

**Chapter Thirteen:**

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**

- 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 (PR)** involves building good relations with the company’s various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumours, stories, and events.
- iv. **Personal selling** is the personal presentation and interaction by the firm’s sales force for the purpose of making sales and building customer relationships.
- v. **Direct and digital marketing** involves making engaging and interacting directly 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.

FIGURE 13.1 Integrated Marketing Communications



5. **Promotion Mix Strategies**

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

FIGURE 13.2 Push versus Pull Promotion Strategy



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6. **Advertising** is any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. **Page-Reference:468**

7. **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

❖ **Advertising budget methods:**

- Affordable 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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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.
- ✓ **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

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iv. *Evaluating advertising campaigns.*

- ✓ **Return on advertising investment:**  
*The net return on advertising investment divided by the costs of the advertising investment.* Page-Reference:491

8. **Public relations** involves building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumours, stories, and events. Page-Reference:468

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

9. **Public relations department functions** include: Page-Reference:494

- **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.

10. **The Role and Impact of Public Relations:**

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

11. **MAJOR PUBLIC RELATIONS TOOLS** Page-Reference:495-497

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

**Chapter Fourteen:**

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

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

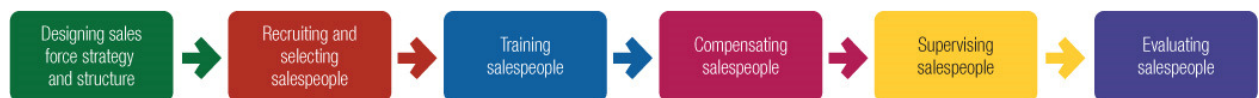
Prospecting, communicating, selling, servicing, information gathering, or relationship building. Page-Reference:509-510

14. **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

15. **Sales force management** is the analysis, planning, implementation, and control of sales force activities. Page-Reference:512-520

FIGURE 14.1 Major Steps in Sales Force Management



-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.

16. The goal of the personal **selling process** is to get new customers and obtain orders from them. **Page-Reference:524**

17. The **selling process** consists of seven steps: **Page-Reference:524-527**

- 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

18. 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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19. **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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20. **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

21. **Major Sales Promotion Tools** Page-Reference:531-534

### **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**

#### 22. Developing the Sales Promotion Program Page-Reference:534-535

Marketers must decide:

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