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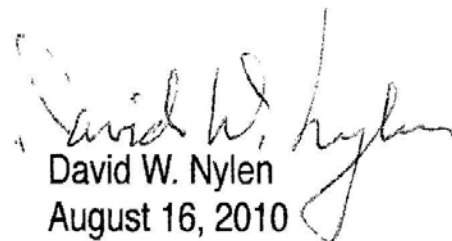
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C.30 *Push versus Pull*

THE DIFFERENCE BETWEEN PUSH AND PULL

Push and pull are alternative approaches to managing relations with channel members. The choice between push and pull is an across-the-variables decision that influences many other **marketing mix** decisions. As such, the decision should be made after the **positioning** decision, but before most other marketing mix decisions.

Push Approach. Under a **push** approach, marketers attempt to enlist the cooperation and support of each successive member of the distribution channel in selling to the next level in the channel and eventually to the end user by providing incentives to the channel member. The incentives might include such things as large trade discounts, promotional allowances, cooperative advertising programs, exclusive selling rights, and sales service. (See GLOSSARY entry C.6 on means of gaining **channel cooperation**.)

Pull Approach. When a marketer bypasses channel members and goes direct to the end customer with heavy promotion to create de-

mand for the product, it is termed a **pull** approach. Mass media advertising and sales promotion are typically used to “presell” the product. This **demand** is transmitted up the channel of distribution, passing from the customer to the retailer to the wholesaler and finally to the manufacturer. Thus the channel members are forced to stock and sell the product because of the demands of their customers.

The Proportion of Push to Pull. In most cases, the marketing approach taken is not purely push or purely pull, but, rather, some blend of the two. The decision to be made, therefore, is what proportion of each should be used.

Nationally branded household products sold in supermarkets provide an example of products whose approach is weighted toward pull. Detergents, dentifrices, and mouthwash would be typical. For these products, national advertising directed to consumers is heavy and frequent sales promotions offer coupons, premiums, and other incentives directly to the consumer. By contrast, fewer incentives are offered to the retail trade. Trade discounts offered on these

products tend to be narrow and special trade incentives in the form of promotional allowances are usually offered mainly in support of consumer sales promotions. Of course, personal selling effort is directed to the retailers of these products, but it centers on order taking and restocking activities. The retailers themselves offer virtually no personal selling of these products.

The marketing of automobiles provides an example of the contrasting approach, one weighted toward push. It has long been acknowledged that the key to selling automobiles is the personal interaction between the dealer salesperson and the prospective customer. Automobiles are, of course, advertised and both the dealers and the manufacturers use sales promotion. However, this effort, particularly the sales promotion portion, is less designed to presell the prospect than it is to bring the prospect to the dealership so that the salesperson can demonstrate and sell the product. This promotion is, therefore, supporting the push effort. Although automobile advertising dollars in total are substantial, a considerably greater allocation of promotional funds is devoted to support of the personal (push) selling efforts of the manufacturers and the dealers. To encourage cooperation, automobile dealers are offered many other incentives, such as exclusive territories, training, and cooperative advertising allowances.

CRITERIA FOR MAKING THE PUSH VERSUS PULL DECISION

In deciding between push and pull, the marketer should consider four decision criteria: (1) the characteristics of the product, (2) consumer shopping behavior, (3) the nature of available channels of distribution, and (4) competitive behavior.

Characteristics of the Product. Consumer products can be sold through either push or pull, but products sold to business (such as raw materials, component parts, and supplies) are heavily weighted toward push.

These products are sold to concentrated markets, offer high unit sales potential, and require detailed negotiation of the sale. Each of these factors makes development of a cooperative, one-on-one relationship worthwhile (see GLOSSARY entry A.13). Highly complex or technical products also call for push whether they are consumer or business products, because purchasers require the direct explanation and support that is afforded by a push effort.

Consumer Shopping Behavior. The decision to use push or pull must be responsive to the way that consumers shop for the product. If the end consumer needs advice, purchase assistance, and the ability to examine or sample the product, then a push approach is almost always needed. If, on the other hand, purchase is habitual, relatively risk free, and frequent, then pull is indicated. The **consumer goods classification system**, since it is based on consumer shopping behavior, provides good guidance in making the push versus pull decision for consumer goods (see GLOSSARY entry A.3). Of the convenience goods, staples are generally sold through pull while impulse goods and emergency goods frequently use push programs because of their special need for difficult-to-attain display positions. Among the shopping goods, heterogeneous shopping goods usually require push while homogeneous shopping goods, because of their need for price promotion, may include a greater proportion of pull.

Industrial goods almost uniformly use a push approach. One reason is that industrial buyers do not "shop" in the sense that consumers do. (See GLOSSARY entry A.13 on **organizational buyer behavior**.) Instead, the industrial buyer expects the seller to come to the buyer, present the product, and respond to questions. This type of selling requires a push approach. Of all the products in the **industrial goods classifications system** (GLOSSARY entry A.7), accessories (office furniture, typewriters, copying machines) make the greatest use of pull-style promotion, but even in that category, it is minor compared to the push effort using personal selling.

Company Distribution Strengths. Choice between push and pull is frequently influenced by the existing resources of the company. Particularly for multiproduct companies, there is a tendency for a company to apply the same distribution approach to new products that they are using for other products. Thus if a company enjoys a competitive advantage because of a strongly developed push channel system, they will be influenced to apply that same approach to a new product. At the same time, a business experienced in pull marketing may not have either the resources or the know-how to develop a push system.

Competitive Requirements. In choosing between push and pull, a marketer will be influenced by competitive marketing patterns. If all competitors are seen to be using push, for example, this may indicate that the product requires this approach in order to reach the marketplace. However, the astute marketer will consider whether or not competitive differentiation in such a situation can be achieved by using a pull approach.

APPLICATION OF THE PUSH VERSUS PULL CONCEPT

Although the push versus pull decision is often identified as a promotional decision or, alternatively, as a distribution decision, it is really a decision whose implications affect most all elements of the marketing mix. As a result, the push versus pull decision should be made after the **positioning** decision, but before the **marketing mix** is developed. Once the decision to use push or pull has been made, it is most usefully applied as a guide in forming the marketing mix.

Advertising Decisions. Under a pull approach, the target audience for advertising will be the end consumer. **Advertising media selection** (GLOSSARY entry C.4) should favor mass media such as television and newspaper, and advertising expenditures must be heavy to generate consumer demand. **Advertising copy** (GLOSSARY entry C.2) under pull

must attempt to develop brand preference and stimulate purchase.

When using a push approach, the target audience for advertising may be channel members, with advertising copy attempting to persuade them to stock, display, and sell the product. In such case, advertising media selection should favor trade and business periodicals and direct mail. Under push, advertising of industrial products may be directed to end users, but its purpose should be to help the personal salesperson gain access to the buyer. For consumer products, push advertising may also be directed to end consumers with the objective of building traffic in retail outlets. Advertising copy should center on creating consumer awareness of the product and interest in shopping for it. Media selection would favor local newspaper and other direct action media. Under push, the advertising effort is often funneled through channel members by offering them the incentive of cooperative advertising allowances. Advertising expenditures will be less than under pull.

Use of Sales Promotion. Marketers using pull tend to be heavier users of sales promotion than those that use push. (See GLOSSARY entry C.36 on sales promotion.) Sales promotions under a pull approach are directed to final consumers rather than to trade intermediaries. The objective of these sales promotions usually focuses on achieving fast sales response from end consumers. Users of push, on the other hand, usually direct sales promotions to trade intermediaries to encourage their cooperation in stocking, displaying, and selling the product.

Pricing Decisions. Under pull, trade discounts offered to channel members tend to be low. This is necessary in order to make the high consumer advertising expenditures affordable. The incentive offered to channel members under pull is that the product has been presold by heavy consumer promotion, thus promising high turnover with little selling expense by the channel member. Under a push approach, channel members must be offered higher trade discounts as payment

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for stocking, displaying, and actively selling a product that has not been presold by heavy consumer advertising. (See GLOSSARY entry C.6 on **channel cooperation** and entry C.11 on **discount structure determination**.)

Distribution Choices. The push versus pull decision gives guidance in the **retailer selection** decision (see GLOSSARY entry C.33). A decision to use pull suggests the use of self-service retail outlets. Because pull products are presold, consumers need little retail sales assistance. Self-service outlets are accustomed to working on the narrow margins and high turnover available under a pull program. By contrast, push programs to be successful require active sales help at the retail level. This leads to use of retail outlets such as department and specialty stores. The availability of higher margins under a push program is consistent with use of these retailers.

The push versus pull decision will also influence the **wholesaler selection** decision (see GLOSSARY entry C.42). Push programs require full service wholesalers who can carry more of the burden of implementing the marketing mix for the product. As an alternate, many push programs rely on direct distribution, using the firm's own sales force. (See GLOSSARY entry C.10 on **direct versus indirect distribution**.)

The decision on push or pull can also provide guidance to the **distribution intensity** decision (see GLOSSARY entry C.12). Push programs are more likely to offer selective or exclusive distribution as an incentive to

channel members to cooperate. Pull programs, by contrast are more likely to use intensive distribution, the incentive being provided by the demand created for the product.

Product Design. The decision to use push or pull suggests some of the elements of product design (see GLOSSARY entry C.25). For a pull approach, the package must be designed to maximize display value since the product will probably be sold through self-service outlets. Packages for push products should be designed to assist the retail salesperson in demonstrating the product. **Branding of product** is more important to pull products than to push products. (See GLOSSARY entry C.5.) Under pull, buyers need brands to identify as they shop.

SUGGESTIONS FOR FURTHER READING

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