

**ADVERTISING AND SALES  
MANAGEMENT**

## Chapter One

### Basics of Advertising and Sales Management

#### Unit Introduction

Any service or product marketing's promotion mix comprises four fundamental components.

These are listed below (Dickinson & Faria, 1995):

1. Advertising
2. Individual Marketing
3. Publicity
4. Sales Promotion

Advertising is the non-personal distribution of data through sponsored media, with the financing company as the source.

Personal selling is the spread of information through impersonal means, such as direct interactions between the target audience and staff members of the sponsoring company (McCarthy et al., 1979). The sponsoring company is the information's source.

Information is disseminated through various activities besides personal selling, advertising, and publicity to encourage customer purchase and dealer effectiveness (Jolson & Wotruba, 1992). Publicity is the dissemination of information through non-personal or personal channels without direct compensation from the organization and without the organization serving as the source. Advertising aims to convince as many people as possible to purchase a product to increase a business's profitability. The components of advertising include (BLAIR, 2020):

- i. It is a communication that reaches a sizable consumer base.
- ii. It enables mass production.
- iii. It is non-personal interaction because neither it nor the person directed is the actual person.
- iv. It is professional communication because it aims to assist the advertiser in maintaining a successful business over the long term.
- v. Advertising can be cost-effective since it reaches a broad audience. Thus, the cost per message is kept low.
- vi. Because of the speed of communication, a marketer can reach billions of consumers in a short amount of time.

- vii. Advertising is a recognized kind of communication. To make their identity known, the advertiser adds their name to the advertisement.

The term "advertising" comes from the Latin "advertere," which is meant to direct people's attention (Helmi et al., 2022). A tool for communicating with current and potential customers about firms is advertising. It typically includes information about the advertising firm, the qualities of its goods, where to acquire them, etc. It is impossible to exaggerate the value of advertising for both buyers and sellers. However, it is more important for the merchants. In the current era of mass production, producers cannot envision boosting the sale of their products without advertising them (Brown Jr, 1951). Advertising significantly boosts personal selling. Consumers have a strong sense of style and taste in the modern world, where there is intense competition in the market and rapid technical breakthroughs.



*Figure 1.1. Illustration of advertising and its components (Source: MBA Knowledge Base, Creative Commons License).*

Several meanings provided by various authors include (Sims, 1977):

According to William J. Stanton, "advertising" refers to the collective efforts required to deliver to a community a message that is not personal, funded by a funder, and paid for by the organization or product being advertised.

According to the American Marketing Association, advertising can be defined as "any paid sort of non-personal presentation of ideas, goods, and services by an identified sponsor." This definition can be

found in their definition of advertising. The definition of advertisement that can be found on Webster's website is "providing public notice or proclaiming publicity."

**Remember:**

According to Gardner's theory, "advertising is the means of mass selling that has grown concurrently with and been made vital to mass manufacturing".

A layman frequently deals with several transactions and purchases of products and services. In such discussions, the second party persuades the first. Selling can be characterized as persuading people to carry out one's initial desires. The person doing this act is referred to as a salesman, and the result of their work is a sale. The person's operations are monitored and controlled by sales management (Grice & Ryan, 1961).



*Figure 1.2. Sales management and its components (Source: MBASkool, Creative Commons License).*

Sales executives currently operate in a professional environment. They create effective control methods and plan, design, and sustain effective organizations (Lancaster & Massingham, 2017). The professional

process requires in-depth study and a market-efficient quantitative and qualitative personal selling plan. Applying organizational principles to the management of sales operations involves skill. Additionally, the professional approach necessitates the capacity to set up, run, and employ control systems relevant to the circumstances and goals of the company. Today, there is a tremendous demand for executives who can use the mature approach to sales management. Salesmanship is the term for the selling skill. In other words, management and leadership are the same things. Managers must plan, forecast, direct, and control their workforce in the same ways as ministers must do the same in states and the federal government. Here, running hand in hand with a partner is the key to success. Managers command the army of their subordinates.

### **Learning Objectives**

At the end of this chapter, readers will be able to learn the following:

1. Various features of the advertising
2. Different objectives of the advertising
3. Importance of the advertising
4. Ways of advertisement and brand building
5. Various stakeholders of advertisement
6. Role of advertising in economy
7. Different types of advertising
8. Definitions and elements of sales management
9. Different objectives of sales management
10. Organization of selling units

### **Key Terms**

1. Advertisement
2. Sales
3. Sales Management
4. Information
5. Product
6. Research

7. Brand
8. Purchase
9. Economy
10. Selling Activity
11. Consumers
12. Sales Structure

### **1.1. Features of Advertising**

The following are the features of the advertising:

#### **1.1.1. Communication**

Advertising is a way to communicate with large audiences (Kodirovna et al., 2020). Because it is addressed to a large audience, it is a non-personal communication.

#### **1.1.2. Information**

Consumers need to be aware of the benefits of purchasing a specific product, which is why advertising exists (Arens et al., 2002). However, the information that is presented must be correct and comprehensive.

#### **1.1.3. Persuasion**

The marketer's goal is to encourage a constructive mindset that will ultimately result in productive behavior (Nichifor, 2014). The end goal of every advertising effort should be to convert potential customers into paying customers. As a consequence of this, it is, in essence, a strategy for influencing people and a means of making indirect sales.

#### **1.1.4. Non-Personal Presentation**

While salesmanship is a form of personal selling, advertising is a form of impersonal selling. The target audience for advertising is not limited to a single person. The advertising industry lacks a compelling sense of individuality.

#### **1.1.5. Identified Sponsor**

A sponsor is someone or a business that funds the advertisement (Nelson, 1974). Reputable brand recognition may boost sales or product demand. The product enjoys a successful market due to its affiliation with a reputable business entity.

#### **1.1.6. Consumer Choice**

Consumers are assisted in their decision-making through advertising (Abdumutaljonovna, 2022). It allows clients to buy things suitable to their preferences and budgetary limits. A satisfied and delighted client is the outcome of making an intelligent choice.

#### **1.1.7. Art, Science, and Profession**

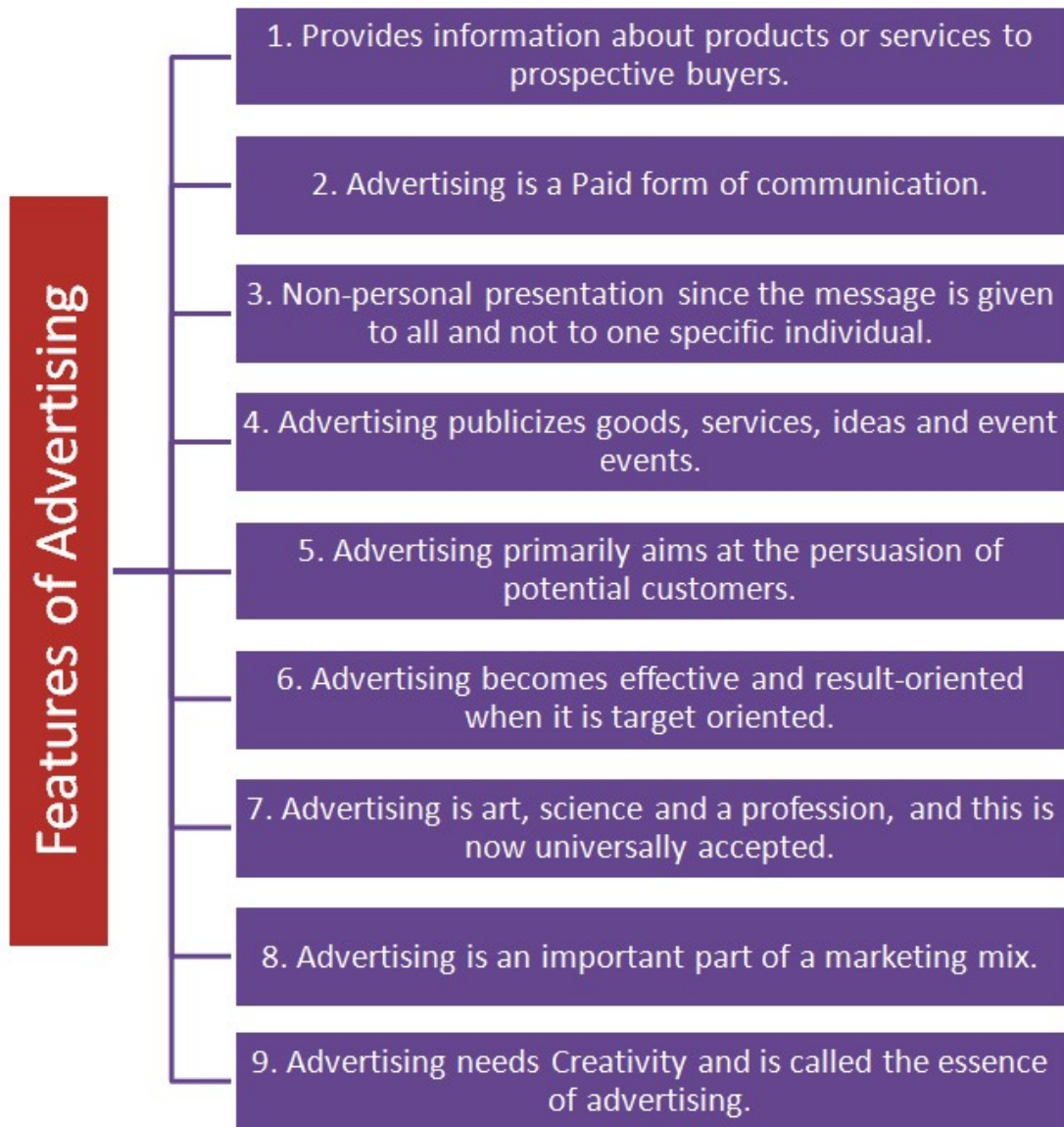
Advertising is considered an art form since it is a creative enterprise (Tähtinen, 2005). Advertising can be regarded as a science due to the body of organized knowledge in the field. Today, advertising is recognized as a profession thanks to the existence of professional organizations and a code of ethics for members.

#### **1.1.8. Element of Marketing Mix**

Advertising is a necessary component that must be included in the promotion mix (Eshra & Beshir, 2019). It has been demonstrated that advertising is a very successful method for promoting goods and services. The advertising budgets of large manufacturers can go into the tens of millions of dollars.

#### **1.1.9. Element of Creativity**

The ability to think creatively and inventively is essential to the success of any advertising effort (Bertrand et al., 2010). This kind of ingenuity lays the path for a successful campaign when the advertiser's message is in line with the customers' expectations.



*Figure 1.3. Description of various features of advertising (Source: Kalyan City Life, Creative Commons License).*

## **1.2. Objectives of Advertising**

Selling a product, a service, or a concept is the primary goal of advertising. Current corporate operations utilize advertising for several specific purposes, some of which are given below, in contrast to this basic goal:

1. To draw interest from potential buyers to bring in a new product.



2. To support the program for personal selling. Advertising could help salespeople gain access to clients.
3. To reach customers that salespeople cannot reach.
4. To reduce market competition and boost sales, as evidenced by the intense rivalry between Coke and Pepsi.
5. To improve the company's reputation by promising higher-quality goods and services.
6. To strengthen dealer relationships. Advertising aids in the product's sale by the merchants. A product that is adequately advertised attracts dealers.
7. To deter consumers from copying a company's designs.

### **1.3. Importance of Advertising**

In the current era of mass production and market competitiveness, advertising has become a crucial marketing component. It accomplishes the following tasks:

#### **1.3.1. Promotion of Sales**

It encourages the purchase of products and services by educating and persuading consumers to do so (Leckenby & Li, 2000). A successful advertising campaign aids in gaining new clients in both domestic and foreign markets.

#### **1.3.2. Introduction of New Product**

It facilitates the launch of new goods onto the market. Through advertising, a firm can present itself and its interests to the general public. Without promotion, a new business cannot have an effect on potential clients. Advertising allows for immediate market publicity.

#### **1.3.3. Creation of Good Public Image**

It enhances the advertiser's reputation (Bagwell, 2007). A company can express its successes through advertising in an attempt to meet the needs of its customers. This improves the company's reputation and goodwill, which are crucial for fending market competition.

#### **1.3.4. Mass Production**

Advertising makes it easy to produce large quantities. Advertising drives the production of goods in massive amounts since the business firm knows that it will be able to sell on a vast scale with the help

of advertising. Mass production lowers the cost per unit of output by effectively utilizing various components.

### **1.3.5. Research**

Advertising acts as a catalyst for the activities that take place in research and development (Hernandez et al., 2019). The use of advertising as a marketing tactic has become increasingly cutthroat. Every business strives to differentiate its product in some way from the other options on the market through advertising. Because of this, every company must perform further research to come up with fresh products and novel applications for those products. If a company does not engage in research and development activities, it will not last long in the competitive business environment.

### **1.3.6. Education of People**

People are made aware of innovative products and their applications through advertising (Abdi & Irandoust, 2013; Terkan, 2014). A product's utility is highlighted in advertising, which helps consumers expand their horizons. Advertising has aided people in embracing new lifestyles and kicking off old habits. It has made significant improvements to society's standard of living.

### **1.3.7. Support to Press**

Advertising is the principal source of revenue for publishing companies and periodical publications (Ha, 2008). Giving them a discount can increase the number of people who read the journal. People also benefit from this development because they spend less on magazine subscriptions. Advertising is a supplementary source of revenue for television networks. Advertisements can be seen before, during, and after various shows on Reporter News and Kairali TV. These advertisements bring in millions of rupees for the two television stations. These monies could be put towards enhancing the overall quality of the programs as well as broadening their scope of reach.



*Figure 1.4. Illustration of the importance of the advertisement (Source: Jinal Parmar, Creative Commons License).*

#### **1.4. Advertising and Brand Building**

Businesses can be identified by their brands (name, symbol, etc.) (Meenaghan, 1995). Today, brands can also be seen as the personality they convey to consumers regarding status, emotional traits, and subjective quality. Before purchasing a product, they give buyers a sense of its quality and distinctiveness. Brands guarantee that the services they claim will be provided. For instance, Pizza Company A and Pizza Company B both make promises about the quality and timeliness of their pizza deliveries.

It makes it simple for customers to decide which brand to buy and what they desire (Rajagopal 2006). The promoted claim must be fulfilled for a brand to maintain its reputation. One of the essential components in creating a brand significant to marketers and customers is advertising. A strong brand differentiator, brand personality provides a long-lasting competitive advantage. By establishing or enhancing a brand's personality through advertising, brand value or equity is increased, which may be

tapped into through brand extension. Additionally, brand personality aids in market share growth, premium pricing, and protection against brand discounting.

The key to corporate success is developing a solid brand name. Consumer sophistication has changed company strategies in today's competitive corporate environment (Draganska et al., 2014). Businesses are compelled to generate influential brand names and concentrate on brand building to communicate with consumers clearly and anticipate their demands.

A brand's practical qualities and symbolic values are fundamental components that support its emotional and mental attraction to customers (Srivastava, 2021; Indumathi, 2018). When customers associate trademarks with symbols, it is simpler for businesses to pique interest in their products. For instance, Apple is renowned for innovation, whereas Lexus is renowned for elegance.



*Figure 1.5. Illustration of the Lexus logo (Source: Northwest Lexus, Creative Commons License).*

As a result, a brand is seen by customers as more than just a name they are familiar with; it also represents a promise that must be kept frequently. Raising brand recognition requires advertising (King, 1991). Companies enhance their customer base, retain their devoted customers, and grow their market share by picking consumer interest and increasing consumer knowledge of their goods and services. In other words, customers are more inclined to purchase from a specific company the more familiar they are with a brand.

**Did You Know?**

In 2020, the five most valuable global brands were Amazon, Apple, Microsoft, Google, and Samsung, with a combined brand value of over \$1 trillion.

## 1.5. Participants in Advertising

The individuals who are actively interested in advertising are listed below.

### 1.5.1. Advertiser

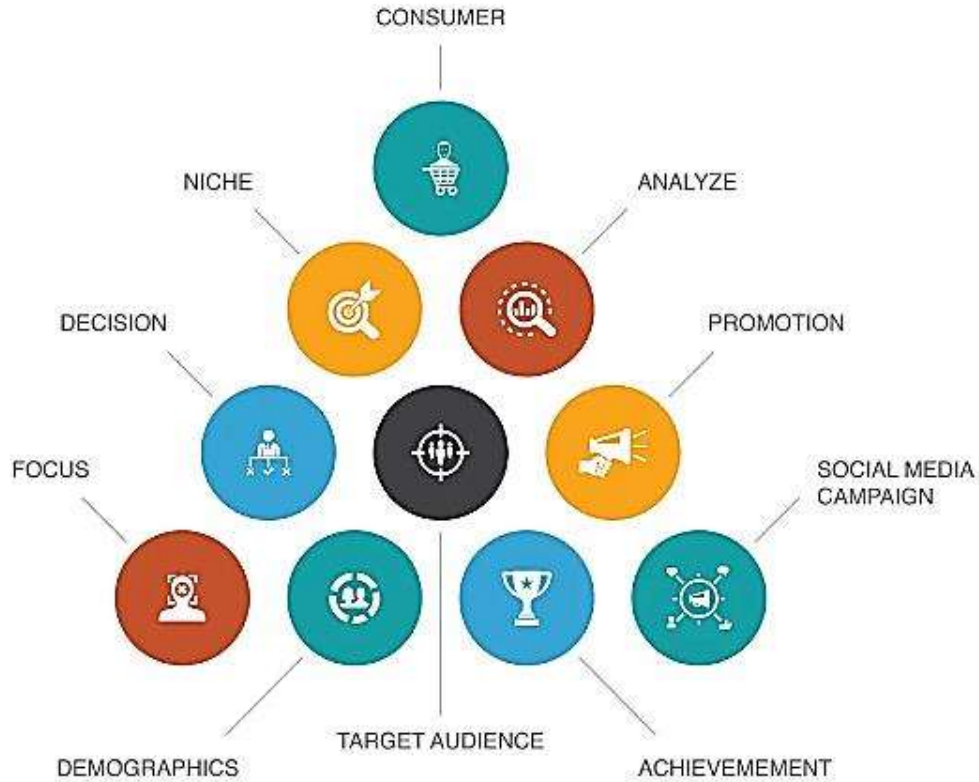
The main category of advertising includes producers and marketers of consumer goods (Harms et al., 2017). Advertisers include Ramco Portland cement, Microsoft, Apple Inc., and Kairali TMT. The second most significant group among advertising includes merchants like Walmart, Spencers, and Big Bazaar. They keep the goods on hand and sell them to the final customers. Additionally, active participants in this area are the government and social organizations.



*Figure 1.6. Schematic of the various logos used in the advertisement of brands (Source: MMG, Creative Commons License).*

### 1.5.2. Target Audience

It alludes to the audience for the marketing message (Truong et al., 2010). Every communication is aimed at both a broad audience and a specific group. This target audience is what advertising wants to reach to boost sales. Advertising aims to achieve users and non-users who may later buy the product. The communications are also intended for customers of the advertiser's competitors' products, encouraging them to switch to theirs.



**Figure 1.7. The target audience of the advertising and various factors affecting it (Source: Rashadashurov, Creative Commons License).**

### 1.5.3. Advertising Agencies

An advertiser has two options: (i) to create, develop, and produce an advertising message and have it placed in preferred news and announcements via their sales or advertising department; or (ii) to commit the entire task of advertising to a team of a highly professionalized, specialized, independent advertising agency (Taylor et al., 1996). For and in favor of its customer, an ad agency comprises creative individuals who create, design, develop, and produce advertising messages using original concepts (the advertiser). The media owners often pay the advertising agencies a 15–20% commission on their media costs (Batterham, 2014). Additionally, they bill their customers, or the advertising, for out-of-pocket spending. To improve the caliber of the job, they hire copy editors, designers, photographers, typographers, layout designers, editors, and other creative people.







Every single day, advertising performs an essential function in life. Today, it is one of the most common methods of marketing (Mueller & Rogers, 1980). Although the methods marketers have used to advertise have changed over the years, the purpose of advertising and its primary objective has remained unchanged. It would be impossible for today's society to continue without advertising. The following are some of the ways that advertising is beneficial to society.

#### **1.6.1. Encourage Purchasing**

The primary objective of advertising is to persuade consumers to buy products and services (Stokes & Hallett, 1992). Some businesses rely on marketing more than others. For example, a cereal firm needs to advertise more actively than a power company because there are few product competitors. Advertisers frequently persuade people to buy things by creating a sense of scarcity or deprivation.

#### **1.6.2. Reflect Cultural Trends**

Advertising helps reduce gaps between individuals by expressing diverse cultural perspectives through its messages. It adds diversity to social life.

#### **1.6.3. Promotes Economic Growth**

By boosting demand and promoting economic activity, advertising helps the economy (Hackley, 2002). It increases consumers' willingness to shop, which in turn helps the economy overall.

#### **1.6.4. Improves Standard of Living**

Economic activity is advertising (Baba, 2012). It gives folks chances to increase their income. It encourages people to buy more things, raising their living standards.

#### **1.6.5. Provides Employment**

Demand for products and services increases as a result of an effective advertisement (Asch, 1979). High demand necessitates increased output, which requires more human and physical resources and opens up job opportunities.

### **1.7. Types of Advertisement**

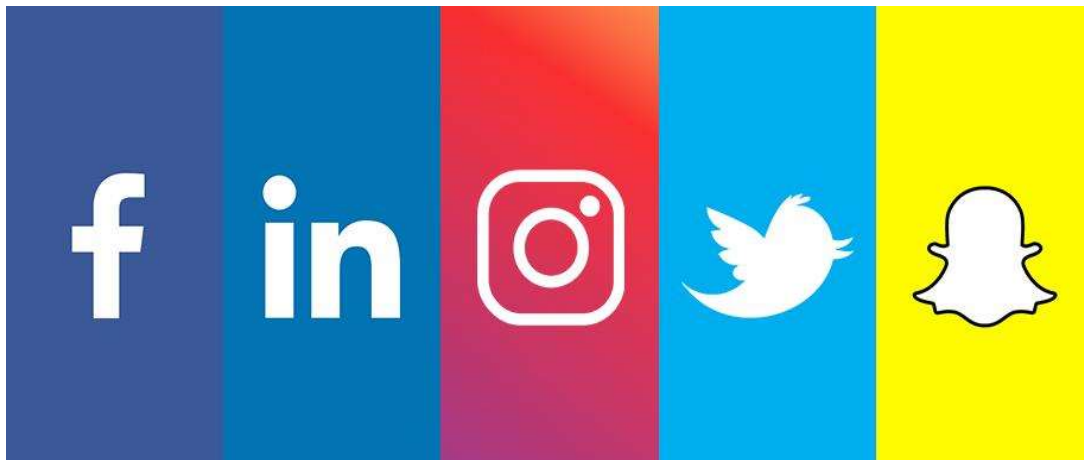
There are various types of advertisements, as follows:

#### **1.7.1. Based on the Functions and Roles**

According to their roles and functions, advertising is categorized. The following are some significant categories of advertising:

#### **1.7.1.1. Social Advertising**

Non-profit organizations like trusts, societies, associations, etc., engage in social advertising (Conant et al., 1990). Working for a social cause is the primary goal of social advertising. Social advertising examples include ads for selling tickets to a show, collecting funds for those affected by natural disasters or conflict, etc.



*Figure 1.10. Different types of social media apps (Source: Aspire, Creative Commons License).*

#### **1.7.1.2. Political Advertising**

Political parties use political advertising to persuade the public to support their philosophy (Webster Jr, 1992). Intense political advertising is produced during election seasons to win over voters. Such advertising promotes the concerned party's aims and programs. It also highlights the opposition's shortcomings in persuading people to support their party's candidates. Additionally, some political advertising is produced to help the government carry out its plans for the recovery and restoration of the nation. The National Foundation for Communal Harmony assists children impacted by Mumbai's violence. Political advertising is essentially anything that a political party releases.

#### **1.7.1.3. Advocacy Advertising**

They frequently see encouragement to use the family planning methods advertised (Hwang et al., 2003). Conserving finite resources and upholding a healthy ecosystem. A very extreme instance occurred in the 2010s when a private individual paid \$12,000 for a two-page ad in the New York Times to promote his peace plan to stop the conflict in Afghanistan. The Mobil Oil Company started running advocacy

ads in 2014 to promote offshore oil drilling to solve the country's then-current energy problem (Korenkova et al., 2020). Because the subject is so contentious, NBC accepted the broadcast advertisement, while ABC and CBS did not. As a result, Mobil Oil Company ran full-page newspaper advertising that printed the commercial's text and images. This is intended to make visitors aware that these are adverts, not editorials or informational content. Businesses can advertise for advocacy on billboards, in print publications like magazines and newspapers, online, and on television. In reality, many advertising agencies find that applicants who have undergone internships in advertising are much more desirable than those who have not. A bachelor's degree may not be as crucial if they intend to start their advertising career in the creative division of an advertising agency.

#### 1.7.1.4. Retail Advertising

Retail advertising is done by businesses that offer their products directly to consumers. Retail advertising aims to accomplish several things, including (i) selling inventory, (ii) building brand recognition, and (iii) luring in-person, over-the-phone, and mail-order customers (Cacciolatti & Lee, 2016). Posters, pamphlets, neon signs, window displays, and other forms of advertising are used in retail. It has a local flavor most of the time.

