling propositions (USPs) or competitive advantages. By emphasizing factors such as quality, innovation, customer service, or pricing, advertisements can position brands as superior choices in the minds of consumers.

FEATURE OF ADVERTISING

1. It is directed towards increasing the sales of business.
2. Advertising is paid form of publicity.
3. It is non-personal. They are directed at Mass audience and nor at the individual as in the case of personal selling.
4. Advertisement are identifiable with their sponsor or originator which is not always the case with publicity or propaganda.

PERSONAL SELLING IN MARKETING

Personal selling is a technique that involves face-to-face selling between a sales rep and a prospective customer. With personal selling, sales representatives try to persuade a potential customer to purchase your product or service.

TYPES OF PERSONAL SELLING

There are three overarching categories of personal sales — order takers, order creators, and order getters.

Order Takers

1. Order takers are the inbound sales reps who respond to requests or calls from interested leads and point them toward the best solution for their needs.

Order Creators

2. Order creators are reps who convince other businesses to recommend their solutions to their customers. For example, a salsa brand might try to persuade various supermarkets to display their salsa on the middle shelf.

Order Getters

3. Order getters are outbound salespeople who initiate contact with potential customers to get them interested in their business's offer.

ADVANTAGES AND OF PERSONAL SELLING

1. Better Image

- If customers have misinterpreted the company's messages and it resulted in the form of jeopardizing the company's image.

2. Reward

- If you're hiring salesmen for personalized selling, then it would reward in many ways like in terms of the company's better image, salesmen, and customers.

3. Customer Confidence

- If the sales personals have good presentation and communication skills, then they win customers' confidence by clarifying all types of misunderstandings, objections, questions, and doubts.

4. Flexibility

- If the company provides sufficient training to the sales personals, then they can adjust and mold their marketing message differently for various customers.

5. Quick Feedback

- The main benefit of personal selling is the immediate feedback after delivering the company's promotional message.

DISADVANTAGES OF PERSONAL SELLING

1. High Turnover

- When we talk about the job of sales personals, then the turnover rate is very high in personal selling.

2. Training Cost

- When it comes to the training of the sales staff, then it is very costly. Some of the training expenses are; calls and mobile phone charges, health care, salaries of trainees, trainers of salesmen, training equipment, meals, stay in the hotels, and travel expenses

3. High Cost-Per-Action

- Cost-per-action means the promotional cost that the company spends to evaluate the performance of its employees.

4. Negative Image of Salesmen

- One of the biggest flaws of personal selling is a negative perception of the sales personals. Some of the salesmen follow the aggressive tone, and the others have the low, and it annoys customers.

TYPES OF PERSONAL SELLING:

1. **Consultative Selling:** In consultative selling, the salesperson acts as a consultant or advisor to the customer, seeking to understand their needs, challenges, and objectives before recommending solutions. This approach emphasizes building trust and long-term relationships with customers by providing personalized recommendations and addressing specific pain points.
2. **Transactional Selling:** Transactional selling focuses on closing immediate sales and maximizing transactional volume. Salespeople using this approach typically employ persuasive techniques and incentives to encourage customers to make purchases quickly. Transactional selling is common in retail environments and for products with short sales cycles.
3. **Relationship Selling:** Relationship selling prioritizes building strong, long-term relationships with customers based on trust, communication, and mutual understanding. Salespeople using this approach invest time in getting to know their customers personally, maintaining regular contact, and providing ongoing support and assistance. Relationship selling is particularly effective for high-value products or services and in industries with long sales cycles.
4. **Inside Sales:** Inside sales involve selling products or services remotely, often through phone calls, emails, video conferencing, or online chat. Inside sales representatives typically handle inbound inquiries, follow up on leads, and conduct sales transactions without the need for face-to-face interactions. Inside sales are commonly used in industries such as technology, software, and business services.

5. **Field Sales:** Field sales involve sales representatives meeting with customers in person, either at their offices, homes, or other locations. Field sales representatives may travel extensively to build relationships, demonstrate products, negotiate deals, and close sales. Field sales are common in industries such as pharmaceuticals, real estate, and industrial equipment.

CONCLUSION

The factors influencing pricing decision-making are diverse and multifaceted, encompassing a wide range of internal and external elements that businesses must carefully consider to set effective pricing strategies. Throughout this exploration, several key themes have emerged, highlighting the complexity and importance of these factors in shaping pricing decisions, costs play a fundamental role in pricing decision-making. Businesses must account for the costs associated with producing, distributing, and selling their products or services, ensuring that the price set covers expenses while also providing a reasonable profit margin.

Advertising plays a pivotal role in building brand awareness and visibility, allowing businesses to capture the attention of target audiences and establish recognition and familiarity with their offerings. By strategically disseminating persuasive messages through various media channels, advertisers can increase brand exposure and shape consumer perceptions, laying the foundation for brand loyalty and preference.

Personal selling emerges as a vital and versatile component of marketing strategies, facilitating direct interactions between sales professionals and prospective customers to achieve mutually beneficial outcomes. Throughout this exploration, several key themes have emerged, highlighting the significance and effectiveness of personal selling in today's marketplace.

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