

CHAPTER I. DISCUSSION OF TOPIC

I. INTRODUCTION

A. Overview

One of the most visible areas in which psychology contributes to organizational life today involves the relationship between the producers of goods and services and the consumers. No matter how high the level of production or the quality of a company's products, the company will not be successful unless the public is made aware of the product and persuaded to buy it. Thus, a company's survival depends on its ability to promote, advertise, and market its product.

For a product, a service, or even a political candidate to sell, people must be made aware and persuaded that they should, indeed, must have it. Pick up a magazine, turn on the radio or television, and drive down a highway—almost everywhere you will be bombarded by advertising messages. Of course, we cannot adequately attend to so many messages, nor should we, if we want to maintain our sanity. Many ads are blocked out because they are not perceived. We simply do not hear or see them. Most people are able to react to only about a dozen of them. But whether or not we see or hear these messages, they are there, cluttering the media. Even if we remain unaware of specific ads, we are most certainly aware that the process of advertising is going on all around us.

In terms of the end result sought, advertising and selling have an identical objective. Both aim persuade potential consumers to purchase products or avail themselves of services. The fundamental difference between advertising and selling inheres in the personal component of the latter. The salesman does not make a blanket appeal to a mass audience. Instead, he seeks to discover the individual buyer's needs and emphasizes product features appropriated to those needs in order to close the sale.

It is not our purpose to add further to the controversy over the broad social implications of advertising and selling. Instead, we will be concerned with the psychological principles underlying these activities. With this in mind, the researchers chose the *AVON COSMETICS INC.* to base their observations, projections and conclusion regarding this topic. In this paper, the researchers seek to prove that the advertising and selling strategy of the *AVON*

COSMETICS INC. is effective in providing customers with the information that they need to know about their products; persuading potential customers to purchase their products; and in identifying individual buyer's needs to modify product features that is suitable for those needs.

B. Objective of the Study

The general objective of this paper entitled "*The Advertising and Selling Program of the Avon Cosmetics Inc.*" is to provide information regarding the strategies used by Avon Cosmetics Inc. in advertising and selling their products and to find out the psychological processes underlying these activities.

On the other hand, the specific objectives of this study is to identify the different types of advertising and selling; provide a brief historical background regarding the Avon Cosmetics Inc.; discuss personal selling process, and describe the major decisions involved in developing an advertising program.

C. Significance of the Study

There are more than 300,000 brand-name products of all types on the market today. In a typical supermarket, for example, over 9,000 different products are available. In the face of such formidable competition, manufacturers must ensure that their products can be readily recognized and identified. The typical buyer will purchase the item that sounds or looks familiar over one that is unknown.

Billions of dollars and thousands of hours are expended by companies each year in the effort to get us to notice, want, and purchase their products. Therefore, it is important to us, both as a member of an organization making products and as a consumer, to understand the principles and practices of consumer psychology. For that reason, we will be highly benefited by this paper entitled *The Advertising and Selling Program of Avon Cosmetics Inc.* In this research, we will be able to understand more the role of psychology in advertising and selling and how it affects our daily lives. Also, for aspiring businessmen, this will serve as a reference or guide for whatever purposes it may serve them.

D. Scope and Limitation of the Study

This study shall only cover the following topics:

- Advertising
- Selling
- Role of psychology in advertising and selling
- Brief historical background of the Avon Cosmetics Inc.
- Principles and policies of the Avon Cosmetics Inc.
- Programs of the company regarding advertising and selling
- Marketing strategy of the Avon Cosmetics Inc.
- Role of psychology in the advertising and selling program of Avon Cosmetics Inc.

Also included in this research are the findings, recommendations, and projections of the researchers.

This paper is limited to the Avon Company in the Philippines. Furthermore, the researchers' main concern is focused on the field of advertising and selling only. Extensive studies have to be conducted to know more about the status of advertising and selling program of other companies and/or in other countries and also in other fields of business psychology.

II. ADVERTISING

What does the word advertising bring to mind? TV and radio commercials? Newspaper ads? Magazine ads? Outdoor signs? Supermarket display and packages? Certainly all of these are advertising. You may, however, think of all the money spent on advertising and wonder what if all of these are spent instead on schools or in helping the poor and unemployed or for more research disease. You may recall advertisements that you liked or disliked. In any case, one cannot help being aware of the influence of advertising in our lives.

Advertising “is a message paid for by an identified sponsor and delivered through some medium of mass communication.” The word comes from the Latin *ad vertere*, “to turn the mind toward.” Advertising is designed favorably to dispose a person toward buying a product or supporting a cause. Advertising is persuasive communication. It is not neutral; it is not unbiased; it says, “I am going to try to sell you a product or an idea.” In many respects, it is the most honest and frank type of propaganda.

For advertising to be effective, a combination of at least some of the following conditions must be present:

1. It is of primary importance that the product be good and meet a perceived need. By “good” we mean a product that consumers will want to purchase and continue to purchase in the future.
2. Before considering advertising, a company must examine the potential for sales, revenues, and profits from its products. In a study of industrial products, it was found that introducing new products to a given market drastically increased advertising expenditures.
3. Product timing. One of the most important elements in product success is timing. It is difficult for advertising to sell a product that is totally out of step with the times. However, advertising can socialize and increase the acceptability and adoption rate of certain products. The use of celebrity testimonials is one method of creating an “in-crowd” image for a product.

4. A producer must be interested in selling the product under its own name. The manufacturer should distribute a new product under its own brand name, develop a new brand for it, or sell it through large retail outlets under their private store brands.

BEGINNINGS

The urge to advertise seems to be a part of human nature, evident since ancient times. Of the 5,000-year recorded history of advertising right up to our present TV-satellite age, the part that is most significant begins when the United States emerged as a great manufacturing nation, about 100 years ago.

The people who gave the world the Tower of Babel also left the earliest known evidence of advertising. A Babylonian clay tablet of about 3000 B.C. was found bearing inscriptions for an ointment dealer, a scribe, and a shoemaker. Papyrus exhumed from the ruins of Thebes showed that the ancient Egyptians had a better medium on which to write their messages. The Greeks were among those who relied on town criers to chant the arrival of ships with cargoes of wines, spices, and metals. Often a crier was accompanied by a musician who kept him in the right key. Town criers later became the earliest medium for public announcements in many European countries, as in England, and they continued to be used for many centuries.

Roman merchants, too, had a sense of advertising. The ruins of Pompeii contain signs in store or terra cotta, advertising what the shops were selling—a row of hams for a butcher shop, a cow for a dairy, a boot for a shoemaker. The Pompeiians also knew the art of telling their story to the public by means of painted wall signs. Tourism was one of advertising's earliest subjects.

Outdoor advertising has proved to be one of the most enduring, as well as one of the oldest, forms of advertising. It survived the decline of the Roman Empire to become the decorative art of the inns in the seventeenth and eighteenth centuries. That was still an age of widespread illiteracy, and inns, particularly, vied with each other in creating attractive signs that all could recognize.

Advertising is only one of several selling tools, which businessmen have used for centuries to assist them in getting their wares into the hands of consumers. Its early use was distinctly a minor supplement to other forms of selling. Storekeepers erected signs on or in front of buildings or placed posters in public places, merely to draw the attention of prospective

customers to their places of business. After customers were thus attracted, personal selling and display of merchandise were depended upon to make the sale.

ADVERTISING AND THE FUTURE

Today advertising has become a major form of selling. It not only supports other forms of selling but also frequently serves as the only selling tool used to move merchandise. Whereas early advertising might have been referred to as written or printed publicity, serving wholly as an adjunct to personal selling, today it takes a position on a par with personal selling. This does not mean that the two are competitive; instead, one complements, rather than supplants, the other.

Modern advertising is closely associated with the development of mass selling. The manufacturer who sells his merchandise throughout an entire nation or in many nations finds advertising a valuable ambassador. Messages dealing with new or old products, their qualities and want-satisfying characteristics can be sent to millions of people at low cost through newspapers, magazines, television, radio, direct mail, billboards, car cards, and motion pictures. Dealers in every market, stocked with such merchandise, find it relatively easy to meet the needs and desires of people. Thus, automobiles, refrigerators, radios, electrical equipment, and many other items can be manufactured and sold on a basis to obtain the advantages of mass production and distribution.

Modern advertising has demonstrated its power as an independent and complementary selling tool. So important has it become, that careful attention has been given to its scientific application to modern business. Thus, modern advertising covers a broad field. Its effective application requires a thorough understanding of the importance of its various component parts. In the coming years, advertising must deal with an economic and social order geared to information and service rather than the earlier manufacturing economy.

Our complex communications system threatens to make mass communication systems outmoded. The ability to reach narrowly defined audiences started with selective magazines, moved to an explosion of selectively formatted radio stations, and undermined the overwhelming audience concentrations of the three major networks and has the potential for one-to-one communication through home computers. The advertiser reaches this fragmented audience at a

higher and higher price. As the audience of a media vehicle decreases, the cost per reader of listener invariably increases.

FILIPINO APPROACH

Is there such thing as a Filipino ad? Frankie Lacambra, head of Link Advertising, Inc., holds, “a good ad has no nationality because a good idea is universal—simple, powerful, timeless, and it belongs to the world. But a Filipino look in an ad is always welcome. Ad men should strive for it whenever an idea calls for it.”

All ads are the same in the sense that all advertising hopes to sell or persuade. If one wishes to attach a qualifying nationality, then one can say the advertising campaign focuses on Filipino products, Filipino services, Filipino people and Filipino institutions. These ads directed at or oriented to Filipino consumers, necessarily, bear Filipino characteristics and only in this case these ads be properly called “Filipino ads”.

But still, we cannot hide from the reality that even with Filipino products or Filipino people or Filipino services being advertised, not much of the Filipino is projected. Advertising practitioners in the country are at variance in their explanations. Most agree that there is no concerted, conscious effort on their part to show what is characteristically or essentially Filipino in the ads or commercials they create.

Therefore, employing the Filipino approach means using a concept or theme that is Filipino and articulated the way a Filipino would—in English or in the national language. A Filipino concept or theme revolves on core or basic Filipino values, ideals, customs, traditions, even idiosyncrasies, and set in a Filipino environment, perhaps in the city or in the countryside, modern or traditional as may relate to the theme. The executional style could either be serious or funny. The Filipino brand of humor, besides, often comes into the picture and distinguishes it from other ads.

Filipino-oriented ad, therefore, tries to communicate with the Filipino market in terms of what the Filipino market needs, believes in or what it thinks is valid.

ADVERTISING MEDIA

Advertising media can be classified as follows: newspapers, magazines (consumer magazines, business publications, farm publications, professional journals), television, radio, direct mail, outdoor media (signs, posters, painted bulletins, electric displays), transit media (car cards, outside displays, station posters), and miscellaneous (dealer displays, theater-screen advertising, specialties, directories, point of sale).

There is no single best medium for all advertising situations. Each has its own character, and each advertising situation presents a unique set of circumstances. Each medium must therefore be considered in terms of how well it meets the individual advertiser's requirements.

1. Newspaper Advertising

The newspaper was the offspring of Johann Gutenberg's invention of printing from movable type (about 1438), which, of course, changed communication methods for the whole world. About forty years after the invention, William Caxton of London printed outdoor ad on English—a handbill of the rules for the guidance of the clergy at Easter. This was tacked up on church doors. (It became the first outdoor ad in English.) But the printed newspaper took a long time in coming. Its rally emerged from the newsletters, handwritten by professional writers, for nobles and others who wanted to by kept up to date in the news, especially of the court and other important events—very much in the spirit of the Washington newsletters of today.

Categories of Newspaper Advertising

The two major categories of newspaper advertising are classified advertising and display advertising. We will discuss them in turn.

Classified Advertising

Classified advertising constitutes a major part of a newspaper publisher's income. The three major categories of classified are employment, real estate, and automotive. Newspapers also carry advertisements in the classified section with illustrations. These are known as classified display and normally are run in the automotive and real estate section. All fall under

the heading of classified advertising, which has its own rate card and is usually a department on itself.

Display Advertising

All newspaper advertising except classified falls into two classes: local (or retail) and national (or general).

Local (Retail) Advertising

It is done by local merchants or service organizations to attract customers either in person, by mail, or by phone, to buy the goods and services they have to offer. Furthermore, this refers to all the advertising placed by local businesses, organization, or individuals.

National (General) Advertising

National newspaper advertising refers to the advertising refers to the advertising done by any marketer who seeks to send readers to ask for a branded product or identified service at any store, showroom, or agency office dealing in such products or services.

Newspapers are a basic local medium, with all the advantages of local media for the national advertiser: (1) freedom to advertise to a widespread audience when and where desired, and (2) the ability to conduct a national campaign, adapting the headline to each city market or running test ads in a number of markets. Reading newspapers is a daily ritual in most homes and on commuter trains.

Comics are syndicated, and space in the comic supplement is sold by national or sectional groups or papers although space is also sold by individual papers.

2. Magazine

Magazines offer a wide range of advertising opportunities. General magazines such as *Reader's Digest*, *Paris-Match*, and *Asahi* are edited to serve the interests of many different population segments, thereby offering advertisers the opportunity to reach a broad cross section of people in all parts of a nation. Women's magazines (*Elle*, *Ms.*, *Vogue*) appeal to various

special interests of women. There are magazines that concentrate on sports, business, science, or virtually every interest group imaginable. Each type of magazine offers the advertiser the chance to reach the best prospects when they are reading subject matter relevant to the advertiser's product. A manufacturer of milking machines, for example, by advertising in a dairymen's journal, can reach dairymen in a receptive frame of mind, the many professional journals read by doctors, dentists, engineers, architects, and educators appeal to advertisers who wish to influence those who are in a position to prescribe, recommend, or specify what others will buy.

3. Television as an Advertising Medium

The major advantage of TV is that it is an indispensable social institution for millions of American families; almost everyone, regardless of socioeconomic status, watches some TV regularly. Research indicates that viewers in virtually every age, sex, and income category watch television daily. TV presents the advertiser's message in the most spectacular way possible, combining sight, sound, motion, and color. A product story can be presented most dramatically on TV. With the aid of live performers and appropriate settings, it provides an unmatched opportunity to demonstrate the merits of a product in the intimacy of the home.

4. Radio as an Advertising Medium

When you listen to a voice on the radio, you are hearing it in a one-to-one basis. Usually you are alone with it. Someone is speaking directly to you. Many people have a close rapport with a radio personality to whom they listen faithfully. Radio also brings a wide range of sound effects to involve the listener's imagination in the script.

Radio is everywhere. It is found even in the remotest regions of Africa and Asia, and in developed countries it is scarcely possible to escape the blare of portable radios. It is considered that radio is an important medium for education and public information and is severely restricted its use for commercial advertising.

Radio advertising time is sold in much the same way as is television time, and the same methods of audience measurement are used.

5. Direct Mail

By mail the advertiser can send his message directly to individual prospects. The message can take one of many forms: letter, folder, booklet, brochure, postcard, catalog, or coupons. In letter form the message can be personalized by addressing the recipient by name, by appealing to his personal concerns, and by using the language and style of a personal letter. The advertiser also can single out special groups for special appeals. He can be fairly certain that the message will be at least partly read on the date that it is received.

6. Outdoor Advertising

Outdoor advertising is the oldest form of communication. The Egyptians invented outdoor communication over 5,000 years ago when they engraved the names and accomplishments of their kings on temple walls. Outdoor advertising continued in one form or another throughout the centuries.

Advantages:

1. Strong local presence.
2. Excellent reminder medium.
3. High exposure levels at low cost.

Disadvantages:

1. Short messages
2. Little audience selectivity.
3. Availability of outdoor can be a problem.

Outdoor Advertising Today

Outdoor advertising, at present, is often defined as any ad or identification sign located in a public place, such as signs of varying sizes, shapes and colors that mark eating places, bowling alleys, motels, movies and the like.

Outdoor as a Marketing Tool

Outdoor is usually a supplemental element in an integrated advertising campaign involving a number of other media. However, it provides several unique features that can reinforce the strengths of other advertising, promotional, and marketing efforts.

Outdoor advertising provides the largest and most colorful display for an advertiser's trademark, product, and slogan. It offers the most spectacular use of lights to attract attention and has shown special effectiveness in getting a name known.

Forms of Outdoor Advertising

Outdoor advertising is composed of two types of standardized outdoor signs. They are poster panel and the painted bulletin.

Poster Panel

The backbone of the outdoor advertising industry is the poster panel or simply *poster*. Posters are available in every metropolitan area nationwide and in many smaller communities.

Painted Bulletins

Painted bulletins are permanent structures, larger costlier than posters. Erected at choice locations, these structures are made of prefabricated steel with a standardized or specially constructed border trim. The advertisements are either hand-painted on site or mounted on separate panels in the shop and then assembled at the bulletin site.

Trends in Outdoor Advertising

First, outdoor will be better-researched and easier to buy. The second trend in outdoor advertising will involve new technology and greater diversity of outdoor displays. Finally, outdoor will provide a mass appeal media alternative to the narrowly defined audience of other communication vehicle.

7. Transit Advertising

As we travel in buses, commuter trains, or subways, we find ourselves reading and rereading the overhead advertising cards facing us. As we wait for a train at the station or walk to

a plane through the airport, we glance at the posters and displays. All of these are transit advertising.

It includes car cards, outside displays, and station posters that reach millions of riders of public transportation in urban areas. Like outdoor advertising, transit advertising offers frequent exposure to large numbers of people at low cost. Its limitations are brevity of message and an environment low in prestige.

ADVERTISING TO THE CONSUMER

National advertising

National advertising is the most general type. It rarely carries specific prices, directions to buy the product, or special dealer services associated with the product purchase. National advertising seeks to establish demand for a product, especially one sold through self-service outlets. When most people speak of advertising, they usually are referring to national advertising.

Retail (local) Advertising

Retail advertising is directed not only at selling a product, at encouraging the buyer to purchase it at a specific store. The national advertiser sells its products at any location. Retail advertising must give the consumer a reason to purchase at a single store. This is why retail advertising is very specific in terms of consumer benefits. Traditionally, retail advertising is emphasizes price, especially sale items.

End-Product Advertising

One of the most challenging marketing problems faced by a manufacturer is end-product advertising. End-product advertising encourages consumer demand for ingredients that are incorporated in the manufacture of other products.

Direct-Response Advertising

One of the fastest growing sectors of our economy is direct marketing: selling a product from marketer to consumer without going through retail channels. The advertising used in direct marketing is referred to as direct-response advertising. This term is now the preferred one for

what has long been known as “mail-order advertising,” because an enormous amount of such advertising is now done through magazines, newspapers, television, and radio. Direct mail continues, however, to be the most important direct-response medium. Convenience is the primary advantage offered by direct-response advertising. In recent years, a number of major companies have expanded their sales efforts to include direct-response. The popularity of direct-response is due in part to changing lifestyles.

Trade Advertising

All the articles in a store must be bought by someone before they are delivered to that store. The buyer may serve whole chain of stores, or a buying committee may have to give its approved. To reach those authorities, the marketer will advertise in the trade papers of their business, giving news about the product especially about price, special deals, and packaging.

The advertising may describe special consumer advertising and promotions. It may tell about the success of the product is having with the public and with other retailers. The theme of all advertising is to show the profit the store can make by stocking this product now. Such trade advertising is an important adjunct to any national advertising campaign.

Therefore, in trade advertising, retailers are the targets here—to make them aware of the product and the display materials that will help produce sales and increase profit for them.

Industrial advertising

A manufacturer is a buyer of machinery, equipment, raw materials, and components used in producing the goods he sells. Those who have machinery, equipment, or material to sell to other producers will address their advertising especially to them in their industry magazine. This method is quite unlike consumer advertising and is referred to as industrial advertising.

Industrial advertising is aimed at a market that has certain characteristics: (1) sales may run into very large sums; (2) many people are involved in a decision to buy, each person a specialist or professional in some aspect of the total operation; (3) decisions on a matter may take a long time. The products are not being bought for personal use.

Professional Advertising

The most important person in the sale of some products is the professional adviser to the buyer, such as a physician or architect. The physician's recommendation is the best inducement to a patient to buy that product. In construction, the architect's specifications are usually binding. In these areas, then, advertising is frequently directed to professionals through their professional publications and by direct mail.

Corporate Management Advertising

Many people within a company may join in making a decision about products the company may join in making a decision about products the company needs. If the investment is large, the highest level of management will be involved. To reach them, the answer is by advertising broad services of a company in the publications they read such as *Newsweek*, *Time*, *U.S. News & World Report*, and *Fortune*. Such advertising is called corporate management advertising, or corporate institutional advertising if it is addressed also to a wider audience.

ADVERTISING OBJECTIVES

The fundamental purpose of advertising is to sell something—a product, a service, or an idea. Its general objective is increased sales volume and profit improvement. Stanton (1964) listed six specific objectives of advertising. The six specific aims are:

1. *To support personal selling program.* Advertising may be used to open customers' doors to salesmen and to acquaint the prospect with the seller's company. Advertising can also reduce selling costs by doing some of the sales prospecting. It permits the salesman to make fewer calls and enables the company to maintain contact with the customers between salesmen's calls.
2. *To reach people inaccessible to salesmen.* A salesman may be unable to reach top business executives and professional men, or he may not be certain who makes the buying decisions in the Company. In either case, there is a good chance that all these executives and decision makers will read a journal which carries the ads.

3. *To improve dealer relations.* The goal of an advertising campaign may be to attract new leaders by showing them how profitable it is to carry the manufacturer's line. The purpose of other advertisements may be to give the names and addresses of retailers who carry the product.
4. *To enter a new geographic market or attract a new group of customers.*
5. *To introduce a new product or a new price schedule.*

To increase uses of product. An advertising campaign may be designed to lengthen the season for the product (as have been done in the case of soft drinks).

Because advertising is but a part of the marketing effort, its activity should work in concert with other marketing variables. What sets advertising objectives apart is that they are usually shorter range and involve tasks that can be accomplished through communication. Communication, in turn, concerns: (1) providing the advertising exposure opportunity, (2) delivering the product image and information, and (3) producing positive communication influences.

1. Exposure Objectives—Target-Audience profiles

Successful communication is very dependent on knowing who the target customers are and how they feel about those things associated with the company and its products.

2. Creative Emphasis Objectives (Attributes/Benefits)

Creative planners must decide what would be the most influential and interesting information to the target audience.

3. Communication Effects Objectives

Most large, consumer-products companies monitor the impact of advertising through tracking studies on recall, recognition, comprehension, and attitude change.

III. SELLING

Selling is “the act of delivering or transferring goods to another for money.”

It is a process of persuading a prospective customer to buy a commodity or a service. Selling is the counterpart of buying. Efficient selling consists of making goods available to the customer with all its added facilities and incentives involving the functions of public relations, advertising, and sales promotion. It may be personal or impersonal.

PERSONAL SELLING

Personal selling is the oral presentation of a commodity or product in a personal conversation with one or more prospective buyers. Personal selling has the advantage of being more flexible in operation. Sales people can tailor sales presentations to fit the needs, motives, and behavior of individual customers. Also, sales people can see the customer’s reaction to a particular sales approach and then make the necessary adjustments right on the spot. It permits a minimum of wasted effort. A company has the opportunity to pinpoint its market target far more effectively than can be done with any promotional device.

NON-PERSONAL SELLING/IMPERSONAL SELLING

Is selling through the use of some form of media such as is used in advertising, window display, publicity, sampling, etc. much of the cost is devoted to sending the message to people who are in no way real prospects. On the other hand, it can reach prospective consumers that cannot be reached by sellers through the use of communication media such as radio or television.

CONSUMER

A consumer is “a person who buys goods or services for one’s personal use or needs and not for resale or to use in the production of other goods for resale; oppose to producer.” The difference between consumer and customer is that, consumers are the end users of the product or

commodity, whereas, a costumer may be a consumer, if he/she utilized the goods for his own personal use and not for resale—if so, then he now becomes the seller.

Child as a Consumer

Children are encouraged to become consumers as early as possible. Studies have shown that most children have begun some form of shopping as early as age seven. Initially, children mimic their parents' buying behavior and later, that of their peer group. By the time they are eleven years old, their pattern of consumer behavior will be that as those of the adults.

Marketing to children employs several techniques: placing products that appeal to them on the lower shelves in the supermarket, cartoon commercials on children's television programs, and free distribution in schools of children items.

Employed Woman as a Consumer

These women have more money than the average homemaker and their needs for various products and services also differ. They present a large and growing target for advertisers. On the other hand, it is vital for advertisers to realize that not all employed women represent the same market. There is a difference between those with careers and those who are working to supplement the family income. The spending and purchasing habit of the latter are similar to those of homemakers. It is the career woman who represents the lucrative portion of the market.

Older Person as a Consumer

In most cases, people in the 45-65 age bracket are no longer rearing children. Often, both spouses are working. Many people in this group believe that it is about time that they spend 40% of their earnings. People over the age of 65 are another large and active consumer group. Although their income is lower, they purchase many goods and services.

IV. ROLE OF PSYCHOLOGY IN ADVERTISING AND SELLING

Psychology plays an effective role in advertising and selling. Through the important ways in which psychology relates to advertising and selling and consumer behavior, the ultimate goal of advertising and selling is achieved. These important ways as stated by Beach and Clark are:

1. The presence of the needs or motives for buying in the consumer before he actually buys.
2. The many psychological processes or phenomena which are involved in the potential consumer's becoming an actual consumer.

The presence of the needs or motives for buying is the most important psychological fact for the advertiser and salesman to keep in mind. It is the advertiser's job to stimulate interest, to create consumer wants to an extent that the commodity will be purchased. It is the salesman's job to demonstrate how this product will satisfy the need which the consumer feels.

The many psychological processes and phenomena which are involved in the potential consumer's becoming an actual consumer are: (a) the human sensory processes, (b) the phenomena of attention, (c) the concept of perception, (d) the phenomena of interest, and (e) the whole subject of motivation.

A. The Sensory Processes

Some basic knowledge of how the senses operate emphasizing on its importance to advertising and selling. The important things to remember are the two general principles which should be in any presentation of the product to the public which are:

1. The more senses utilized in making the presentation, the stronger and more lasting the impression to the receiver.
2. As much as possible the presentation should be appealing and pleasant to those senses which are called into play.

B. Attention

Munn and his associates (1969) describe as the direction of the cognitive powers toward one object or a group of objects; or toward a thought, or toward an activity to the exclusion, more or less completely of all other is a basic concern of the advertiser and salesman. It is a selective process. It is the purpose of the advertiser first to draw attention to the presentation. A successful advertisement “captures” the person’s attention and sustains an interaction until a positive attitude toward the product evolves.

Swartz (1963) emphasizes that successful advertising makes effective use of various attention determining object properties such as size, color, intensity, repetition, novelty, and movement.

1. Size - which refers to the bigness as exemplified by the huge highway billboards and the double page spread. A large advertisement attracts attention better than a small one.
2. Color - involves the relative brightness used in the advertisement. Bright colors attract attention.
3. Intensity - the quantitative as contrasted with the qualitative aspect of stimulation. The magnitude or amount of pressure used in the advertisement. Stimuli of greater magnitude are more likely to gain attention than stimuli of lower magnitude.
4. Repetition or familiarity - this is the act of doing or saying again. A weak stimulus frequently repeated much has as much effect as a strong one presented but once. If it is overdone, monotony results.
5. Novelty - the appeal to create an interest in something entirely new and which easily draws attention and succeeds in holding attention for a time.
6. Movement - such as the animated neon sign, which catches the eye even when seen only with peripheral vision.

C. Interest

The inner drive or impulse which favorably disposes one toward some object, situation, or idea, ought to be given consideration by the salesman working with the customer. One way of

arousing interest is to make one see and hear things that are associated with other pleasant experiences the person had.

D. Perception

Which is a single unified awareness derived from sensory processes while a stimulus is present, has many psychological implications for behavior. This phenomenon is clear and impressions more lasting if what the businessman has to say is tied up with the everyday life experiences of the buyer.

Two important principles to be considered in establishing desirable perceptions in the customer are the:

1. The Law of Primacy - states that first impressions are lasting.
2. The Law of Recency - is based on the fact that the most recently gained impressions is brought to mind the easiest and most well remembered.

E. Motivation

This is the most significant in the psychology of sales and advertising since it underlies all types of human action. The ultimate goal of all advertising and selling is to motivate the consumer to investigate the product further and then to take action to purchase it.

SELLING

Heidingsfield and Blackenship (1968) stressed that the salesman must master selling techniques; that he must understand the integral basic steps of a sales presentation, which follow a definite sequence. They expressed the view that a sales interview requires the salesman to obtain a series of reactions from his prospect, in the following order (AIDA is the expression used to signify the four reactions: attention, interest, desire, action).

1. Getting Attention

Regardless of the form of selling used, the prospect's attention must be attracted and held.

2. Arousing Interest

Once the buyer's interest has been aroused to the point where he cares to hear details about the merchandise, the salesman may be confident of a favorable attitude toward his ideas and merchandise.

3. Stimulate Desire

At the sales presentation unfolds, the prospect should be made to see the advantage of the product or service.

4. Obtaining Action

The salesman's objective is to obtain a favorable reaction culminating in an order.

ADVERTISING

A good display advertisement or television commercial must accomplish four other objectives before it can be effective. These are:

1. It must attract and hold attention.
2. It must deliver a sales message concerning the product and its advantage, in a meaningful, believable manner.
3. It must convey favorable feeling toward the product advertised and/or the sponsor.
4. It must be remembered.

CHAPTER II. COMPANY PROFILE

I. BRIEF HISTORICAL BACKGROUND

David H. McConnell, a book salesman who sells encyclopedia, founded Avon (named after Shakespeare's English hometown, Stratford-on-Avon) 117 years ago. Whenever he sold his books, he gives incentive sample fragrances to his customers. Later on, he found out that his customers like the perfume incentive rather than his books. So he started to make perfume and established California Perfume Company in Suffern New York in 1886. Today, Andrea Jung is the face and brains behind the brand. She joined Avon in 1994, intrigued by a global company that was undergoing a turnaround. Over the last 7 years she climbed the corporate ladder, becoming chief executive in November 1999. Andrea Jung, being the first sales representative, recruited other women forming the first team of successful businesswomen. The New York-based perfume company is now the world's leading direct seller of beauty products.

Going door to door, Avon developed into one of the world's most recognizable names. But this direct seller of health and beauty products is not depending on a doorbell to take it through the 21st century. They have a great core direct-selling business, but as of now they have a brand that can expand into new channels: new customer segments like teens, and new brand extensions like wellness. Avon is undergoing something of a makeover, with new products, high-powered advertising, and a move to sell retail.

Today its products reach women in 143 countries through 3.5 million sales representatives, more popularly known as Avon Ladies. Since the company's founding, some 40 million women worldwide have sold Avon products.

In the Philippines: It started here in 1978 when Avon bought Beautyfont, then the number one beauty company locally, and its manufacturing plant Aura Laboratories. After a year, a total of 15 branches went into full operation nationwide, 5 in Metro Manila and 10 in various provinces. After 5 years, it became Avon Cosmetics, Inc. To date we have more than 500,000 Filipino women who are dealers of Avon and 110 locations nationwide with sales of around 12 Billion a year, making us also the number one beauty company and number one direct-selling company here in the Philippines.

II. NATURE OF THE BUSINESS

AVON primarily offers beauty products to the market. They have 3 categories of products. The first is Beauty category: includes makeup, skin care, hair care, perfumes, and personal care such as lotions, deodorants and talc. Second is Beauty Plus category, which includes intimate apparel (brassiere, panties, girdle), plated jewelry, teen's apparel, men's apparel, children's apparel and gifts & décor. Third category is Beyond Beauty which includes vitamins, exercise/ fitness apparel & aromatherapy/health products.

The nature of the business is direct selling. They have Avon representatives or "Franchise Dealers" as they call it that sells their products to customers. They sell through personal touch; dealers go to and find customers, not the other way around.

III. VISION STATEMENT

"The Avon Cosmetics Inc. envisions providing the products, services and self-development needs of women the world over."

IV. MISSION STATEMENT

"We commit to give our customers the utmost satisfaction through our unified efforts in pursuit of Avon's corporate vision. In our drive to provide our independent sales force the opportunity to earn, we take upon ourselves the responsibility of making a difference in their lives. With passion, we seek to make good service better 'til better becomes best, as we aspire to keep all our Avon Customers-forever."

V. COMPANY GUIDELINES

The company's independent sales force is composed to Franchise Managers, Franchise Dealers (FD) and Certified Beauty Counselors (CBC). Franchise Managers recruit, train, and motivate their group of FDs. Franchise Dealers are the ones who purchase from Avon, sell to

customers and collect payments. They are given discount privileges. The CBCs are under the FDs they get products from FDs and sell to customers. It's like a network.

VI. PROGRAMS

Every month, Avon has different programs running to ensure that they keep their sales up. They have different advertising gimmicks as well. They have incentive programs and reward programs like instant prizes for a certain sales achievement, raffle coupons, scratch cards, free trip, win appliances, etc. For advertisement, they are supported by TV commercials, newspaper ads/prints, and radio announcement and through word of mouth by their sales force.

CHAPTER III. PSYCHOLOGY IN THE ADVERTISING AND SELLING PROGRAM OF AVON COSMETICS INC.

As we know, the Avon Cosmetics Inc., primarily, deals with cosmetics. Cosmetics are a style business. Its continuous flow of new colors, new make-up preparations, new vogues in packaging, keep pace with the rest of the style world. Cosmetics add an extra touch of satisfaction to life by making a woman feel that she is appearing at her best. No great harm may result from not using green eye shadow, but the advertising strategy of the company points out how it may improve a woman's entire personality.

One of the main reasons behind the success of Avon Cosmetics Inc. is their advertising strategy. Being in a "style" business they consider advertising as an indispensable factor in this industry because people tend to forget (or doubt) what beauty aids can do for them. Keeping people alert to the satisfactions of cosmetics is the continuing role of advertising. It is also one of the reasons why a greater percentage of sales cost goes into the advertising program of the company.

In advertising and selling a product, you have to identify consumer's needs, their preferences, likes or dislikes, and modify product features that are suitable for those needs. Thus, it is important for the Avon Company Inc. to know about people; the things that will motivate them to buy their products; and to relate properly with them to gain their trust to be able to influence their behavior and, consequently, patronize their products to them. Therefore, based on this fact, psychology plays an important role in the advertising and selling program of Avon Cosmetics, Inc.

Psychology relates to advertising and selling through the consumer behavior. Consumer behavior is a motivated behavior. To motivate a consumer to buy their products is the prime concern of the company. Thus, an appealing advertisement or good strategy in selling is the main goal of the company to be able to create a motive for buying on the part of prospective consumers. The job of the advertising department of the company is to create an interesting ad that will convert the subconscious lack to a felt need or want and to make it evident that the product of the company satisfies that need or want of potential consumers.

ADVERTISING STRATEGIES

Celebrities/Models on Television Commercials

Unlike print advertisements, a television commercial enters the homes of prospective buyers and becomes alive with sound, motion, people, and the unique ability of demonstration.

One of the strategies of Avon is the use of big advertisement campaigns like Lea Salonga commercials and other “big” celebrities/models. Celebrities are frequently being used to sell products because of their image. They are seen as trustworthy and competent and that the ads featuring them are rated more positively than those which do not. In this case, the beauty symbolized by Lea Salonga motivates potential consumer to identify herself in such an admirable figure by using the same things (cosmetics) that she uses. Therefore, this influences potential consumers to buy the product of the company.

Using TV is ideal for demonstrating the advantages of a product. A cleanser removing stubborn stains, a testimony of a whitening cream that is effective in a short duration of time—all happen before the viewer’s eyes.

In planning a commercial, the company considers the following questions to guarantee its effectiveness in influencing potential buyers:

1. What techniques are your competitors using? Choose a different direction in order to give your product its own television image.
2. From previous advertising, has your product established a special personality that may suggest continuing a technique?
3. Do consumer attitudes discovered in research interviews suggest any problems to be met or any special advantages to be stressed for your product?
4. Does your campaign already exist in print advertisements? If so, you will probably want your television effort to bear a visual resemblance.
5. How much money is allotted for the production of a particular commercial? If the budget is modest, you will want to give serious thought to close-ups, artwork, simple sets, or locations with a minimum of personnel.

Use of Direct-Marketing/Direct-Response Advertising

In this form of marketing, the marketer sells directly to the end user of the product, without recourse to a dealer. It uses direct mail, magazines, pamphlets and brochures. By mail the advertiser can convey his message directly to individual prospects. The message can take one of many forms: letter, folder, booklet, brochure, postcards, catalog, or coupons.

The Avon Company Inc. has their very own strategy of direct mail method. They employ “personal touch.” The Franchise Dealers personally deliver or give the brochures to prospective buyers and not through the traditional “snail mail.” Through this type of approach, the advertiser can be assured that the ad will be at least partly read by most potential consumers. Furthermore, they can find out whether the consumer needs supplementary products and also they will be able to resolve, personally, their problems or inquiries with regards to their products.

Determining Target Market

By communicating through one or more media, advertising first attempts to locate prospects for the advertiser’s product or service. In order to accomplish this, successful advertising must *get* and *hold* the attention of these prospects. *Getting* attention is fundamental when the advertisement competes for attention with other messages in a magazine or television media. *Holding* attention may be imperative when the audience is already there, as on a successful television show or radio broadcast.

Generally, most print advertisements attain attention through techniques which are interesting in themselves or which place them in contrast to their environment. Broadcast commercials, when they succeed, must *hold* the viewer’s or the listener’s attention through devices which will sustain whatever interest the program has built up or through a message which will justify the interruption of the program for this particular story.

SELLING

Offering Discounts or Low Prices

“The price must be right.” It must be within the range generally regarded as reasonable and competitive for that type and quality of product. If the price can be better than its immediate competition, that fact is an important differential.

The single most important fact about the buying public is: “people want to buy everything that they like... and they will buy, if you give them a good enough reason for doing so.” The key here is *good enough reason*. People must be able to justify their purchases, on some level or other. The price is the single most significant factor in advertising and selling. It is the make-or-break of a product and the management of price is critical to the ad and to the company’s image. That’s why by offering discounts or incentives, the consumers will likely buy the “cheaper” product but with high quality rather than the more expensive one. This consumer-buying motive is classified under product buying motives (Raymond 1967). This motive refers to why people buy one product rather than the other. Clearly, the answer is because, in this case, it is cheaper. By doing this type of selling strategy, the Avon Company Inc. not only caters to the elite but, more, to the masses.

Determining the Price

Avon Company, Inc. has a team/department that evaluates pricing of their products and compares it against operation cost as well as market cost, competitive products and other factors.

Consumers rely heavily on price as an indicator of a product’s quality, especially when they must make purchase decisions with incomplete information. Studies have consistently shown that consumer’s perceptions of product quality vary directly with price. Thus, the higher the price, the better the quality is perceived to be. Consumers make this judgment particularly when no other clues as to product quality are available. Consumers’ quality perceptions can, of course, also be influenced by store reputation, advertising, and other variables. On the part of the Avon Company Inc., they strive to sell their products at a price that is affordable to consumers but at the same time, they will be able to achieve their target return on investment or on net sales.

CHAPTER IV. ANALYSIS AND EVALUATION

I. CONCLUSION

A. ADVERTISING

- *The Avon Company Inc. makes use of big advertisement campaign like Lea Salonga commercials and other “big” celebrities/models.*

One type of advertising appeal that is employed by the Avon Company is the use sex in advertising. Meaning, the use of attractive persons, sexual fantasies, and nude or scantily clad model, which is prominent in advertising. However, in this case, Lea Salonga and other commercial models fall on the category of attractive persons. Sometimes, the image of the product is transmitted by a symbol representing the product. Thus, making use of well-known beautiful celebrities, mainly because they aim to patronize beauty products, most people consider these advertisements highly appealing and since they can see their favorite artists/models using the said products. Their natural feeling is to use the same thing.

In here, the purpose of the advertising department of the Avon Company Inc. is to push the product to the most noticeable position, make the product remembered and liked by using big commercial models and highly respected artists like Lea Salonga. By doing so, they activate interest, create wants in the parts of the onlookers to become prospective consumers, and for them to provide inquiries to further know more about the product that they are patronizing.

Also, by using the television media, the company will be able to reach other people which are inaccessible to salesmen/franchise dealers.

- *“Our number one sales tool is our brochure (pamphlet/booklet) containing all products offered for a specific month. We have one brochure per month. We divide our selling period into 12 campaigns according to the 12 months of the year.”*

With regards to the method used by Avon Company Inc., their direct mail method has its own personal touch. Meaning, the employees or Franchise Dealers personally hand over the

brochures or pamphlets to prospective consumers and not through the traditional “snail mail.” By employing this type of approach, the advertiser can be fairly certain that the message will be at least partly read by most recipients. Moreover, they can determine whether the customer needs additional products and be able to answer, personally, their questions. Also, this method may further improve dealer relations.

B. SELLING

- *“The company’s marketing strategy, basically, is offering big discounts and promos (buy one take one, but this get this for free, buy 10, get something, buy this, get this product for only, etc.) every month to different products.”*

Based on this, if the price is low or discounted, you have to be clever to maintain the credibility of the product.

1. Purchased a large quantity at a low price.
2. Factory “controlled” outlet.
3. Overstocked (be careful here or people will think that the item is unpopular).
4. Close out.
5. Lower profit margin.
6. On sale!

However, if the price is high, you have to show that it’s worth it.

1. High quality.
2. Limited availability for high demand.
3. Will cost more day after tomorrow.
4. Fairly priced for what it does.
5. Ultimate, limited production.

- *“We have a team/department that evaluates pricing of our products and compare it against operation cost as well as market cost, competitive products and other factors.”*

In determining prices, the marketer has to take account of costs, demand, and competition. Pricing for a new product presents quite different problems than does price management for existing products. And environmental factors—such as inflation, technological change, or government regulation—also must be considered.

- *“The most effective way of selling our products is through personal contact with the customers. We go to them in their houses, offices, etc. We offer convenient, hassle-free, personalized to advertise and merchandise our products every month.”*

There is a need for human contact between buyer and seller somewhere in the distribution chain. Consumer-goods manufacturers, even though they do not sell directly to the final consumer, maintain large sales forces to call on their immediate customers, whether wholesalers, retailers, or some other intermediaries. Direct contact enhances seller-buyer relationship, therefore, motivates the consumer in continuing on buying the seller's products.

II. FINDINGS

In view of the data collected, presented are the significant findings in the study:

- The study confirmed that the advertising strategy of the Avon Company Inc. is effective in providing customers with information regarding their products and is also successful in dealing, personally with consumer's inquiries.
- The researchers found out that selling strategy of Avon Company Inc. is effective in motivating potential buyers to purchase their products by employing low prices or discounts but, still, maintaining the quality of their products.
- It was found out that through personal contact with the consumers, the relationship between the seller and the buyer is enhanced and therefore motivating the buyer to continue purchasing the product.
- Employing their own "personal touch" in direct mail advertising is very successful in establishing a good relationship with the company's clients.
- Through celebrities/models on their TV commercials, the company is able to motivate potential consumer to identify herself in such an admirable figure by using the same things (cosmetics) that they uses, therefore, purchasing their products.
- Advertising program of Avon Cosmetics Inc. is successful in getting and holding the attention of prospective consumers.
- The price is the make-or-break of a product and the management of price is critical to the ad and to the company's image.

III. RECOMMENDATIONS

To the consumers:

This research will be useful for consumers to be able to distinguish a product that can satisfy their needs through the use of advertisements. Also, information about the different types of advertisement will help them to understand and to know more about the product that they are purchasing.

To the businessmen:

This study is a great help in finding what type of advertising or selling strategy to employ in order to increase profitable sale. To future business-ladies and gentlemen, this study will encourage them to plan carefully down to the very detail of how they will run their business or sell their products.

This research further recommends future businessmen to exhaust all mediums for advertisement, be knowledgeable of your field, be good in public relations, study and be aware of market trends always, work hard, take it one at a time. We must remember that there is no overnight success. It comes with patience and determination.

To future researchers:

The information gathered in this research will be a great help and may serve as a reference or guide in further studies regarding the topic.