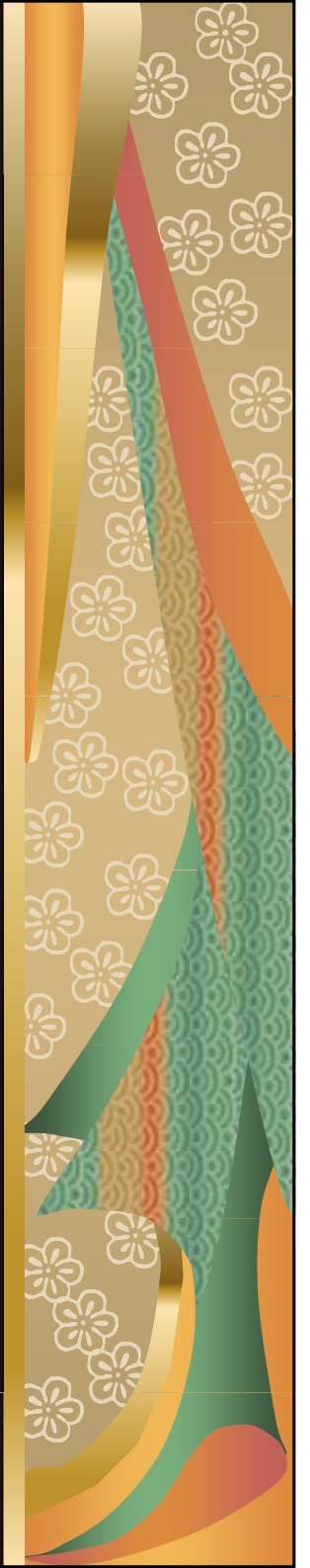


**PROMOTION**

**COMMUNICATION**



# 4 Steps to Marketing Strategy

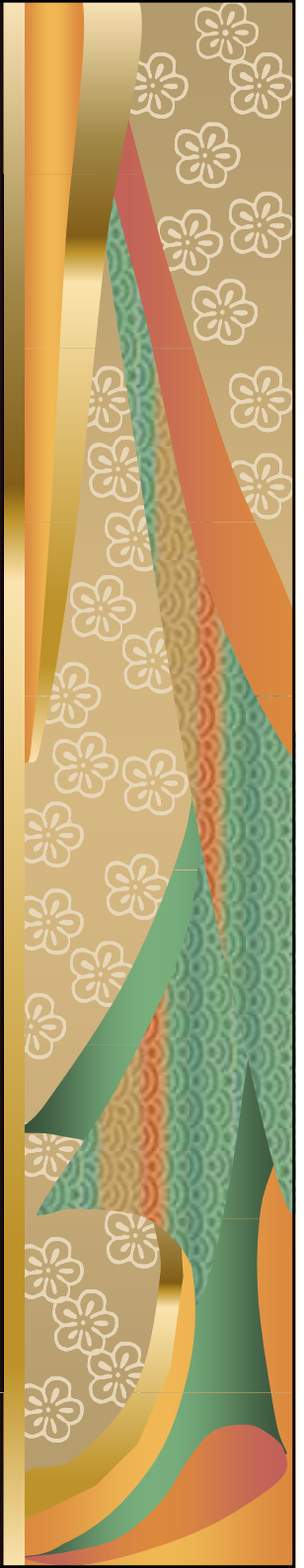


Define the Market

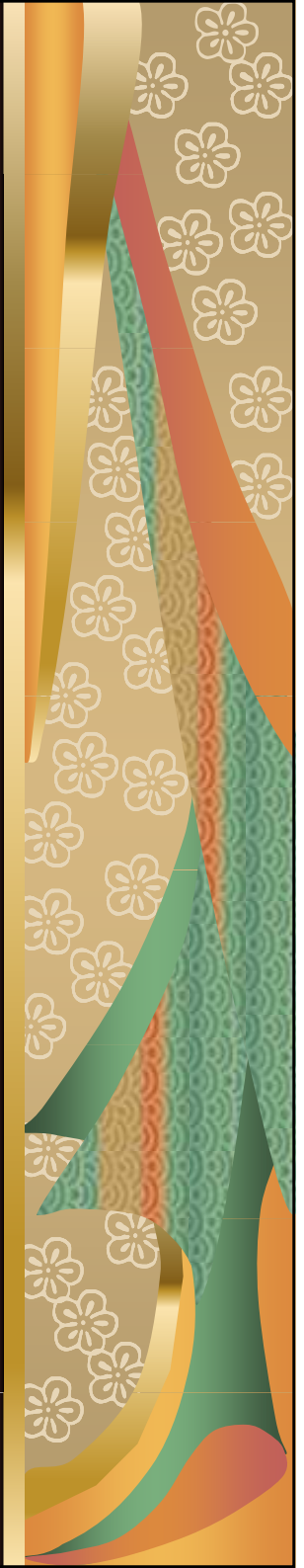
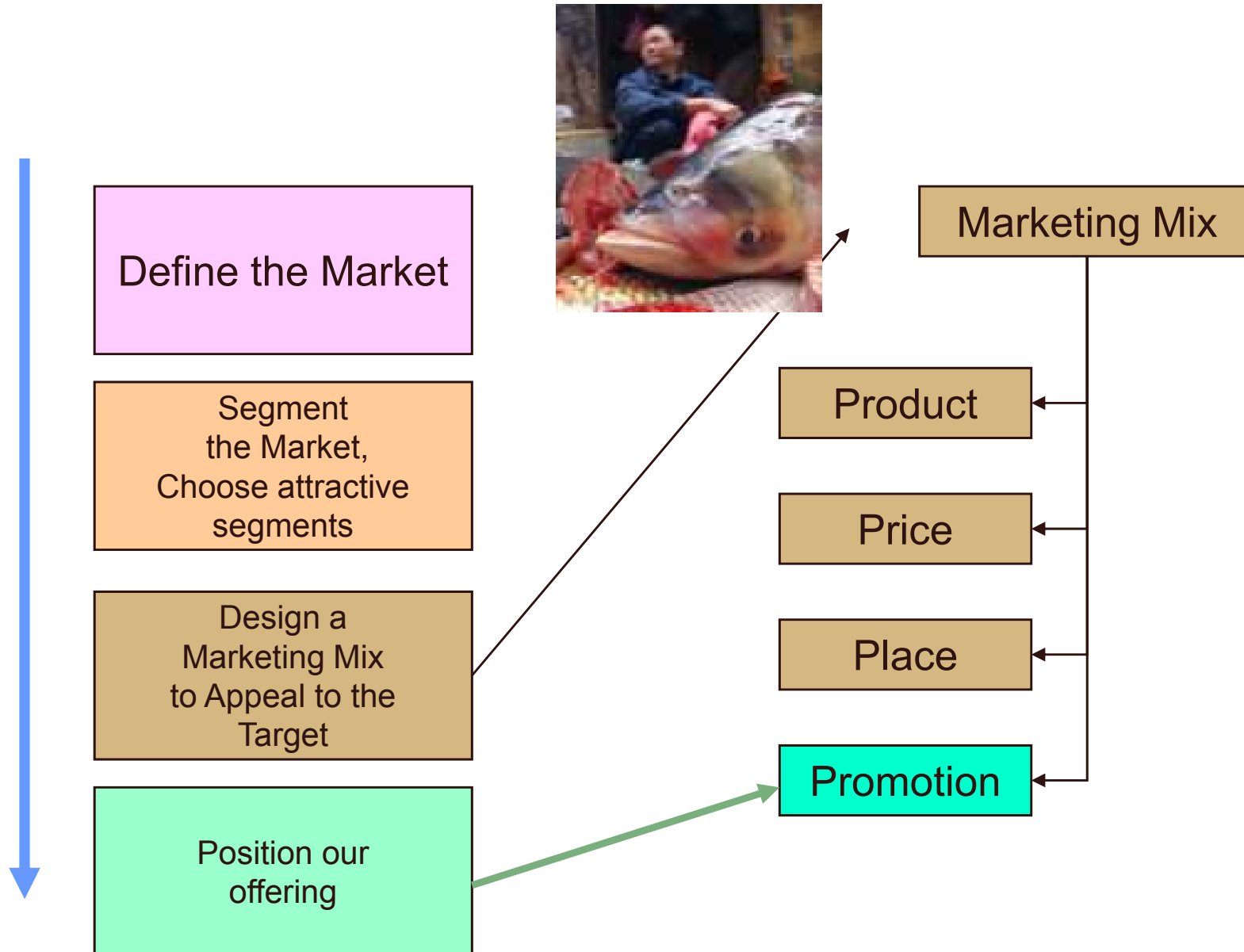
Segment  
the Market,  
Choose attractive  
segments

Design a  
Marketing Mix  
to Appeal to the  
Target

Position the  
offering



# The Marketing Mix and PROMOTION



# Promotion

## Marketing Mix

Product

Price

Place

Promotion

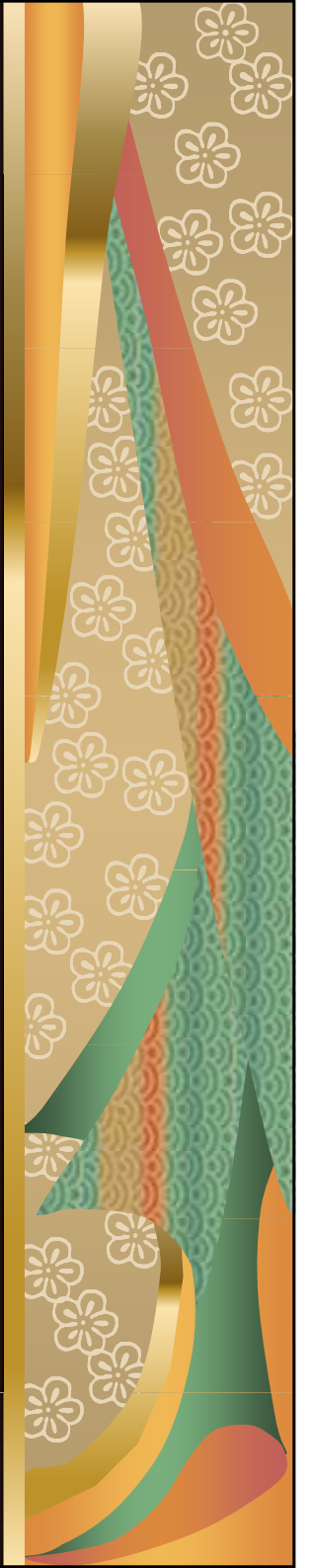
Personal  
Selling

Sales  
Promotion

Public  
Relations

Direct  
Promotion

Mass Media  
Advertising

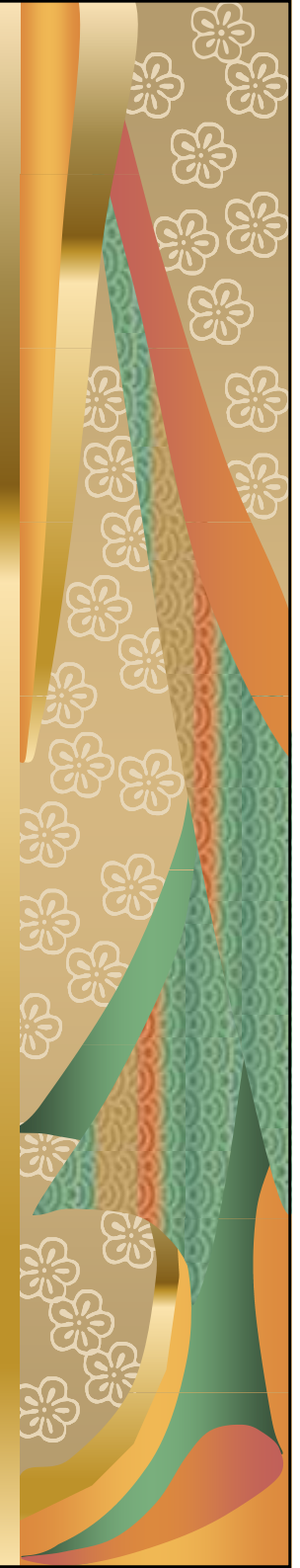


# The Role of Promotion

## ■ Promotion

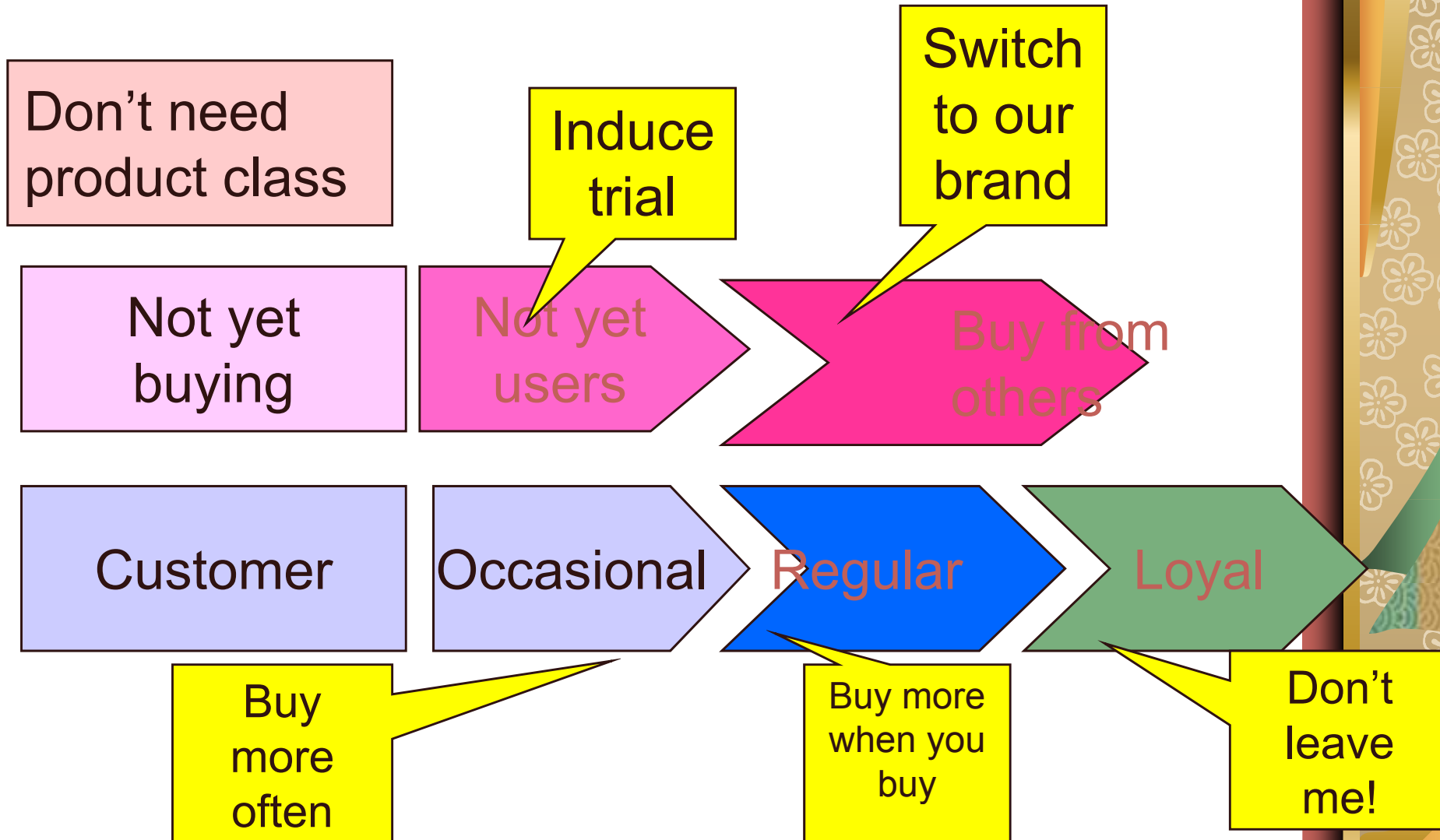
- **Communication** to build and maintain **relationships** by **informing** and **persuading** one or more audiences
- Overall role of promotion is to **stimulate** demand by:
  - building and enhancing customer relationships.
  - focusing customers on information about company activities and products.
  - promoting programs that help selected groups to build goodwill.
  - sponsoring special events that generate positive promotion of an organization and its brands.

[http://www.moviegoods.com/customer\\_testimonial.asp](http://www.moviegoods.com/customer_testimonial.asp)



# Which tool and technique to use?

→ “What do we want to accomplish?”



# Information Flows Are Important in Integrated Marketing Communications

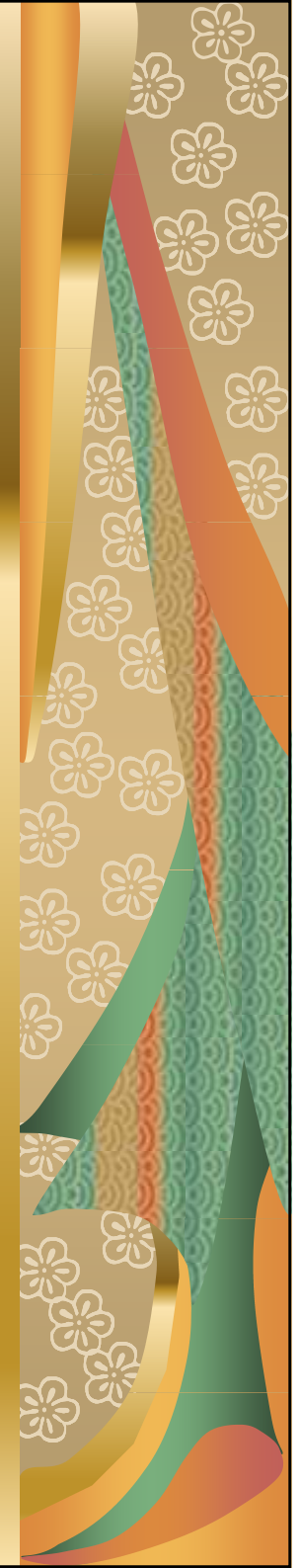


# Integrated Marketing Communications

## ■ Integrated Marketing Communications

- **Coordination** of promotion and other marketing efforts for maximum informational and persuasive effect
- Major goal is to send a **consistent message** to customers

<http://integrated.tmp.com/index.htm>





# Promotion

PRODUCT

COMPANY

PRICE

Integrated  
Marketing  
Communications  
(IMC)

PLACEMENT

+++++

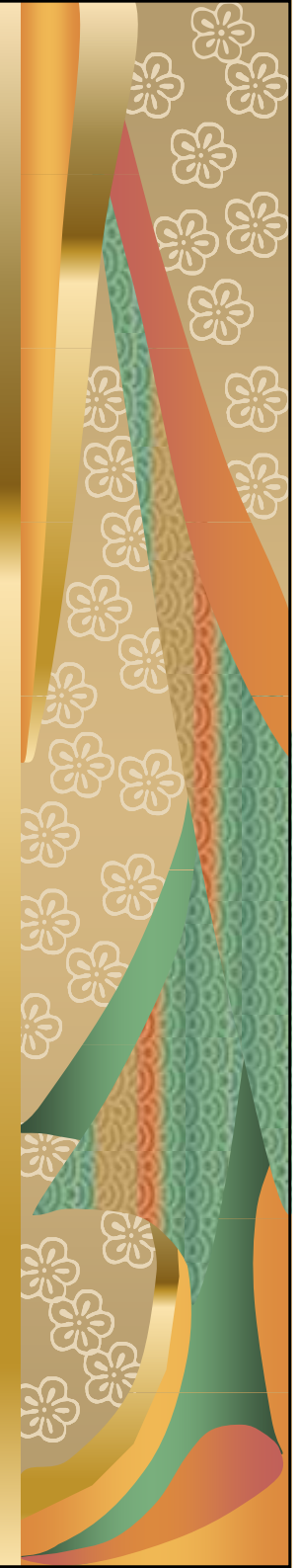
Personal  
Selling

Sales  
Promotion

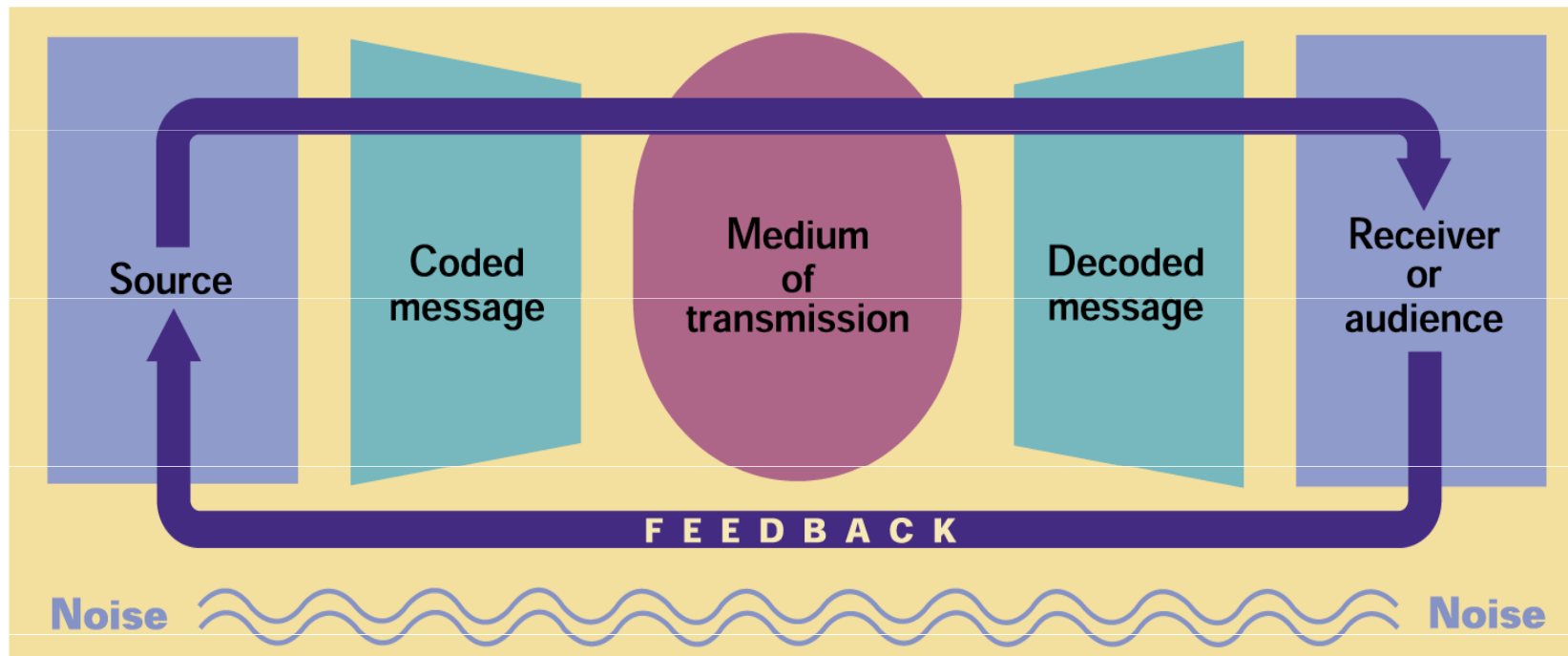
Public  
Relations

Direct  
Promotion

Mass Media  
Advertising



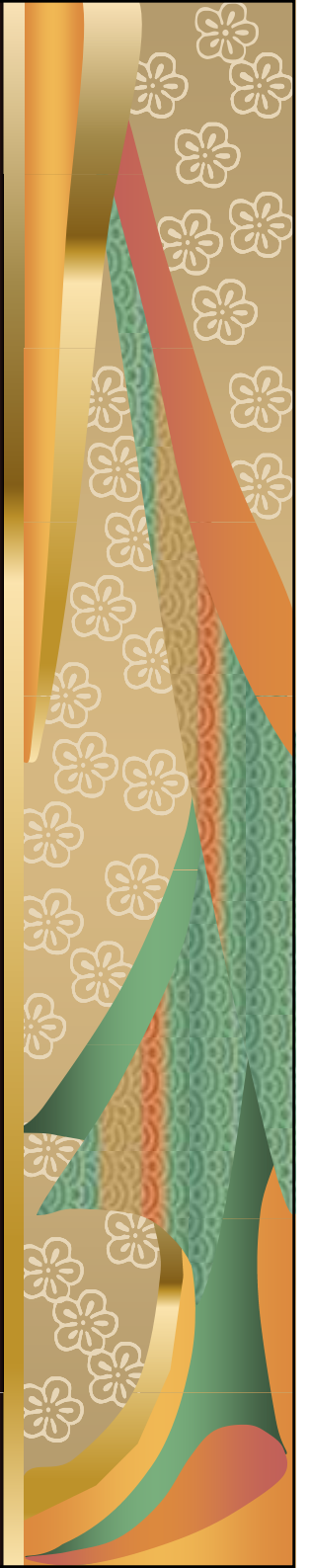
# The Communication Process



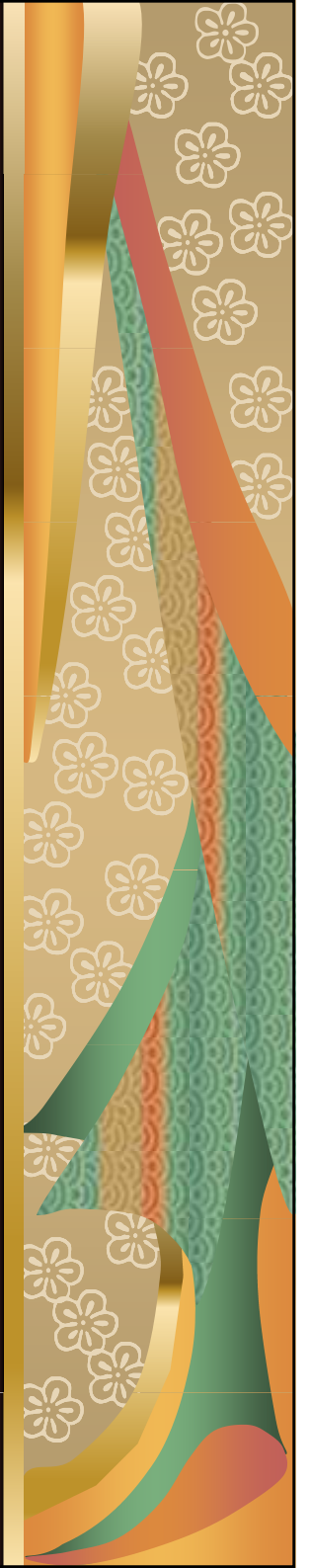
# Promotion and the Communication Process: Key Terms

## ■ Communication

- **A sharing of meaning; the transmission of information**
- **Source** is a person, group, or organization with a meaning it tries to share with an audience
- **Receiver** is an individual, group, or organization that decodes a coded message
- **Coding process (encoding)** is the converting meaning into a series of signs or symbols
- **Medium of transmission** is the the means of carrying the coded message from the source to the receiver



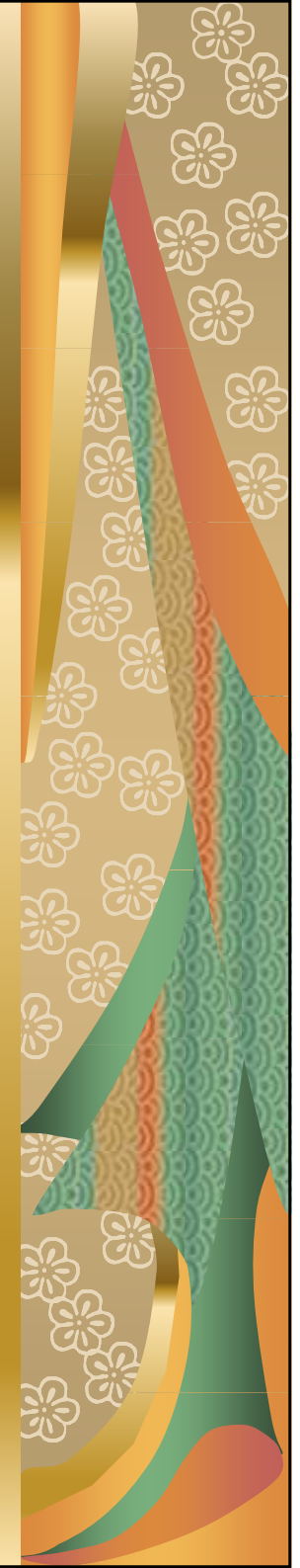
- **Decoding process** is the conversion of signs or symbols into concepts and ideas
- **Noise** is anything which reduces a communication's clarity and accuracy
- **Feedback** is the receiver's response to a message
- **Channel capacity** is the limit on the volume of information a communication channel can handle effectively



# GOALS OF PROMOTION:

- Create awareness
- Stimulate demand
- Encourage product trial
- Identify prospects
- Retain loyal customers
- Facilitate reseller support
- Combat competitive promotional efforts
- Reduce sales fluctuations

**Awareness → knowledge → liking → preference → conviction → purchase**



# Push and Pull Channel Policies

## ■ Push Policy

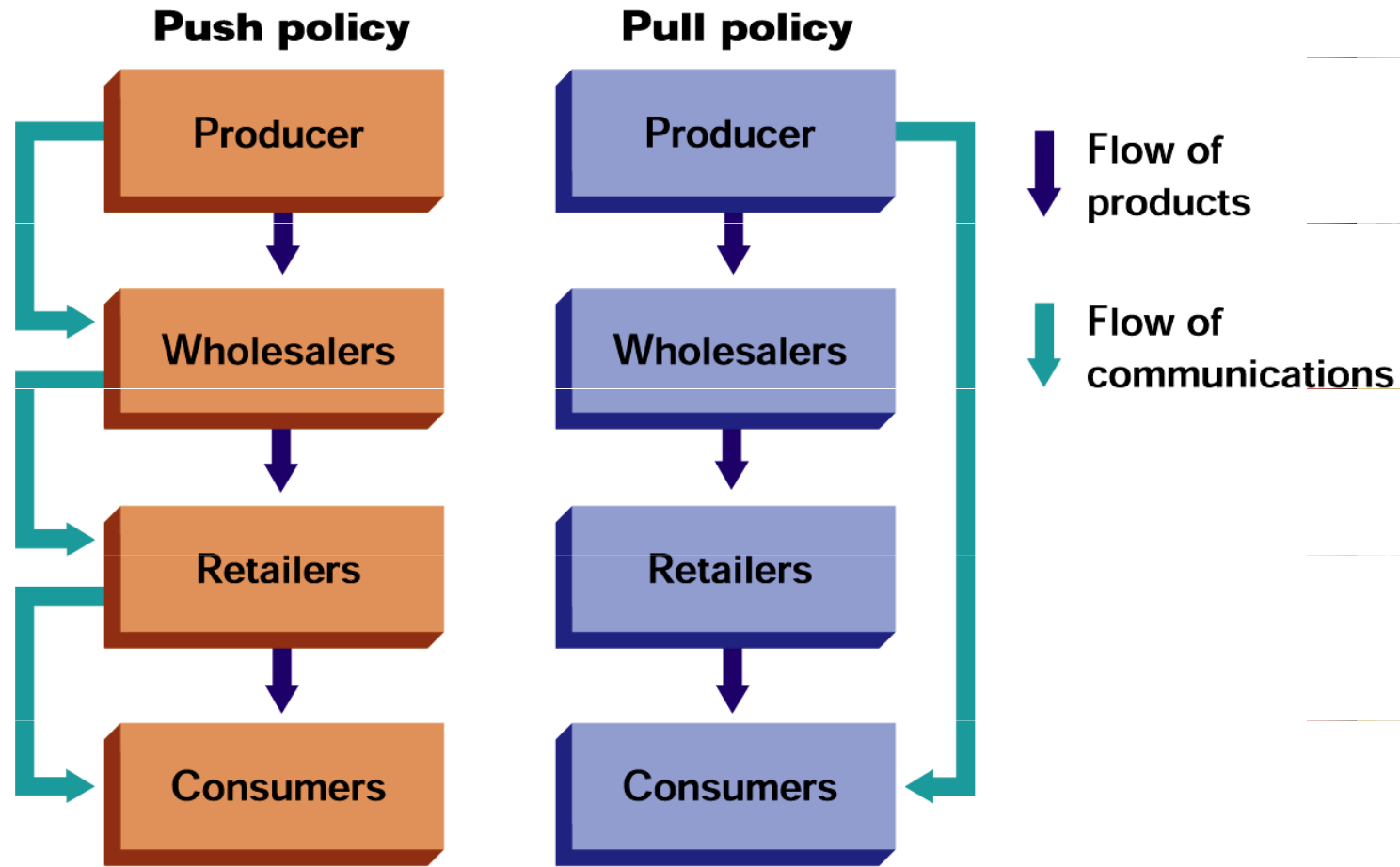
- Promoting a product only to the next institution down the marketing channel

## ■ Pull Policy

- Promoting a product directly to consumers to develop stronger consumer demand that pulls products through the marketing channel

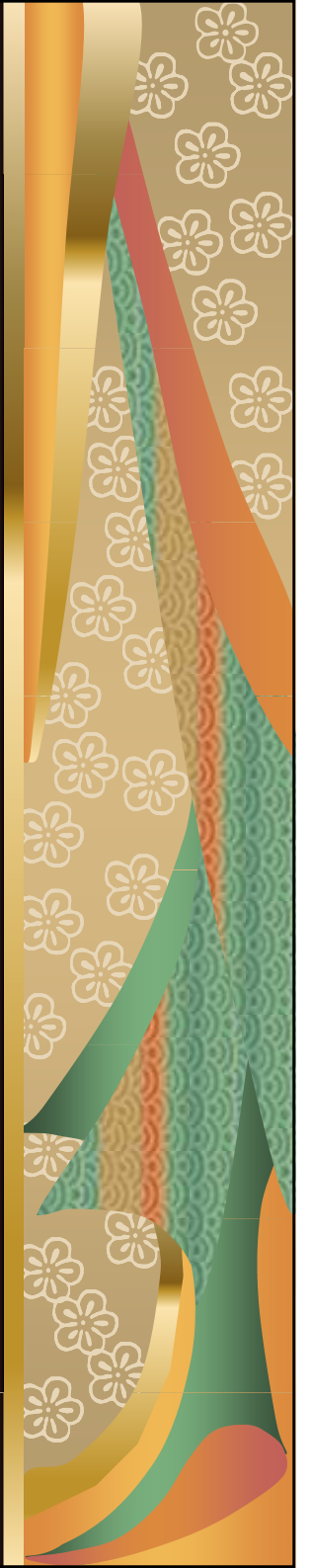


# Comparison of Push and Pull Promotional Strategies



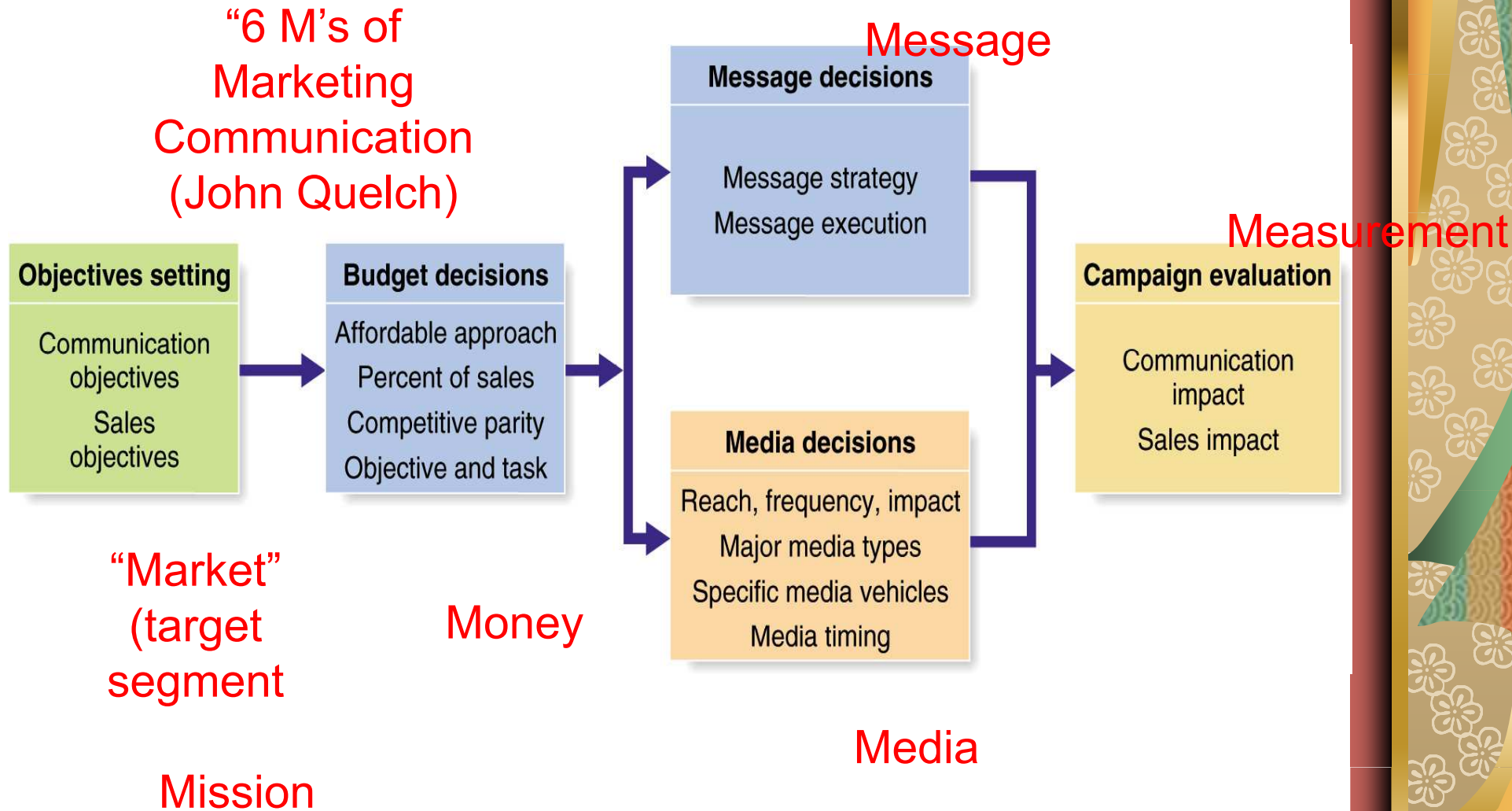
# Advertising

- A **paid nonpersonal** communication about an organization and its products transmitted to a target audience through mass media
- Benefits
  - Extremely cost efficient (cost per person) in reaching a large audience
  - Repeatable several times and in several media markets
  - Adds value to a product and enhances a firm's image



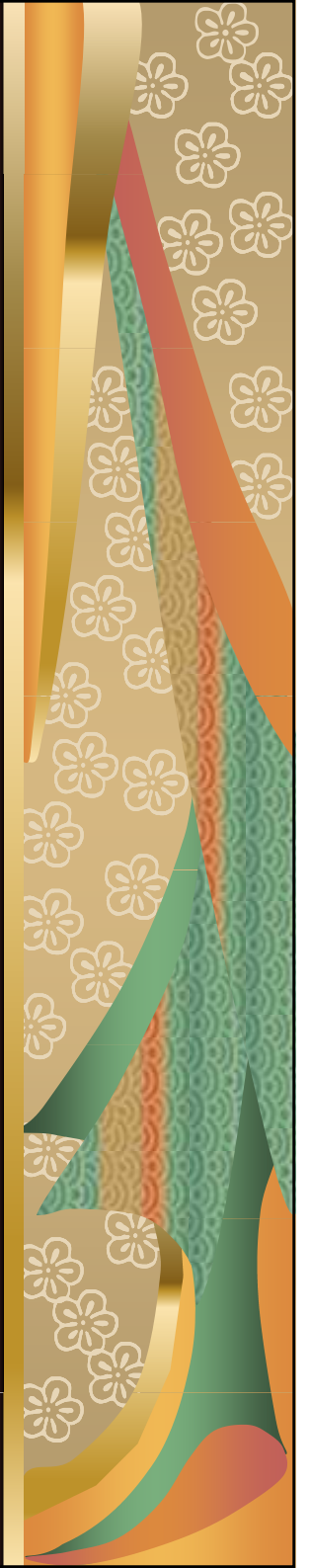


# Major Decisions in Advertising



# MEDIA:

- Newspapers
- Television
- Radio
- Magazines
- Outdoor
- Indoor
- internet



# Personal Selling

It's effective . . . but expensive

A **paid personal** communication that seeks to inform customers and persuade them to purchase products in an exchange situation

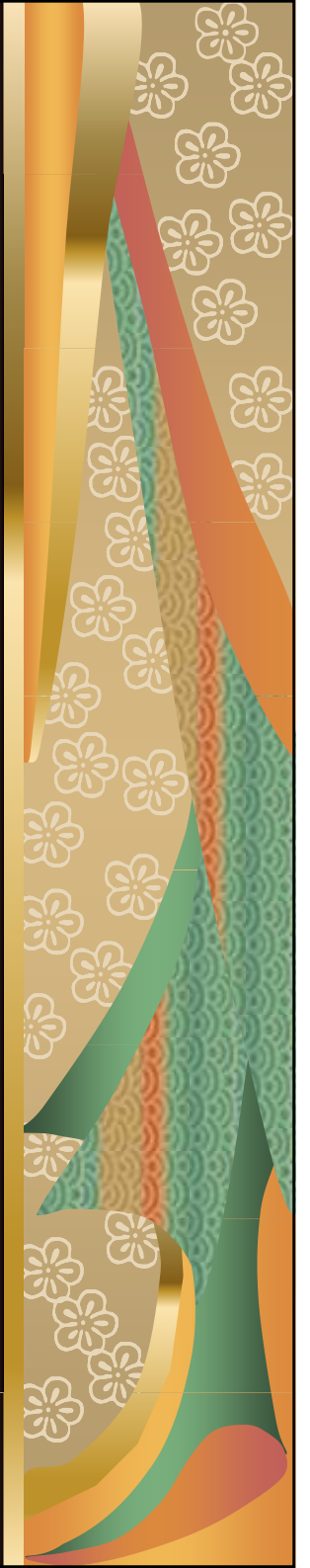
## ■ Advantages

- Is a more specific form of advertising
- Has greater impact on consumers
- Provides immediate feedback (kinesic, proxemic, and tactile communications)

## ■ Limitations

- Is an expensive form of advertising
- Is labor intensive and time consuming

■ **Relationship marketing is focused on *mutual* benefit and the long term**

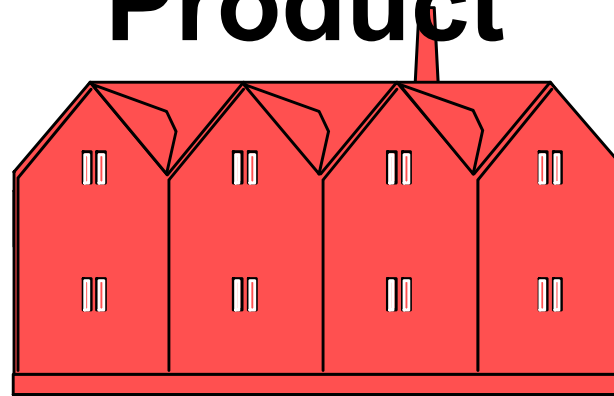


# Possible Ways to Organize the Sales Force

## Territorial



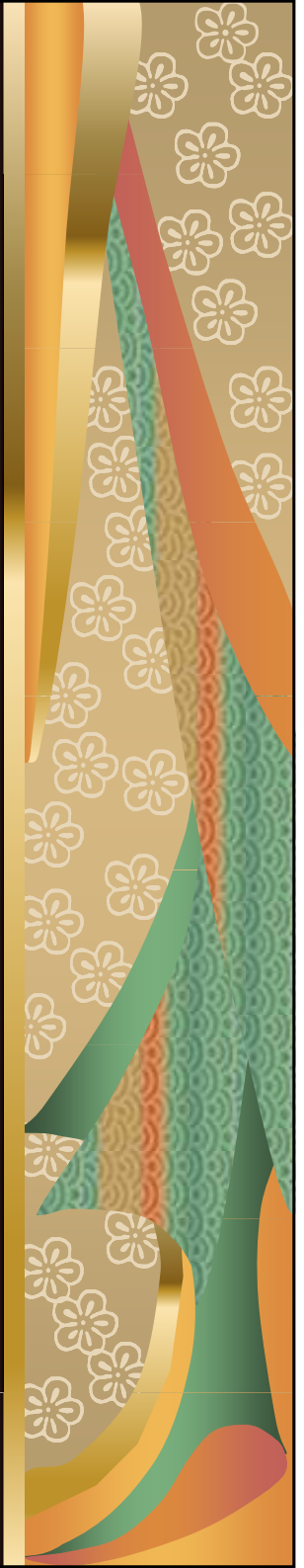
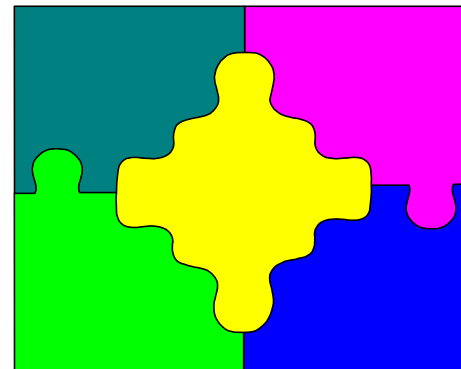
## Product



## Market



## Complexity



# Motivating the Sales Force

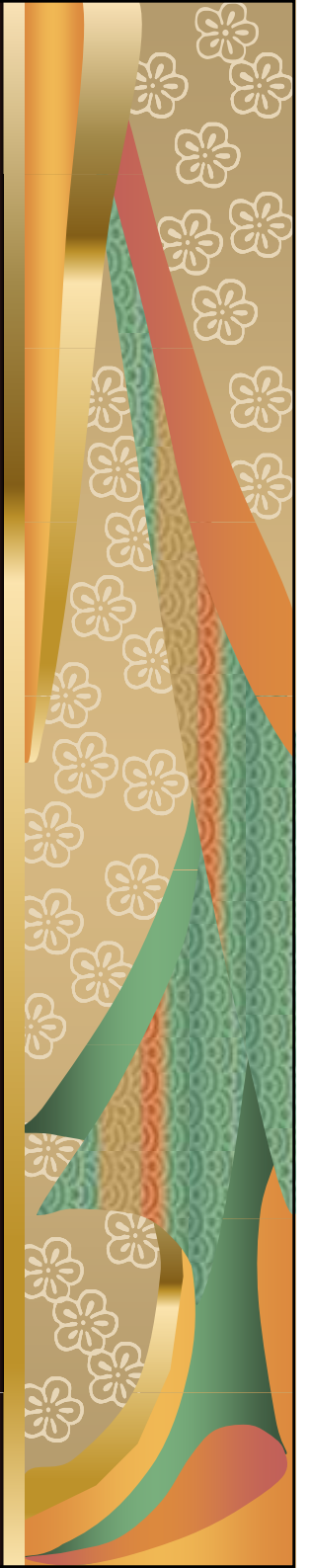
- Surprise! Money works, also promotion, accomplishment
- Recognition (Salesperson of the month) and liking don't work as well
- Most firms develop quotas
  - **Warning**, there are always unintended consequences
- Supplemental rewards (often travel) are typical



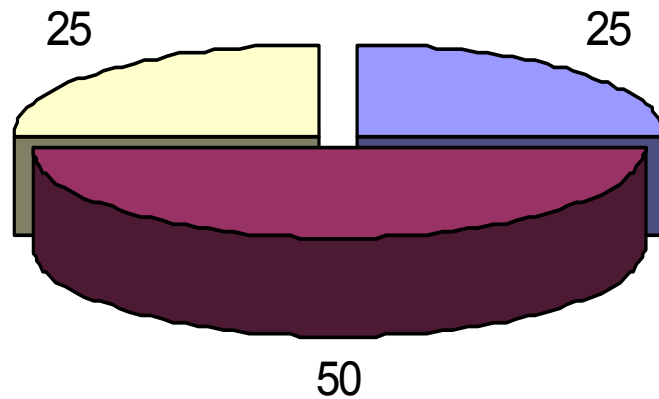
Darryl Heggans with one of the new Sony portables

# Sales Promotion

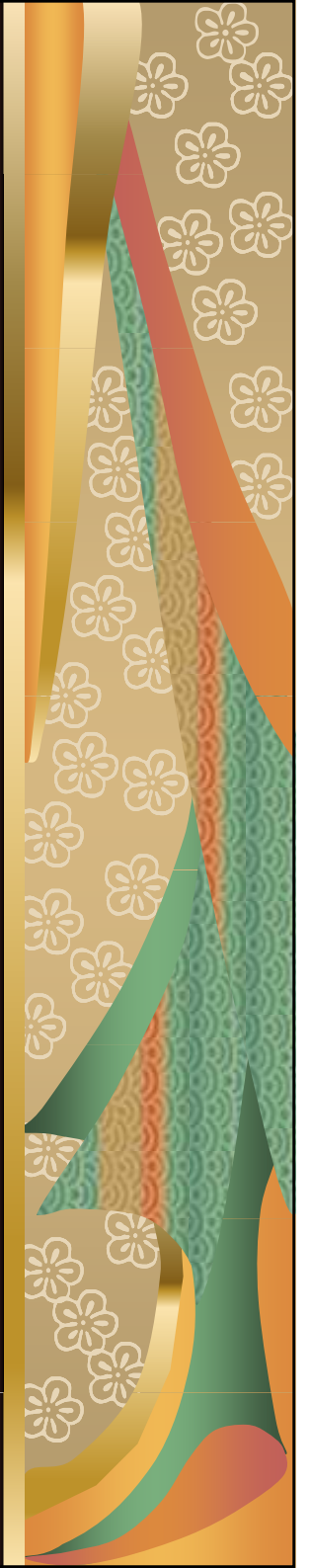
A “Necessary Evil” for Mature Products, and often useful to “induce trial” for new products



# “Advertising” is a small part of promo expenditure



- Mass Media Advertising
- Sales Promo: Trade
- Sales Promo: Consumer



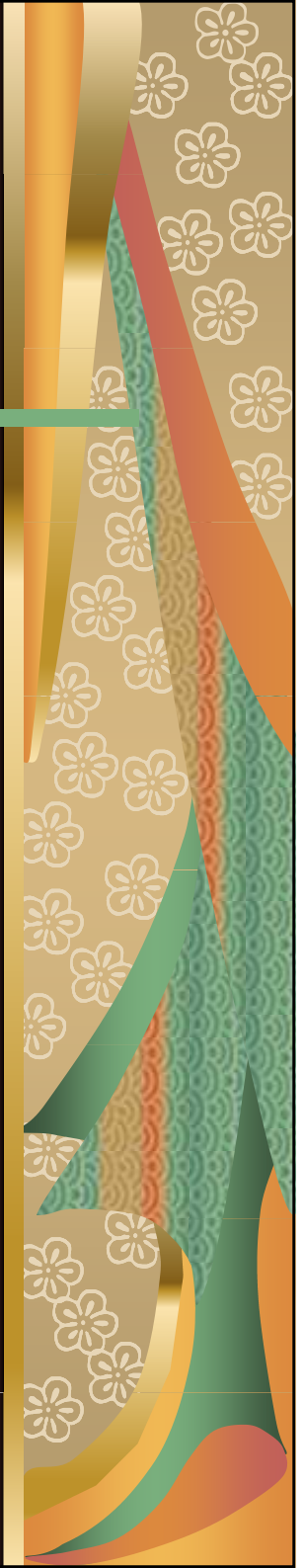
# Sales Promotion, pro and con



- A “necessary evil” in product maturity
- May give customers a “reason to buy”
- It works: Discounts **do** drive sales



- Erodes current quarter profitability
- May erode reference price
- May accelerate purchases from future periods to now





# Types of Consumer Sales Promotion Activities

7-11 May 2007  
While stocks last

DATA 24 piece cutlery set

£ **8.99**



Normally £19.99 6 each forks, knives  
spoons & teaspoons.  
800.917.65

- Coupons
- Price discounts (cents off)
- Buy this, get that packs
- 25 percent more free



- Contests
  - Consumer
- Premiums
- Samples
  - Free use in B2B
- Loyalty rewards



# Types of Trade Sales Promotion Activities

- Temporary price reduction
- Increased margin
- Trade deals  
“buy 6 ship 8”
- Annual sales volume rewards
  - Be careful about anti-trust

## ■ Contests (sales force)



*Ebbyi CRES won top honors at the recent Leading Real Estate Companies of the World™ Conference. Shown here from the left are Nancy Swaminath, incoming referral coordinator; Pamela Dickson, senior VP and director CRES; and Merry Shuck, manager of network services.*



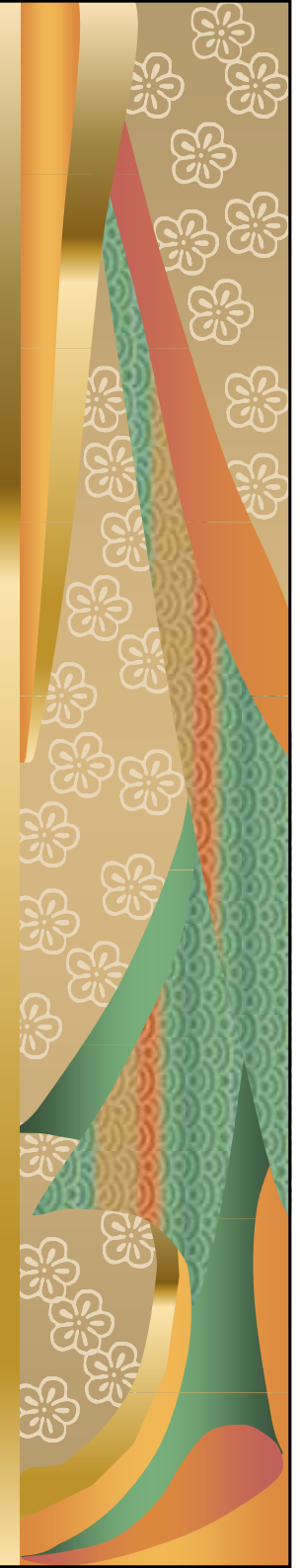
*Jayne Schmalzer, business development manager; Pamela Dickson, senior VP and director CRES; and Shelby Davis, director of corporate listings, received the RELO Divina® Outstanding Service Award.*



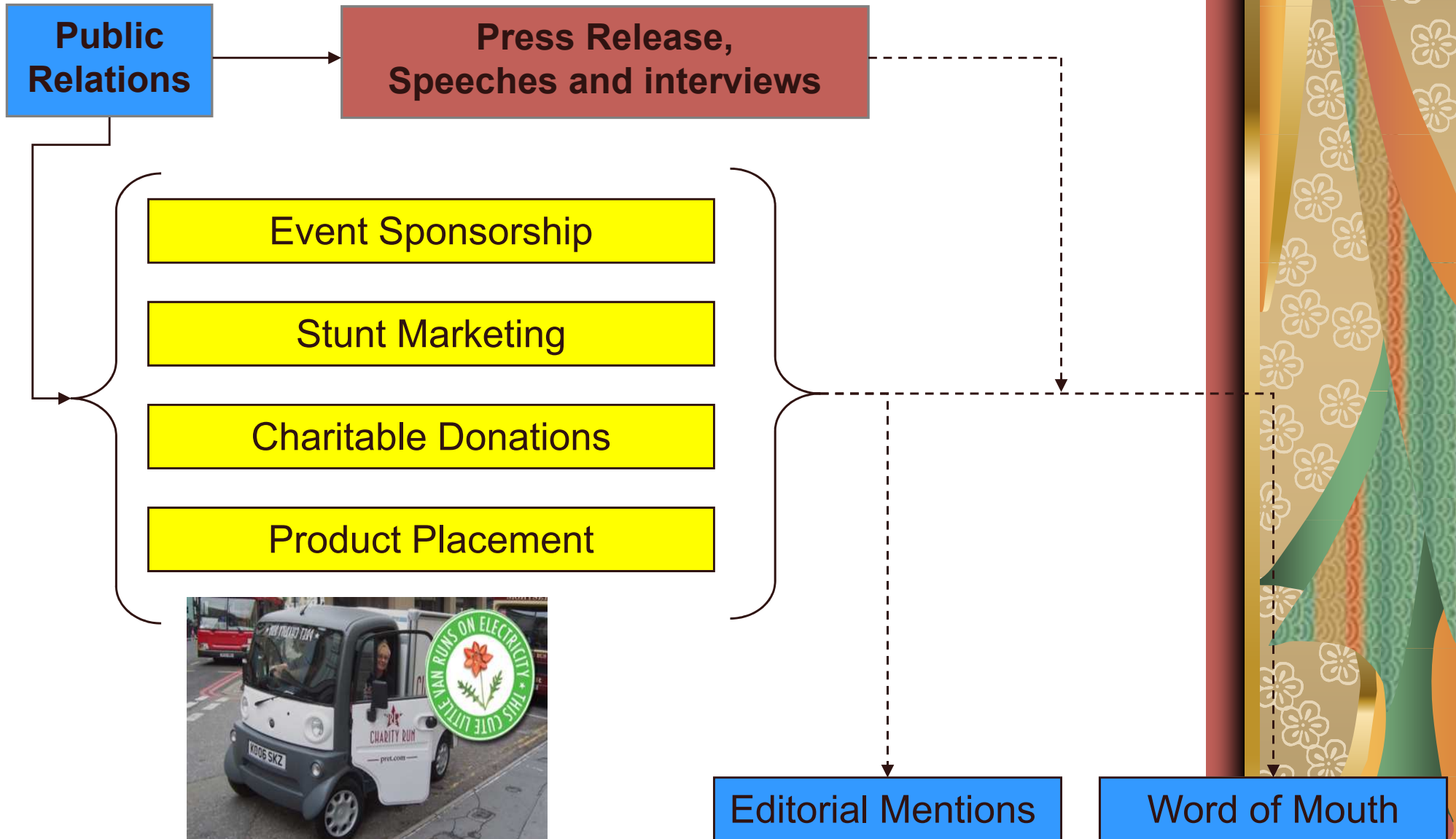
# Public Relations

Communications with the firm's publics that are not "mass media paid advertising" or "direct promotion"

- A broad set of communication efforts used to create and maintain favorable relationships between the organization and its stakeholders
- Publicity is a **nonpersonal** communication in a **news story form** about an organization or its products, or both, **transmitted through a mass medium for free**



# Public Relations Activities



# Event Sponsorship Possibilities

**Public Relations**



**Event Sponsorship**

**Stunt Marketing**

**Charitable Donations**

**Product Placement**

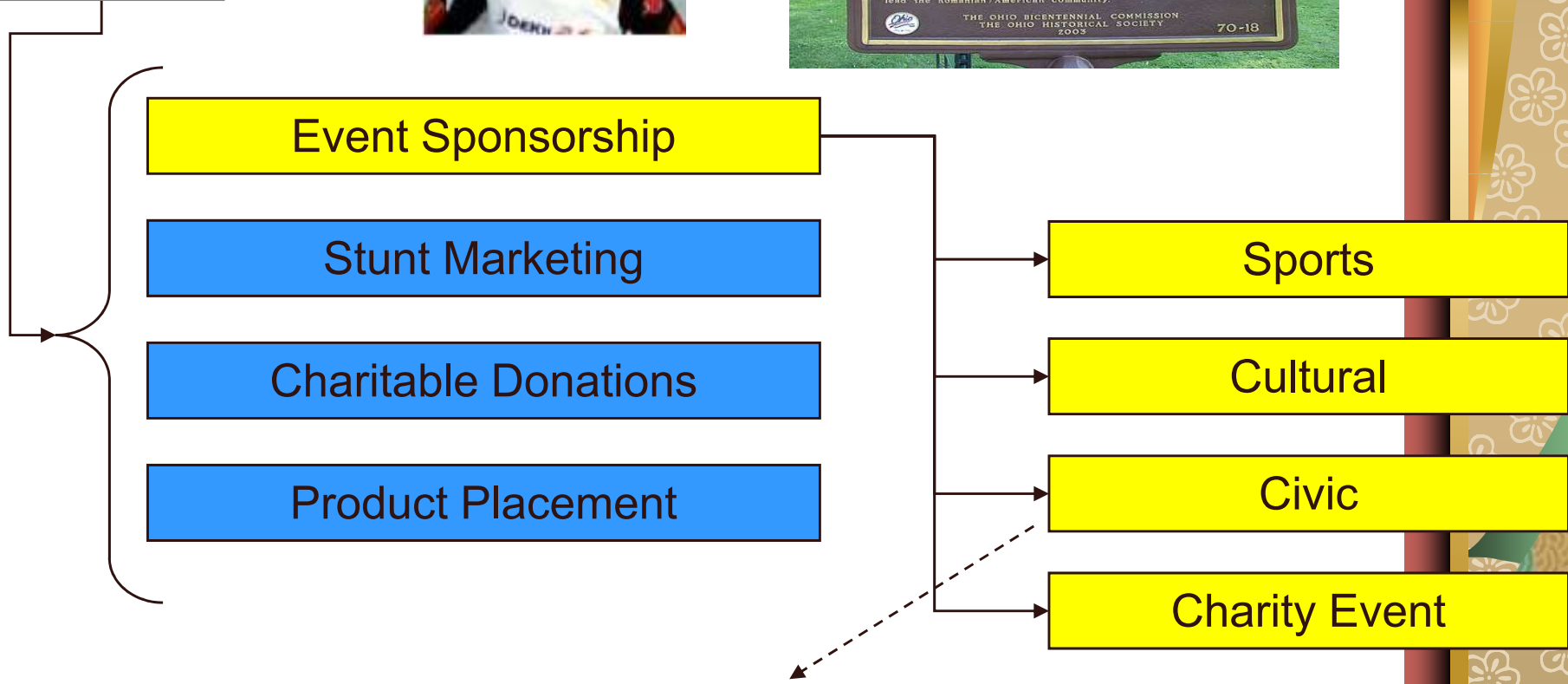
**Sports**

**Cultural**

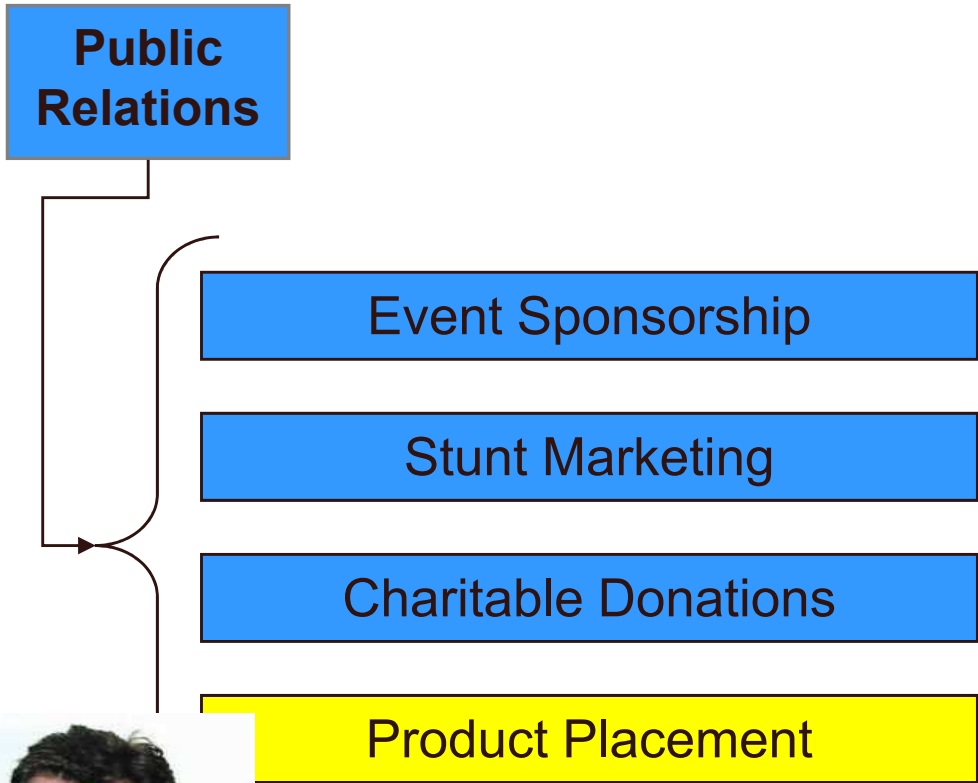
**Civic**

**Charity Event**

**Stadium Naming**

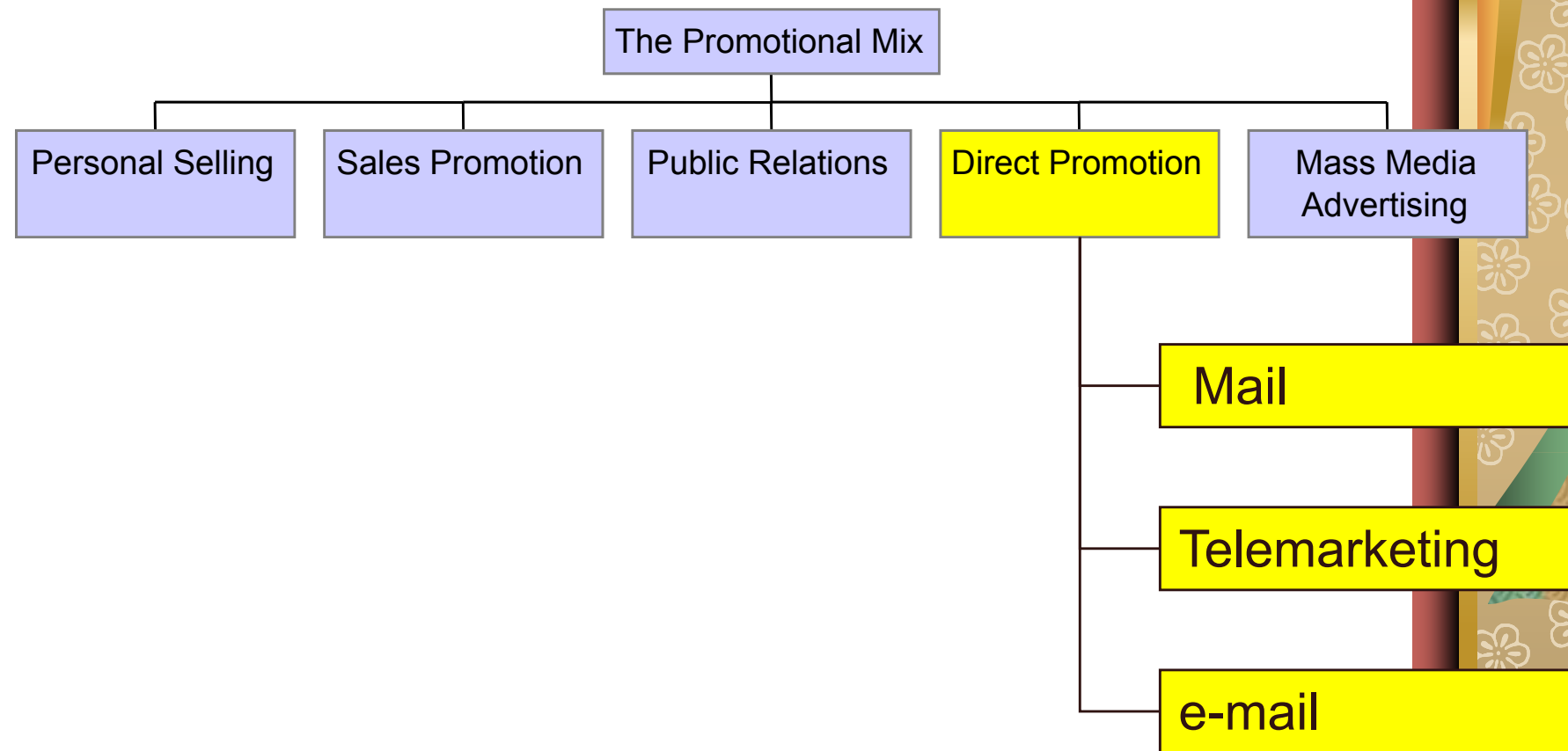


# Product Placement Possibilities



# Direct Promotion

When we know the target by name or address  
(including e-mail)



# Comments on “Media”

- This is why you have an promo agency:
- Pros and cons of each medium
  - Reach, Impact, Frequency, **Cost** (the *metric* is CPM: Cost per Thousand impressions)
- Are you aiming for awareness, interest, trial or repeat behavior?



# How to think about the Internet

- Both a **medium** for advertising, *and* a **channel of distribution** (“order on-line”)
- The great advantage of the Internet is that it permits **context-based advertising** (when you search for “Caribbean Cruise” Google shows you links to Disney Cruise Line and Expedia)

[http://blog.frogbody.com/frogblog/2005/07/context\\_based\\_a.html](http://blog.frogbody.com/frogblog/2005/07/context_based_a.html)

# Media terminology

## ■ Timing

- All at once, or “flights” or “even”
- Reach (the percent of our target who will see)
- Impact
  - Credibility
  - Image

## ■ “Impressions”

- (number of times target sees your ad)
- **Conventional wisdom is that response peaks after 7 impressions**

# Message Decisions

- What point are we trying to get across?
  - “Now with more fiber”
  - “Half the price of our competitor’s offer”
- The “brand essence statement” should drive this, followed by the specific promotional goal (e.g. “Induce brand switching from brand-y to us”)