

PROMOTION MIX

SAS



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Promotion

PROMOTION

- *Promotion* is the function of **reminding**, **informing** and **persuading** a purchase decision.
- *Integrated marketing communications (IMC)* is the **coordination of all promotional activities**—media advertising, direct mail, personal selling, sales promotion, and public relations—to produce a unified customer-focused message.

“They Said It”

“**Doing business without advertising is like winking at a girl in the dark. You know what you are doing, but nobody else does.**”

—**Stewart Henderson Britt**
(1907–1979)
American educator

Steps in Developing Effective Promotion

Identify the target audience

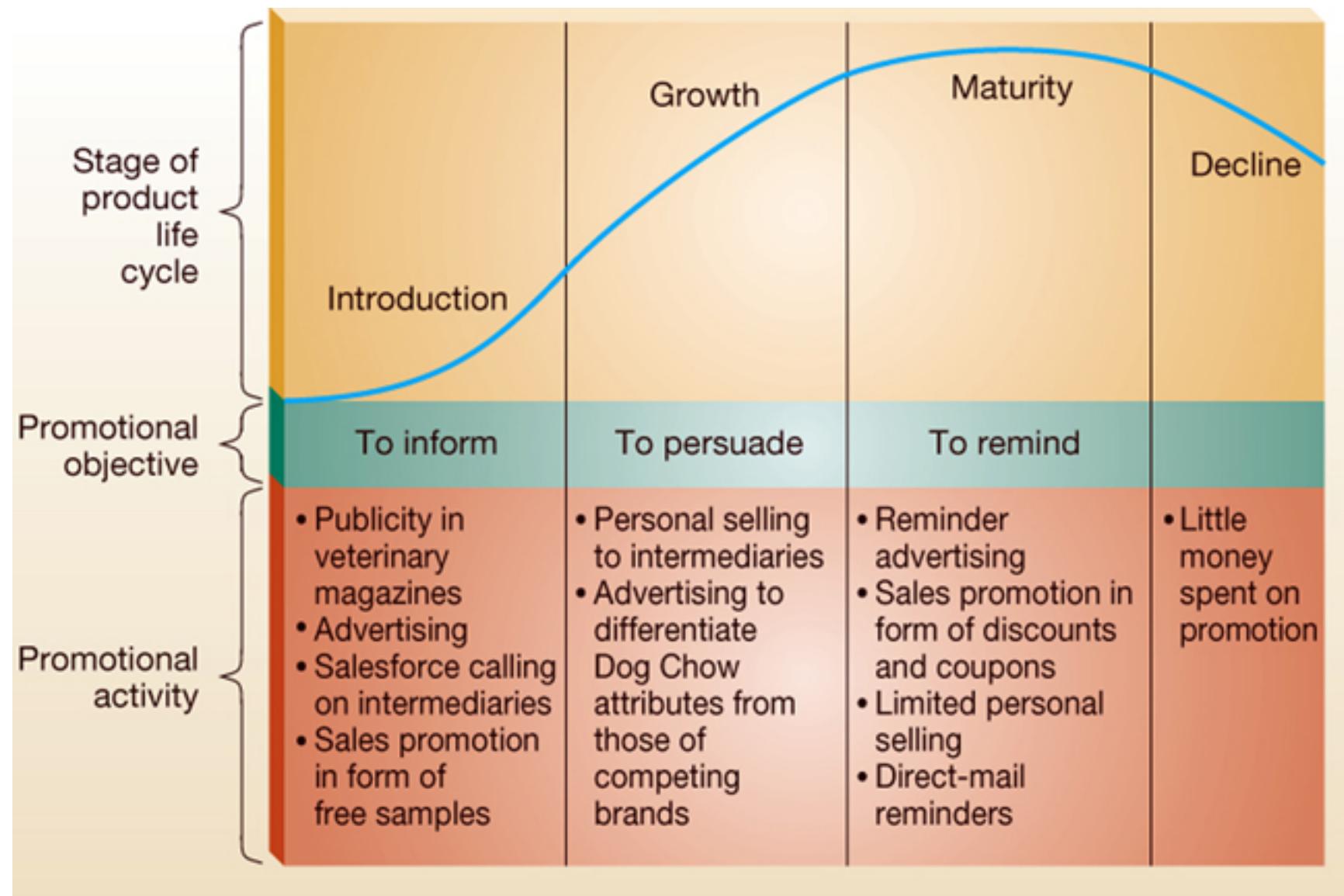
Determine the communication objectives

Design the message

Choose the media

Select the message source

Promotional tools used over the product life



The Promotion Mix

The promotion mix is the **specific blend** of advertising, public relations, personal selling, sales promotion and direct-marketing tools that the company uses to **persuasively communicate customer value** and **build customer relationships**

4Ps

The Marketing Mix

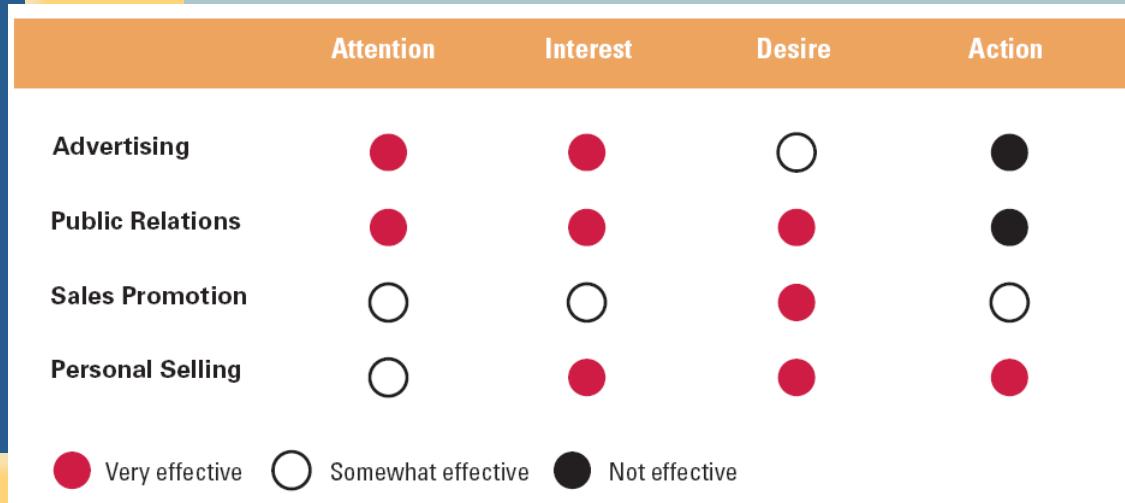


The AIDA Concept

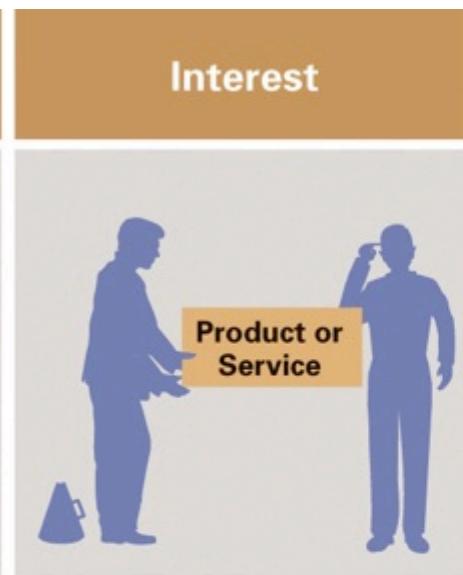
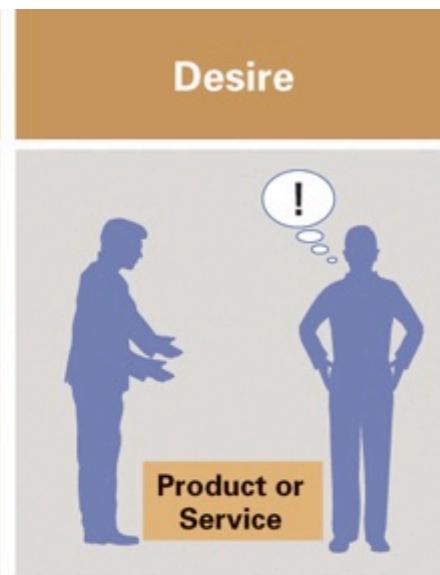
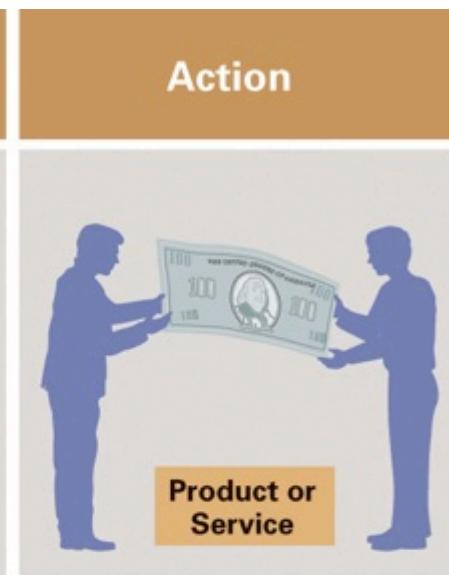
AIDA Concept

Attention
Interest
Desire
Action

Model that outlines the process for achieving promotional goals in terms of stages of consumer involvement with the message.



The AIDA Concept

Attention	Interest	Desire	Action
			
Advertising ✓+	✓+	✓	✓-
Public Relations ✓+	✓+	✓+	✓-
Sales Promotion ✓	✓	✓+	✓
Personal Selling ✓	✓+	✓+	✓+

The promotional mix

PROMOTIONAL ELEMENT	MASS VERSUS CUSTOMIZED	PAYMENT	STRENGTHS	WEAKNESSES
Advertising	Mass	Fees paid for space or time	<ul style="list-style-type: none"> Efficient means for reaching large numbers of people 	<ul style="list-style-type: none"> High absolute costs Difficult to receive good feedback
Personal selling	Customized	Fees paid to salespeople as either salaries or commissions	<ul style="list-style-type: none"> Immediate feedback Very persuasive Can select audience Can give complex information 	<ul style="list-style-type: none"> Extremely expensive per exposure Messages may differ between salespeople
Public relations	Mass	No direct payment to media	<ul style="list-style-type: none"> Often most credible source in the consumer's mind 	<ul style="list-style-type: none"> Difficult to get media cooperation
Sales promotion	Mass	Wide range of fees paid, depending on promotion selected	<ul style="list-style-type: none"> Effective at changing behavior in short run Very flexible 	<ul style="list-style-type: none"> Easily abused Can lead to promotion wars Easily duplicated
Direct marketing	Customized	Cost of communication through mail, telephone, or computer	<ul style="list-style-type: none"> Messages can be prepared quickly Facilitates relationship with customer 	<ul style="list-style-type: none"> Declining customer response Database management is expensive

Steps in Developing Effective Marketing Communication

Identifying the Target market

What will
be said

How it will
be said

When it
will be said

Where it
will be said

Who will
say it



DIRTY WATER CAMPAIGN



ADVERTISING

Advertising is any **paid** form of **non-personal presentation** and **promotion** of ideas, goods, or services by an identified sponsor

- Broadcast
- Print
- Internet
- Billboard

Types of Advertising

- ***Product advertising*** - messages designed to sell a particular good or service.
- ***Institutional advertising*** - messages that promote concepts, ideas, philosophies, or goodwill for industries, companies, organizations, or government entities.
- ***Cause advertising*** - institutional messaging that promotes a specific viewpoint on a public issue as a way to influence public opinion and the legislative process.



Porsche for Everyday life

Advertising and The Product Life Cycle

- ***Informative advertising*** - used to build initial demand for a product in the **introductory phase**.
- ***Persuasive advertising*** - attempts to improve the competitive status of a product, institution, or concept, usually in the **growth and maturity stages**.
- ***Comparative advertising*** - compares products directly with their **competitors** either by name or by inference.
- ***Reminder-oriented advertising*** - appears in the late **maturity or decline** stages to maintain awareness of the importance and usefulness of a product.

Where to Advertise?

Television

- Easiest way to reach a large number of consumers.
- Most expensive advertising medium.

Newspapers

- Dominate local advertising.
- Relatively short life span.

Radio

- Commuters in cars are a captive audience.
- Satellite radio offers new opportunities.

Magazines

- Consumer publications and trade journals.
- Can customize message for different areas of the country.

Direct Mail

- Average American receives 550 pieces annually
- High per person cost, but can be carefully targeted and highly effective.

Outdoor Advertising

- \$3.2 billion annually
- Requires brief messages.

Where to Advertise?

Online and Interactive Advertising

- *Viral advertising* creates a message that is novel or entertaining enough for consumers to forward it to others, spreading it like a virus.
- Many consumers resent the intrusion of *pop-up ads* that suddenly appear on their computer screen.

Sponsorship

- Providing funds for a sporting or cultural event in exchange for a direct association with the event.
- Benefits: exposure to target audience and association with image of the event.

Other Media Options

- Marketers look for novel ways to reach customers: infomercials, ATM receipts, directory advertising.

Personal Selling

PERSONAL SELLING

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

- Sales presentations
- Trade shows
- Incentive programs

Sales Tasks

Order Processing

- Identifying customer needs, pointing out merchandise to meet them, and processing the order.

Creative Selling

- Promoting a good or service whose benefits are not readily apparent or whose purchase decision requires a close analysis of alternatives.

Missionary Selling

- Representative promotes goodwill for a company or provides technical or operational assistance to the customer.

Telemarketing

- Personal selling conducted by telephone; regulated by the Federal Trade Commission's 1996 Telemarketing Sales Rule.

Public Relations (Publicity)

PUBLIC RELATIONS



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 rumors, stories, and events**

- Press releases
- Sponsorships
- Special events
- Web pages

Public Relations and Publicity

Public relations - a public organization's **communications** and **relationships** with its various audiences.

- Helps a firm establish awareness of goods and services and builds a positive image of them.

Publicity - stimulation of **demand** for a good, service, place, idea, person, or organization by disseminating news or obtaining favorable unpaid media presentations.

- Good publicity can promote a firm's positive image.
- Negative publicity can cause problems.



Top 10 BEST HOTELS In The World

Sales Promotion



Our Bottom Line Goal-
To Make Our Clients More Money.

Sales Promotion

Sales promotion is **the short-term incentives** to encourage the purchase or sale of a product or service

- Discounts
- Coupons
- Displays
- Demonstrations

Consumer-Oriented Promotions

Premiums, Coupons, Rebates, Samples

- *Coupons* attract new customers but focus on price rather than brand loyalty.
- *Rebates* increase purchase rates, promote multiple purchases, and reward product users.
- Three of every four consumers who receive a *sample* will try it.

Games, Contests

- Introduction of new products.
- Subject to legal restrictions.

Specialty Advertising

- Gift of useful merchandise carrying the name, logo, or slogan of an organization.

DIRECT MARKETING

DIRECT MARKETING/ PROMOTION

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, e-mail, and the Internet to communicate directly with specific consumers

- Catalog
- Telemarketing
- Kiosks



