

Chapter Fourteen:

1. **Promotion mix (marketing communications mix):**

Specific blend of advertising, public relations, personal selling, and direct-marketing tools that the company uses to persuasively communicate customer value and build customer relationships

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2. **Major Promotion Tools**

Figure 14.1 Integrated Marketing Communications



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- i. **Advertising** is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.
- ii. **Sales promotions** are the short-term incentives to encourage the purchase or sale of a product or service.

- iii. **Public relations** involves building good relations with the company’s various publics by obtaining favourable publicity, building up a good corporate image, and handling or heading off unfavourable rumours, stories, and events.
- iv. **Personal selling** is the personal presentation by the firm’s sales force for the purpose of making sales and building customer relationships.
- v. **Direct marketing** involves making direct connections with carefully targeted individual consumers to both obtain an *immediate response and cultivate lasting customer relationships*—through the use of direct mail, telephone, direct-response television, email, and the Internet to communicate directly with specific consumers.

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3. **The New Marketing Communications Landscape:**

Factors are changing the face of today’s marketing communications.

- Better-informed consumers
- More communication
- Less mass marketing
- Changing communications technology

4. **Integrated marketing communications (IMC)** is the integration by the company of its communication channels to deliver a clear, consistent, and compelling message about the organization and its products.

5. **The Communication Process**

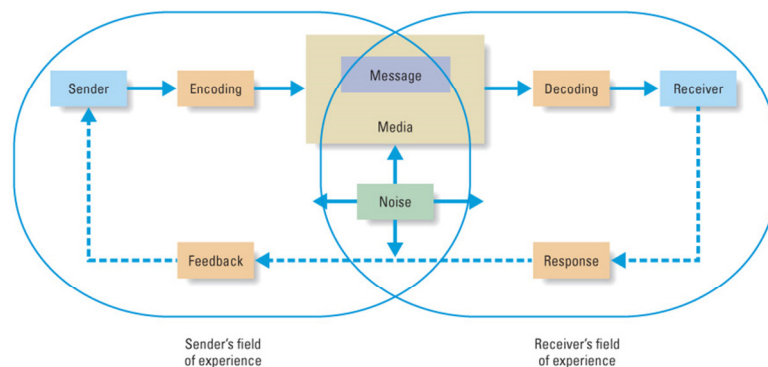


Figure 14.2 Elements in the Communication Process

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- **Sender** is the party sending the message to another party.
- **Encoding** is the process of putting thought into symbolic form.
- **Message** is the set of symbols the sender transmits.

- **Media** are the communications channels through which the message moves from sender to receiver.
- **Decoding** is the process by which the receiver assigns meaning to the symbols.
- **Receiver** is the party receiving the message sent by another party.
- **Response** is the reaction of the receiver after being exposed to the message.
- **Feedback** is the part of the receiver’s response communicated back to the sender
- **Noise** is the unplanned static or distortion during the communication process, which results in the receiver’s getting a different message than the one the sender sent.

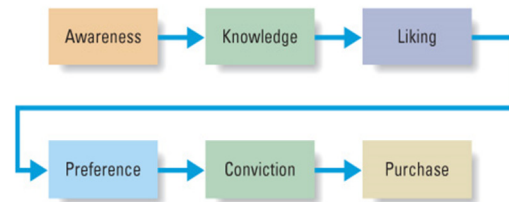
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6. Steps in Developing Effective Marketing Communication

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- Identify the target audience
 - ✓ *What* will be said, *how* it will be said, *when* it will be said, *where* it will be said, and *who* will say it.
- Determining the Communication Objectives:

Figure 14.3 Buyer-Readiness Stages



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- Design the message
 - ✓ **AIDA Model**: Get **A**ttention, Hold **I**nterest, Arouse **D**esire ,Obtain **A**ction
 - ✓ **Message content** is an appeal or theme that will produce the desired response.
 - *Rational appeal*
 - *Emotional appeal*
 - *Moral appeal*
 - ✓ **Message structure** and **message format** both deal with how the message is put across:
- Choose the media
 - ✓ Personal communication channels:
 - Word-of-mouth influence, Opinion leaders, Buzz marketing
 - ✓ Non-personal communication channels:
 - media, atmospheres, and events
- Select the message source: Celebrities, Professionals
- Collecting Feedback

7. Setting the Total Promotion Budget and Mix:

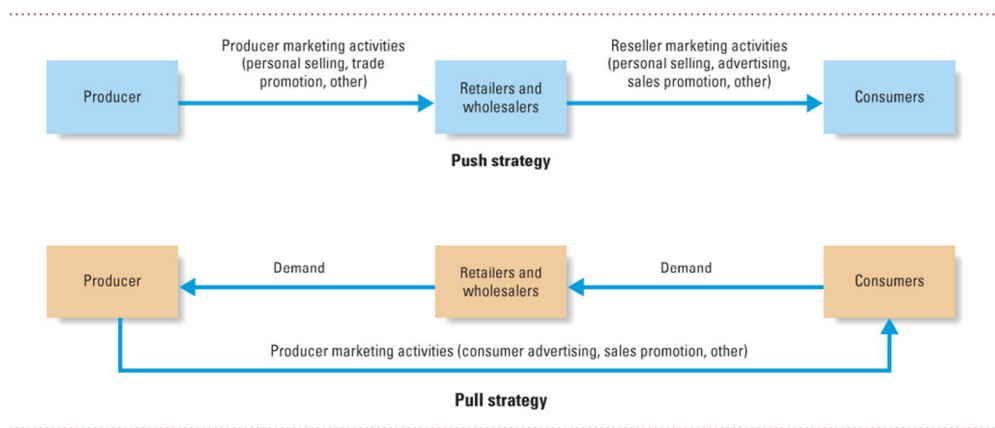
- ✓ *Affordable budget method* sets the budget at an affordable level.
- ✓ *Percentage of sales method* sets the budget at a certain percentage of current or forecasted sales or unit sales price.
- ✓ *Competitive-Parity Method* sets the budget to match competitor outlays.
- ✓ *Objective-and-Task Method* sets the budget based on what the firm wants to accomplish with promotion

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8. Promotion Mix Strategies

- ✓ *Push strategy*
- ✓ *Pull strategy*

Figure 14.4 Push versus Pull Promotion Strategy



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Chapter Fifteen:

9. **Advertising** is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. **Page-Reference:500**

10. **Developing an Advertising Program:**

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i. *Setting advertising objectives*

- ✓ Informative advertising
- ✓ Persuasive advertising
- ✓ Reminder advertising

ii. *Setting the advertising budget*

Factors to be considered:

- ✓ **Stage of the product life cycle**
- ✓ Market share

iii. *Developing advertising strategy:*

– *Creating advertising **messages:***

- ✓ *Message strategy*
- ✓ *Creative concept*
- ✓ *Message execution*

– *Selecting advertising **media:***

✓ **Deciding on reach-frequency-impact**

- **Reach** is a measure of the percentage of people in the target market who are exposed to the ad campaign during a given period of time.
- **Frequency** is a measure of how many times the average person in the target market is exposed to the message.
- **Impact** is the qualitative value of a message exposure through a given medium.

✓ **Choosing among major media types:** newspapers, television, direct mail, radio, magazines, outdoor, and the Internet. Each medium has advantages and limitations. **Page-Reference:512**

✓ **Selecting media vehicles:** involves decisions presenting the media effectively and efficiently to the target customer and must consider the message's:

- *Impact*
- *Effectiveness*
- *Cost*

✓ **Deciding on media timing:**

Factors to be considered:

- Seasonality
- Pattern of the advertising
 - *Continuity—scheduling within a given period*
 - *Pulsing—scheduling unevenly within a given period*

iv. *Evaluating advertising campaigns.*

11. Return on advertising investment:

The net return on advertising investment divided by the costs of the advertising investment. Page-Reference:514

12. Advertisers should evaluate two types of advertising results: Page-Reference:515

- ✓ *Communication effects indicate whether the ad and media are communicating the ad message well and should be tested before or after the ad runs.*
- ✓ *Sales and profit effects compare past sales and profits with past expenditures or through experiments.*

13. Public relations *involves building good relations with the company's various publics by obtaining favourable publicity, building up a good corporate image, and handling or heading off unfavourable rumours, stories, and events. Page-Reference:519*

-Public relations is used to promote products, people, ideas, and activities.

14. Public relations department functions include: Page-Reference:520

- **Press relations or press agency** *involves the creation and placing of newsworthy information to attract attention to a person, product, or service.*
- **Product publicity** *involves publicizing specific products.*
- **Public affairs** *involve building and maintaining national or local community relations.*
- **Lobbying** *involves building and maintaining relations with legislators and government officials to influence legislation and regulation.*
- **Investor relations** *involve maintaining relationships with shareholders and others in the financial community.*
- **Development** *involves public relations with donors or members of nonprofit organizations to gain financial or volunteer support.*

15. The Role and Impact of Public Relations:

- ✓ *Lower cost than advertising*
- ✓ *Stronger impact on public awareness than advertising*

16. MAJOR PUBLIC RELATIONS TOOLS **Page-Reference:521**

news ,Speeches, special events, written materials, Audiovisual materials, Corporate identity materials, public service activities, buzz marketing campaigns ,Social Networking, Mobile tour marketing, Internet.

Chapter Sixteen:

17. **Personal selling** is a personal presentation by the firm's sales force for the purpose of making sales and building the customer relationships.

18. A **salesperson** is an individual representing a company to customers by performing one or more of the following activities:

prospecting, communicating, selling, servicing, information gathering, or relationship building.

Page-Reference:530-531

19. **The Nature of Personal Selling:** Salespeople are an effective link between the company and its customers to produce customer value and company profit by:

- ✓ Representing the company to customers
- ✓ Representing customers to the company
- ✓ Working closely with marketing

20. **Sales force management** is the analysis, planning, implementation, and control of sales force activities. **Page-Reference:534-545**

Figure 16.1 Major Steps in Sales Force Management



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-Designing Sales Force Strategy and Structure

- ✓ Territorial Sales Force Structure
- ✓ Product Sales Force Structure
- ✓ Customer Sales Force Structure
- ✓ Complex Sales Force Structures

-Recruiting and Selecting Salespeople

- Training Salespeople

- Salesperson Compensation:

- ✓ Fixed amount,
- ✓ Variable amount,
- ✓ Expenses,
- ✓ Fringe benefits

- Supervising and Motivating Salespeople

- The goal of *supervision* is to help salespeople work smart by doing the right things in the right ways. Tools for supervising salespeople:
 - ✓ Weekly, monthly, or annual **call plans**
 - ✓ **Time-and-duty** analysis records
 - ✓ **Sales force automation systems**
- The goal of *motivation* is to encourage salespeople to work hard and energetically toward sales force goals. Sales morale and performance can be increased through:
 - ✓ Organizational climate
 - ✓ Sales quotas:
 - ✓ Positive incentives

- Evaluating Salespeople and Sales Force Performance

Management sources of salesperson information:

- ✓ Sales reports,
- ✓ Call reports,
- ✓ Expense reports.

21. The goal of the personal **selling process** is to get new customers and obtain orders from them. **Page-Reference:545**
22. The **selling process** consists of seven steps: **Page-Reference:545-548**
- a) Prospecting and qualifying: identifies qualified potential customers through referrals
 - b) Preapproach: the process of learning as much as possible about a prospect, including needs, who is involved in the buying, and the characteristics and styles of the buyers
 - c) Approach: the process where the salesperson meets and greets the buyer and gets the relationship off to a good start
 - d) Presentation and demonstration: when the salesperson tells the product story to the buyer, presenting customer benefits and showing how the product solves the customer's problems.
 - e) Handling objections: the process where salespeople resolve problems that are logical, psychological, or unspoken.
 - f) Closing:the process where salespeople should recognize signals from the buyer—including physical actions, comments, and questions—to close the sale.
 - g) Follow-up: the last step in which the salesperson follows up after the sale to ensure customer satisfaction and repeat business

23. Sales promotion refers to the short-term incentives to encourage purchases or sales of a product or service:

- i. Consumer promotions
- ii. Trade promotions
- iii. Business promotions
- iv. Sales force promotions

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24. **Factors in the Growth of Sales Promotions**

- ✓ Product managers are under pressure to increase current sales.
- ✓ Companies face more competition.
- ✓ Competing brands offer less differentiation.
- ✓ Advertising efficiency has declined due to rising costs, clutter, and legal constraints.
- ✓ Consumers have become more deal-oriented.

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25. **Sales Promotion Objectives**

- ✓ Consumer promotions:
 - Urge short-term customer buying.
 - Enhance long-term customer relationships.
- ✓ Trade promotions:
 - Carry new items or more inventory.
 - Buy in advance.
 - Advertise company products.
 - Get more shelf space.
- ✓ Sales force promotions:
 - More sales force support for new or current products
 - Salespeople to sign up new accounts

26. **Major Sales Promotion Tools** Page-Reference:551-556

Consumer Promotions

- **Samples** are offers of a trial amount of a product.
- **Coupons** are certificates that give buyers a saving when they purchase specified products.
- **Cash refunds (or rebates)** are like coupons except that the price reduction occurs after the purchase rather than at the retail outlet.
- **Price packs** (also called **cents-off deals**) offer consumers savings off the regular price of a product.
- **Premiums** are goods offered either free or at low cost as an incentive to buy a product.
- **Advertising specialties**, also called **promotional products**, are useful articles imprinted with an advertiser's name, logo, or message that are given as gifts to consumers.

- **Point-of-purchase (POP) promotions** include displays and demonstrations that take place at the point of sale.
- **Contests, sweepstakes, and games** give consumers the chance to win something.
 - ✓ A **contest** calls for consumers to submit an entry to be judged.
 - ✓ A **sweepstakes** calls for consumers to submit their names for a drawing.
 - ✓ A **game** presents consumers with something every time they buy.
- **Event marketing** (or **event sponsorships**) allows companies to create their own brand marketing events or serve as sole or participating sponsors of events created by others.

Trade promotions:

- Straight **discount** off-list price for a stated period of time
- **Allowance** (so much off per case) in return for retailer’s agreement to feature product
- **Free goods** for featuring or buying a certain amount
- **Push money** rewards for pushing product
- Free **specialty advertising items**, such as pens, calendars

Business promotions

- **Conventions** and trade shows
- **Sales contests**

27. Developing the Sales Promotion Program Page-Reference:556

Marketers must decide:

- Size of the incentive
- Conditions for participation
- Promoting and distributing the program
- Length of the program
- Evaluation of the program