




# Promotion

# PROMOTION

Promotion describes the methods used by a business to inform, persuade a target market about its product.

Promotion attempts to:

- Attract new customers by heightening awareness of a particular product
  - Increase brand loyalty by reinforcing the image of the product
  - Encourage existing customers to purchase more of the product
  - Provide information so that customers can make informed decisions
  - Encourage new and existing customers to purchase new products.
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## Promotion

### The communication Process

#### Promotional mix

- Developing Ad program
- Personal Selling
- Sales Promotion
- Public Relation

#### Developing and Managing an Advertising Program

- Setting the Objectives
- advertising budget factors
- Deciding on Media

## Sales Promotion

- Sales promotion includes tools
- Purpose of sales promotion
- Major Consumer-Promotion Tools

## Marketing Public Relations (MPR)

- MPR Role
- Major Public Relations Tools

## Direct Marketing



# Promotion



# Promotion objectives



## ◆ Advertising objectives can be classified by primary purpose:

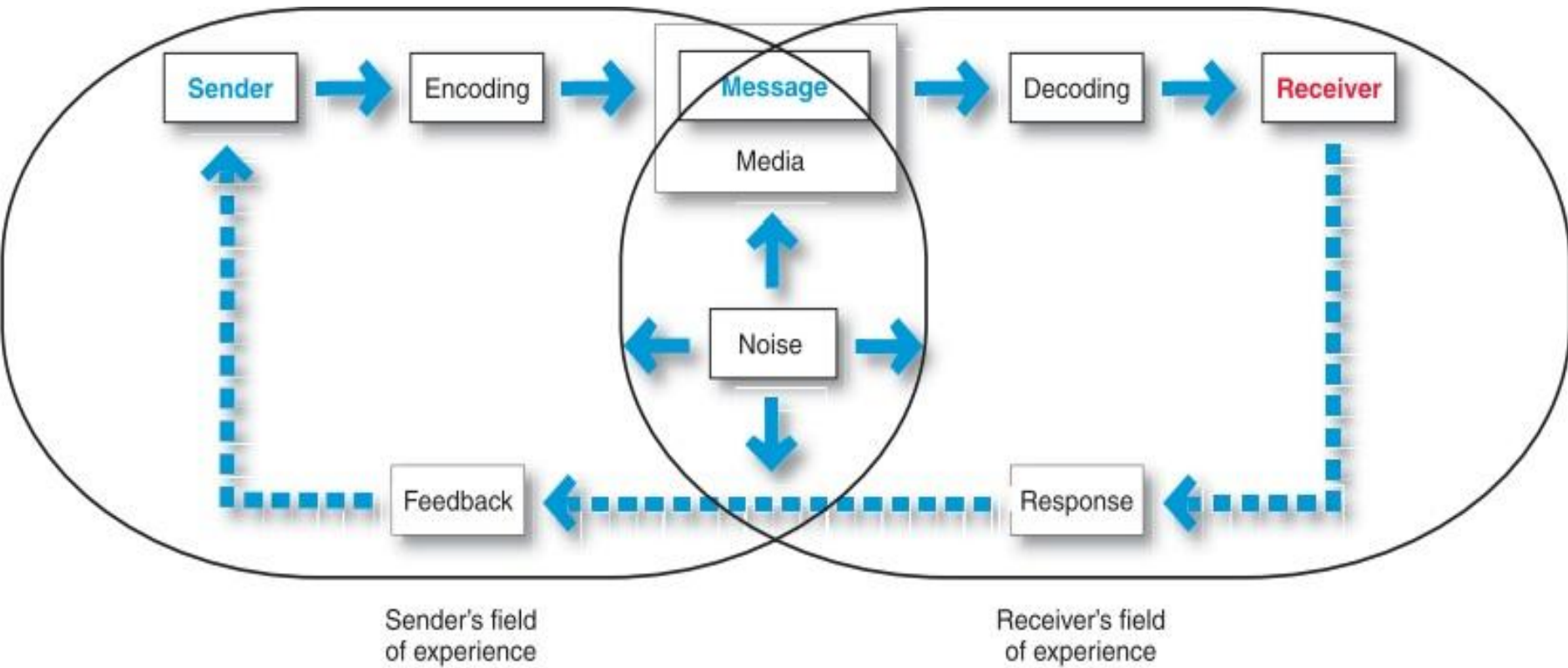
- **Inform**
  - Introducing new products
- **Persuade**
  - Becomes more important as competition increases
  - Comparative ads
- **Remind**
  - Most important for mature products

# Communication



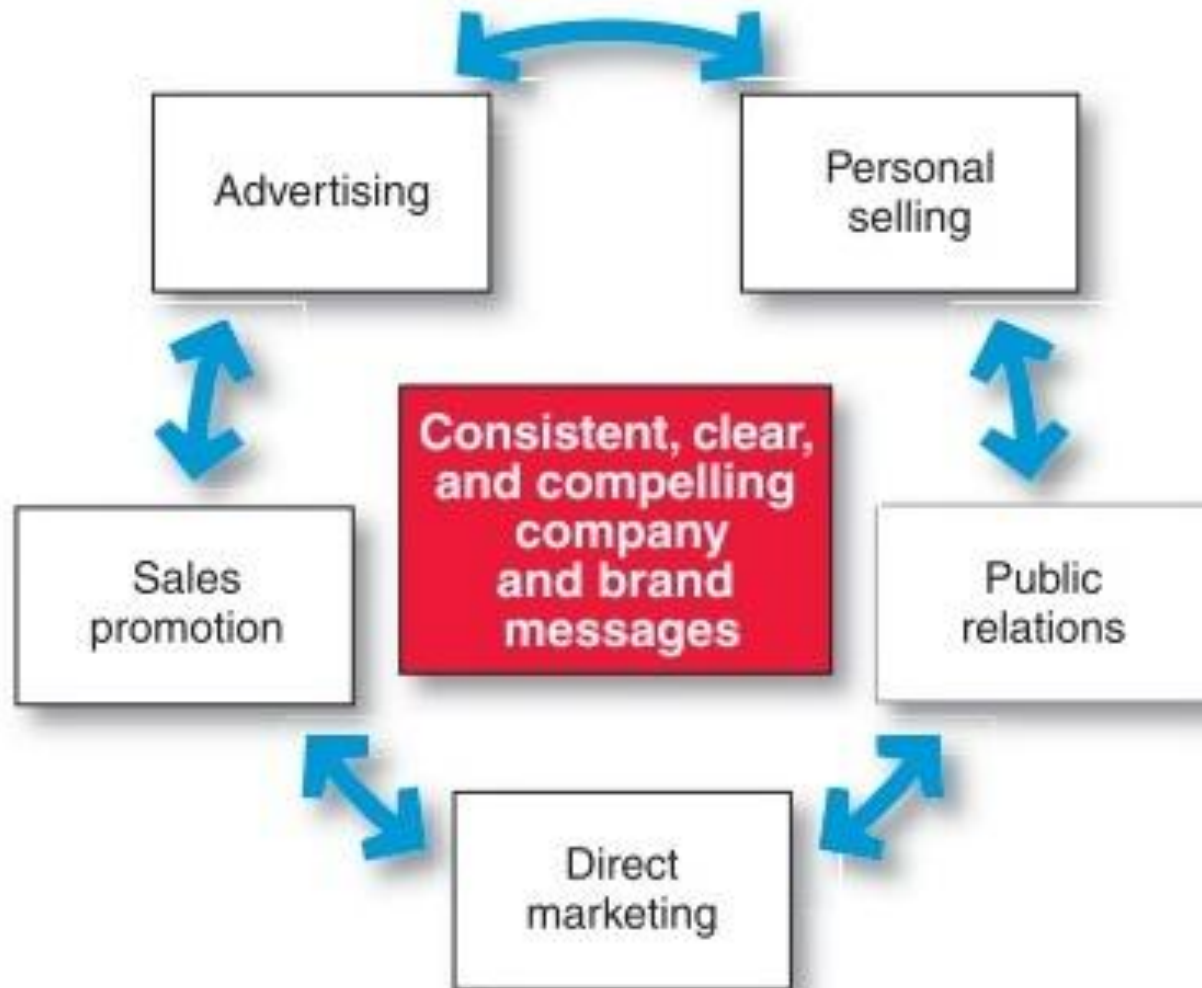
- ❖ **Communication:** is the sharing of meaning and requires five elements a source, a message, a receiver, and the process of encoding and decoding.
  - **Source:** the information sent by a source.
  - **Message:** is new form of product.
  - **Receiver:** is a consumer who read, hears, or sees the message are reviser.
  - **Encoding:** is the reverse at the process of having the receiver take a set of symbols, the message, and transfer them back to an abstract idea.

# Communication





# Promotional Mix





# Promotional Mix



## Advertising

### Advantages

It can reach large mass of audiences.

It usually cost efficient per person can reach.

It can be repetition of messages

# Promotional Mix



## Advertising

### Disadvantages

Absolute dollar outlay may be high.

Response to ads (except retail ads) is slow.

Advertising less persuasive than personal selling.

# Promotional Mix



## Personal Selling

Face to face communication is buyers to inform and persuade them to buy.

On average, companies spend more money on personal selling than other elements of promo mix.

# Promotional Mix



## Personal Selling

**PERSONAL** selling: involves oral communication with one or more prospective buyers by paid representatives for the purpose of making sales.

Major advantages: are more persuasive.

Major disadvantages: are costly per individual reached.











# Developing And Managing An Advertising Program





# Objectives of Advertising



An advertising goal (or objective) is a specific communications task and achievement level to be accomplished with a specific audience in a specific period of time.

Advertising objectives can be classified according to whether their aim is to **inform, persuade, remind, or reinforce.**

# Advertising Budget



## Specific Factors To Consider When Setting The Advertising Budget.

- 1. Stage in the product life cycle** - New products typically receive large advertising budgets to build awareness and to gain consumer trial.
- 2. Market share and consumer base** - High-market-share brands usually require less advertising expenditure as a percentage of sales .



## Specific Factors To Consider When Setting The Advertising Budget.

- 3. Competition and clutter-** In a market with a large number of competitors and high advertising spending, a brand must advertise more heavily to be heard.
- 4. Advertising frequency -** The number of repetitions needed to put across the brand's message to consumers has an important impact on the advertising budget.



## ❖ Deciding on Reach, Frequency, and Impact

- Media selection is finding the most cost-effective media to deliver the desired number and type of exposures to the target audience.
- What do we mean by the desired number of exposures?
- Suppose the rate of product trial increases at a diminishing rate with the level of audience awareness.





# Deciding on Media



| Medium             | Advantages   | Limitations  |
|--------------------|--|--|
| <b>Newspapers</b>  | Flexibility; timeliness; good local market coverage; broad acceptance; high believability    | Short life; poor reproduction quality; small "pass-along" audience             |
| <b>Television</b>  | Combines sight, sound, and motion; appealing to the senses; high attention; high reach       | High absolute cost; high clutter; fleeting exposure; less audience selectivity |
| <b>Direct mail</b> | Audience selectivity; flexibility; no ad competition within the same medium; personalization | Relatively high cost; "junk mail" image  |

# Deciding on Media



| Medium           | Advantages  | Limitations   |
|------------------|---|---|
| <b>Radio</b>     | Mass use; high geographic and demographic selectivity; low cost   | Audio presentation only; lower attention than television; non-standardized rate structures; fleeting exposure |
| <b>Magazines</b> | High geographic and demographic selectivity; credibility and prestige; high-quality reproduction; long life; good pass-along readership | Long ad purchase lead time; some waste circulation; no guarantee of position                                  |

# Deciding on Media



| Medium              | Advantages   | Limitations  |
|---------------------|--|--|
| <b>Outdoor</b>      | Flexibility; high repeat exposure; low cost; low competition                       | Limited audience selectivity; creative limitations                 |
| <b>Yellow Pages</b> | Excellent local coverage; high believability; wide reach; low cost                 | High competition; long ad purchase lead time; creative limitations |
| <b>Newsletters</b>  | Very high selectivity; full control; interactive opportunities; relative low costs | Costs could run away   |



# Deciding on Media



□ **Media planners make their choices by considering the following variables:**

□ **Target audience media habits.** Radio and television are the most effective media for reaching teenagers.

□ **Product characteristics.** Media types have different potential for demonstration, visualization, explanation, believability, and color.

# Deciding on Media



□ Media planners make their choices by considering the following variables:

## □ Message characteristics.

- ❖ A message announcing a major sale tomorrow will require radio, TV, or newspaper.
- ❖ A message containing a great deal of technical data might require specialized magazines or mailings.

# Deciding on Media



❑ Media planners make their choices by considering the following variables:

## ❑ Cost

❖ Television is very expensive, whereas newspaper advertising is relatively inexpensive.





## ❖ Evaluating Advertising Effectiveness

- ❑ Good planning and control of advertising depend on measures of advertising effectiveness. Most advertisers try to measure the communication effect of an ad—that is, its potential effect on awareness, knowledge, or preference. They would also like to measure the ad's sales effect.



## ❖ Evaluating Advertising Effectiveness

❑ Communication-effect research seeks to determine whether an ad is communicating effectively.

❑ Called *copy* testing

❖ It can be done before an ad is put into media and after it is printed or broadcast.

❖ The consumer feedback method asks consumers for their reactions to a proposed ad



## ❖ Evaluating Advertising Effectiveness

### ✓ Portfolio tests

- ❖ Ask consumers to view or listen to a portfolio of advertisements.
- ❖ Consumers are then asked to recall all the ads and their content, aided or unaided by the interviewer.



## ❖ Evaluating Advertising Effectiveness

### ✓ Laboratory Tests:

- ❖ Use equipment to measure physiological reactions—heartbeat, blood pressure, and galvanic skin response.



# Sales Promotion

# Sales Promotion



Sales promotion, a key ingredient in marketing campaigns, consists of a collection of incentive tools, mostly short term, designed to stimulate quicker or greater purchase of particular products or services by consumers or the trade.

Whereas advertising offers a reason to buy, sales promotion offers an incentive to buy.

# Sales promotion includes tools



**Consumer promotion** (samples, coupons, cash refund offers, prices off, premiums, prizes, patronage rewards, free trials, warranties, tie-in promotions, cross-promotions, point-of-purchase displays, and demonstrations).

# Sales promotion includes tools



**Trade promotion** (prices off, advertising and display allowances, and free goods).

**Business and sales-force promotion** (trade shows and conventions, contests for sales reps, and specialty advertising).



# Purpose of sales promotion



**Attract new triers or brand switchers**

**Reward loyal customers**

**Increase repurchase rates**

