

6.1 The selling process

Getting technical

advertising The promotion of a good or service in order to increase sales and profits or to inform the public.

direct marketing Contacting householders personally, by name, via businesslike phone calls or letters.

ethical Relating to ethics, which are a set of morals that help govern human conduct.

guerilla marketing A flexible, non-traditional way of promoting a brand name.

junk mail Advertising flyers delivered via the letterbox.

marketing Promotional campaigns, including advertising, to make products known to consumers.

naming rights The right of a company to include its own name in the name of a competition or sporting facility in return for the company financially supporting or sponsoring the event or venue.

product endorsement The use of sporting stars and media personalities to promote a good or service.

product placements The prominent display of products in movies or television programs.

sponsorship Brand strengthening via the funding of elite sporting personalities and teams.

telemarketing The promotion of goods and services via the telephone.

The selling process involves both the promotion of a good or service and the sale of a product to a buyer. This process sounds simple and straightforward but there are, in fact, a lot of factors involved. Some of these factors are not always obvious or clear. First, a product can be a good, such as a chocolate bar or a watch, or a service, such as insurance or a subscription to an Internet service provider. In other words, a product can be tangible or intangible, permanent or consumable. Second, a consumer can almost always choose between different brands of a particular product. For example, if you want to fly to Melbourne, you can choose between Qantas and Virgin. Similarly, if you want to buy a soft drink, there are many different brands to choose from. (Refer to Chapter 1 for more information about goods and services.)



Figure 6.1a Advertising involves the promotion of goods and services.

Factors that differentiate products

A number of factors influence consumers to choose one product over another (see Figure 6.1b). You will already be familiar with some of these factors from your reading of Chapter 1.

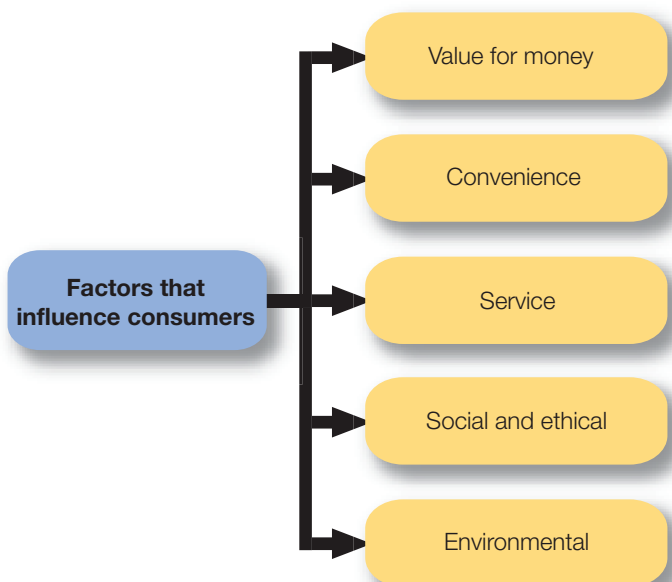


Figure 6.1b Differentiating between products: the factors that influence consumers to choose one product over another.

Service

The quality of the service provided by a retail outlet or service provider is an important consideration for many consumers. After-sales service is also an important consideration for products that require ongoing maintenance; for example, motor vehicles. Service can also refer to how well the product does the job it is designed for.

Convenience

Many consumers are inclined to buy the product that is readily available. Comparison shopping, for example, takes time. People may also be unwilling to wait for a product to be ordered and delivered.

Value for money

Some buyers will choose to buy the cheapest product, while others will choose whichever brand is on sale or offered as a 'special'. Some consumers will choose the brand that represents 'good value' because it lasts longer, is of higher quality or has more features than other similar products.

Social and ethical factors

Status and fashion are important considerations for some consumers. Teenagers, for example, will often buy a particular brand of clothing or footwear if it is seen as 'cool' or is worn by friends. Brands such as Billabong, Mambo and Nike have become 'must haves' for fashion conscious teenagers even though other brands may be cheaper and of equal or better quality.

Many older consumers are also very brand conscious. Fashion labels such as Armani and Versace are popular with some people because of the status they represent. People will often buy a particular make or model of car because it is associated with an image that they want to display. For example, BMW, Audi and Mercedes Benz are often linked with wealth and success, while V8 Holden and Ford models are associated with masculinity and personal power.

For some consumers, **ethical** issues are important. They may, for example, refuse to buy particular brands of make-up because the products have been tested on animals.

Environmental factors

People are becoming much more aware of the impact their consumption practices have on the environment. Producers have responded by introducing products that are 'environmentally friendly'. Examples of these products include unbleached paper products made from recycled paper and phosphate-free detergents (see Figure 6.1c).

Environmentally friendly brand names include Planet Ark, Earth Choice, Greencare and Safe. These products are promoted in ways that appeal to the concerns of the environmentally aware consumer.



Figure 6.1c Producers target the environmentally aware consumer by promoting a range of environmentally friendly products.

Comprehending the text

- 1 What does the selling process involve?
- 2 List the factors that distinguish one good or service from another. Explain each factor in a sentence or two.

Activities

- 1 Working in groups, compile two lists:
 - a a list of the goods that members of your group purchased in the last week
 - b a list of the services purchased in the last week.Try to remember the factors that influenced your decision to buy each good and service. Share your reasons with your group.
- 2 Imagine you have decided to buy the goods below. Which of the five factors discussed opposite would be the most important to you when deciding which brand to buy? For each good, list the factors from most important to least important.
 - a a DVD player
 - b a pair of jeans
 - c dishwashing detergent