Topic 10

Integrated Marketing Communications: Advertising, Sales Promotion, and Public Relations

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Road Map: Previewing the Concepts

- Discuss the process and advantages of integrated marketing communication.
- Define the five promotion tools and discuss the factors that must be considered in shaping the overall promotion mix.
- Describe and discuss the major decisions involved in developing an advertising program.
- Explain how sales promotion campaigns are developed and implemented.
- Explain how companies use public relations to communicate with their publics.

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Marketing Communication Mix or Promotion Mix



The Changing Communications Environment

Marketers Have Shifted
Away From Mass
Marketing
Less *Broadcasting*

2 Factors

are Changing the Face of Today's Marketing Communications:

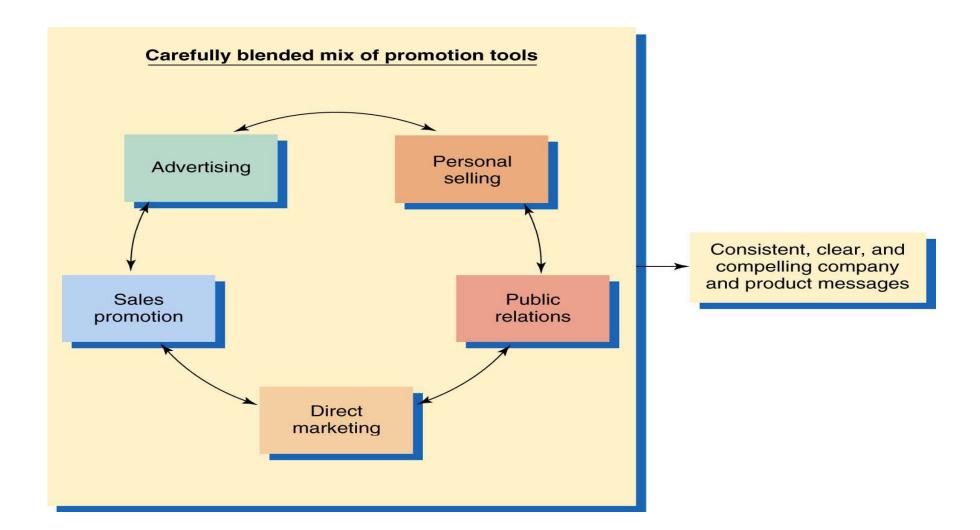
Improvement in Information Technology Has Led to Segmented Marketing More *Narrowcasting*

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The Need for Integrated Marketing Communications

With Integrated Marketing Communications (IMC), the Company Carefully Integrates and Coordinates Its Many Communications Channels to Deliver a Clear, Consistent, and Compelling Message About the Organization and Its Products.

Integrated Marketing Communications



Setting the Overall Communication Mix

Advertising

Personal Selling

Sales Promotion

Public Relations

Direct Marketing



Reaches Many Buyers, Repeats Message Many Times, Impersonal,
Expensive

Personal Interaction, Relationship Building, Most Expensive Promo Tool



Wide Assortment of Tools, Rewards Quick Response, Efforts Short-Lived



Very Believable, Dramatize a Company or Product, Underutilized



Nonpublic, Immediate, Customized, Interactive

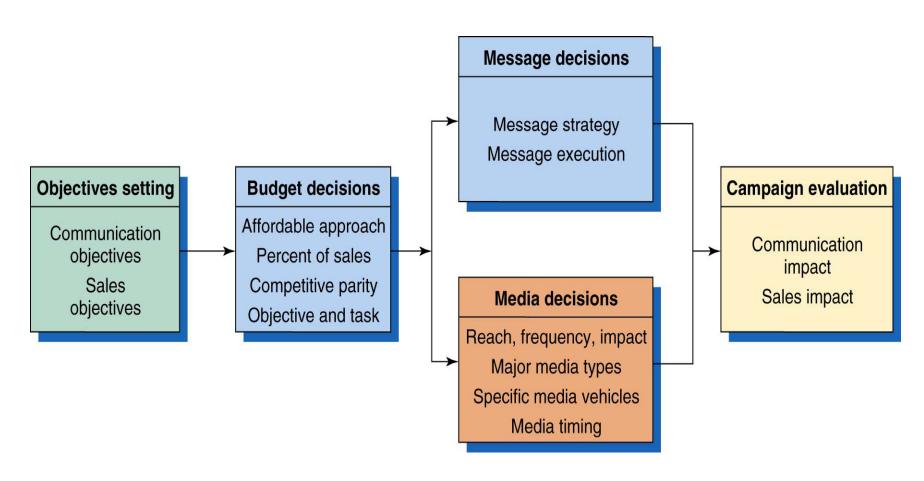
Push versus Pull Promotion Strategy



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Major Decisions in Advertising



Setting Advertising Objectives

Informative Advertising
Inform Consumers or
Build <u>Primary</u> Demand
i.e DVD Players

Persuasive Advertising Build Selective Demand i.e Sony DVD Players

Advertising Objective
Specific Communication *Task*Accomplished with a Specific *Target* Audience
During a Specific Period of *Time*

Comparative Advertising
Compares One Brand
to Another
i.e. Apple vs. PC

Reminder Advertising
Keeps Consumers
Thinking About a Product
i.e. Coca-Cola

Discussion Questions

- Advertising objectives can be classified by primary purpose: to inform, persuade, or remind.
- Think of examples of ads that address each of these objectives.
- Using information from the previous slide, discuss why your examples fit the chosen objective.

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Goals and Tasks of Promotion

- Informative Objective
 - Increase awareness
 - Explain how product works=
 - Suggest new uses
 - Build company image

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Goals and Tasks of Promotion

- Persuasion Objective
 - Encourage brand switching
 - Change customers' perception of product attributes
 - Influence buying decision
 - Persuade customers to call

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Goals and Tasks of Promotion

- Reminder Objective
 - Remind customers that product may be needed
 - Remind customers where to buy product
 - Maintain customer awareness

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The AIDA Model

Attention Interest Desire Action

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

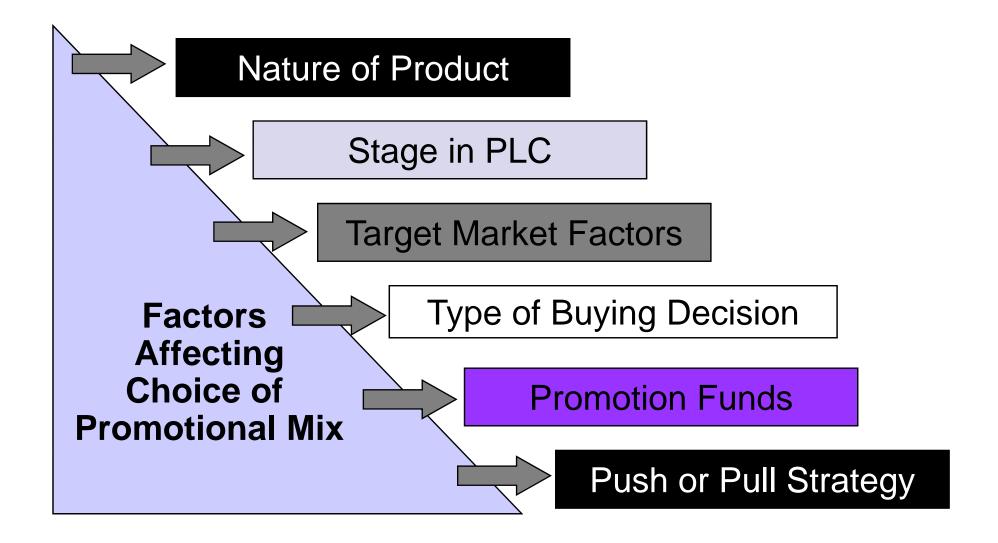
AIDA and the Promotional Mix

Awareness Interest Desire Action

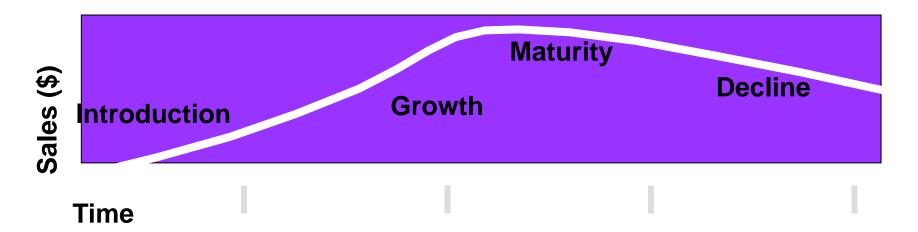
Advertising	Very effective	Very effective	Somewhat effective	Not effective
Public Relations	Very effective	Very effective	Very effective	Not effective
Sales Promotion	Somewhat effective	Somewhat effective	Very effective	Very effective
Personal Selling	Somewhat effective	Very effective	Very effective	Somewhat effective

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Factors Affecting the Promotional Mix



Product Life Cycle and the Promotional Mix



Light
Advertising,
preintroduction
Publicity

Heavy use of advertising, PR for awareness; sales promotion for trial

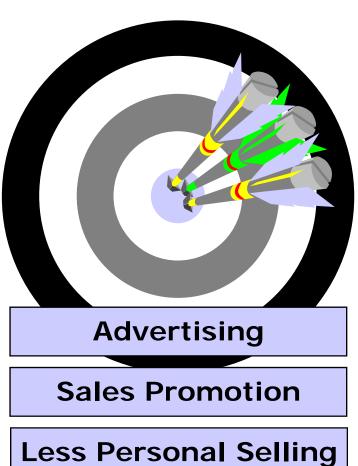
Advertising, PR, Brand loyalty Personal Selling for distribution

Ads
decrease.
Sales
Promotion,
Personal
Selling
Reminder &
Persuasive

AD/PR
decrease
Limited
Sales
Promotion,
Personal
Selling for
distribution

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Target Market Characteristics

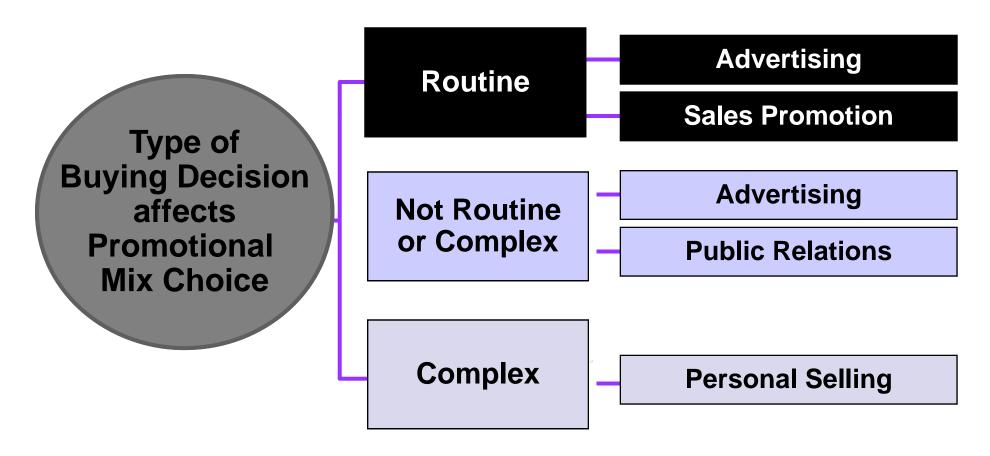


FOR:

- Widely scattered market
- Informed buyers
- Repeat buyers

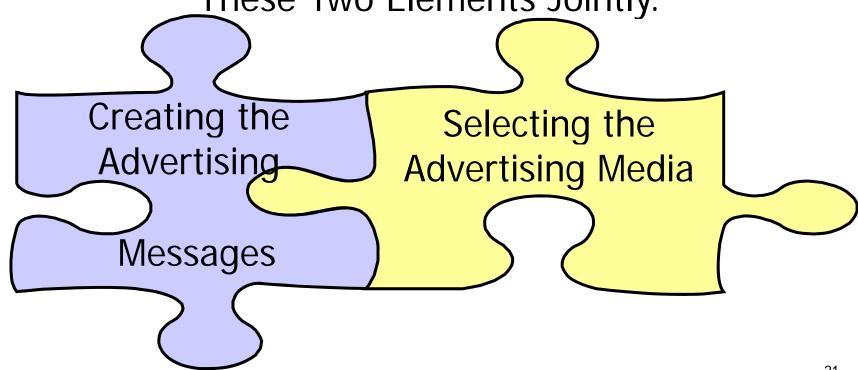
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Type of Buying Decision

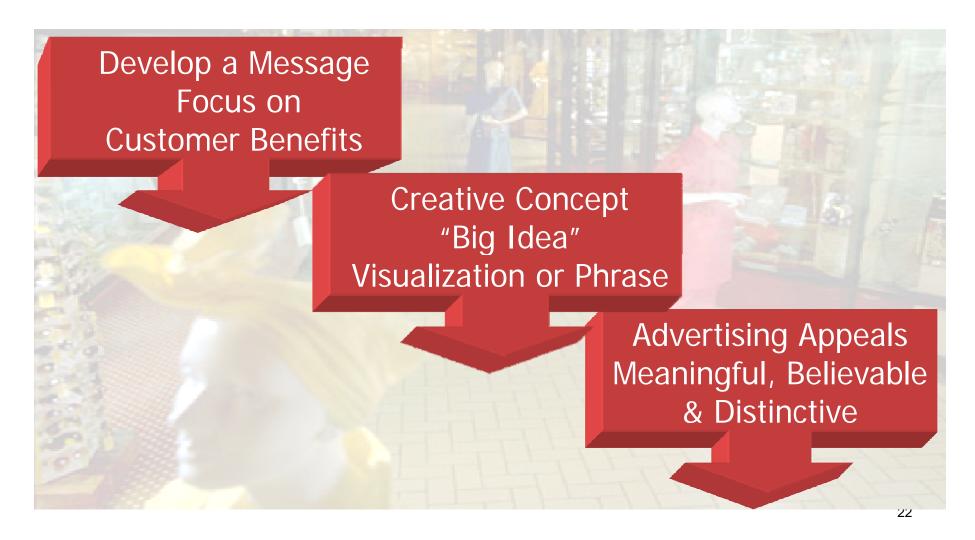


Developing Advertising Strategy

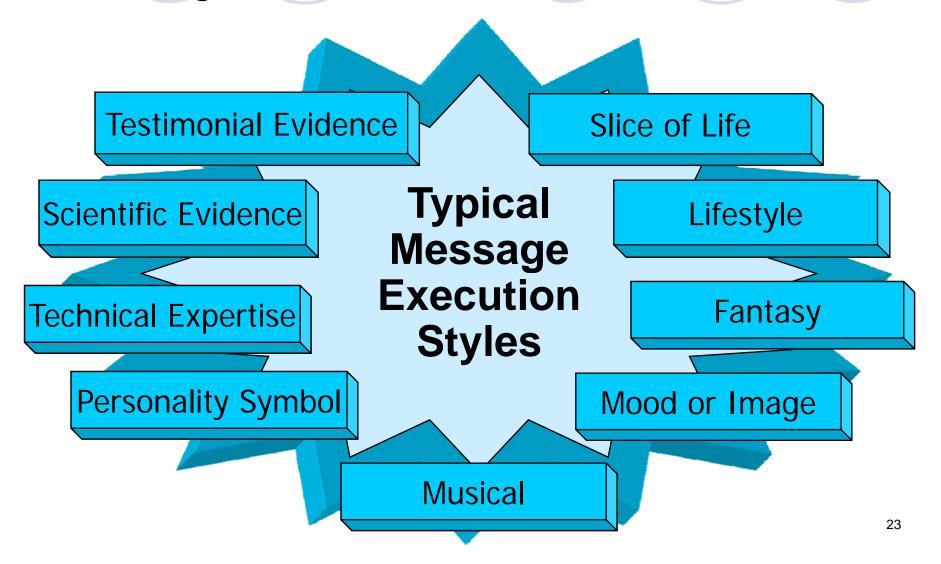
Advertising Strategy Consists of Two Major Elements and Companies are Realising the Benefits of Planning These Two Elements Jointly.



Creating the Advertising Message: Message Strategy



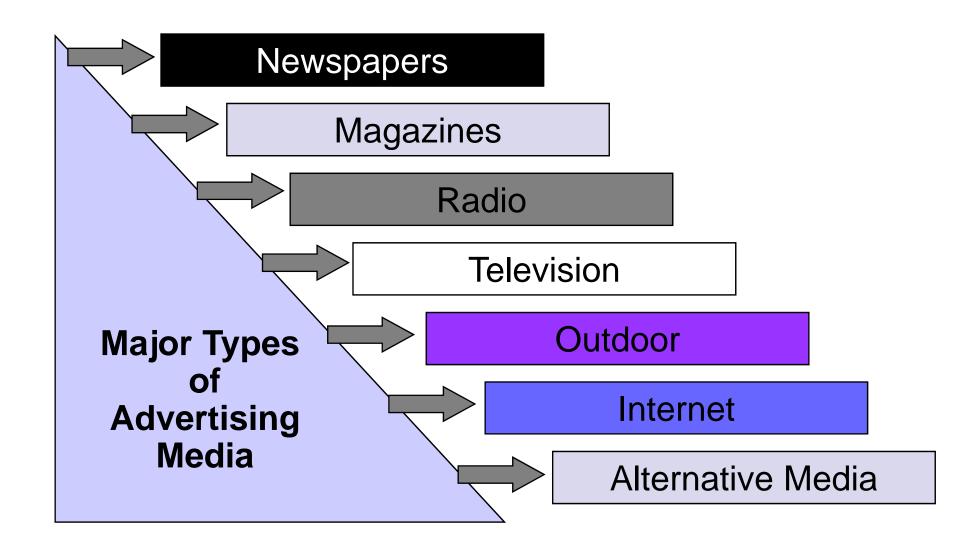
Developing Advertising Strategy: Message Execution



Advertising Strategy: Selecting Advertising Media

- Deciding on reach, frequency, and impact.
- Choosing among the major media types.
 - Media habits of target customers,
 - Nature of the product,
 - Types and costs of messages.
- Selecting specific media vehicles.
 - Specific media within each general media type.
- Deciding on media timing.
 - Scheduling advertising over the course of a year.

Media Types



Newspapers



- Year-round readership
- Geographic selectivity
- Immediacy
- High individual market coverage
- Short lead time



- Limited demographic selectivity
- Little colour
- May be expensive
- Low pass-along rate
- Clutter
- Mass market medium

Magazines

- Advantages
 - Good reproduction
 - Demographic selectivity
 - Regional/local selectivity
 - Long advertising life
 - High pass-along rate

- Disadvantages
 - Higher cost per contact
 - Long-term advertiser commitments
 - Slow audience buildup
 - Limited demonstration capabilities

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- Lack of urgency
- Long lead time

Radio



- Advantages
 - Selectivity and audience segmentation
 - Immediate and portable
 - Geographic flexibility
 - Entertainment carryover
 - Short-term ad commitments

- Disadvantages
 - No visual treatment
 - Short advertising life
 - High frequency to generate retention
 - Commercial clutter
 - Background distractions

Television



- Wide diverse audience
- Low cost per thousand
- Creative and demonstrative
- Immediacy of messages
- Entertainment carryover
- Demographic selectivity with cable

Disadvantages

- Short life of message
- Expensive with high campaign cost
- Little demographic selectivity with network

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- Long-term advertiser commitments
- Long lead times
- Clutter

Outdoor Media

- Advantages
 - High exposure frequency
 - Moderate cost
 - Flexibility
 - Geographic selectivity
 - Broad, diverse market

- Disadvantages
 - Short message
 - Lack of demographic selectivity
 - O High "noise" level

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Internet and World Wide Web

- Advantages
 - Fast growing
 - Ability to reach narrow target audience
 - Short lead time
 - Moderate cost

- Disadvantages
 - Difficult to measure ad effectiveness and ROI
 - Ad exposure relies on "click through"
 - Not all consumers have access to internet

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Evaluating Advertising



Communication Effects
(Copy Testing)
Is the Ad Communicating
Well?

Sales Effects

Is the Ad Increasing Sales?

What is Sales Promotion?

Sales Promotion Offers Short-Term Incentives to Encourage Purchase or Sales of a Product or Service.

Offers Reasons to Buy *NOW*.

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Rapid Growth of Sales Promotion

- Sales promotion can take the form of consumer promotions, business promotions, trade promotions, or sales force promotions.
- Rapid growth in the industry has been achieved because:
 - Product managers are facing more pressure to increase their current sales,
 - Companies face more competition,
 - Advertising efficiency has declined,
 - Consumers have become more deal oriented.

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Sales Promotion Objectives

- Consumer Promotions: increase short-term sales or help build long-term market share.
- Trade Promotions: get retailers to:
 - carry new items and more inventory,
 - advertise products,
 - give products more shelf space, and
 - buy product ahead.
- Sales Force: getting more sales support.
- In general, sales promotion should focus on consumer relationship building.

Major Consumer Sales Promotion Tools

Trial amount of a product Sample Savings when purchasing specified Coupons products Refund of part of the purchase price Cash Refunds Reduced prices marked on the label **Price Packs** or package Goods offered free or low cost as an **Premiums** incentive to buy a product Advertising Articles imprinted with an advertiser's name given as gifts **Specialties**

Major Consumer Sales Promotion Tools

Cash or Other Award Offered for Patronage Rewards Regular Use of a Product Displays or Demonstrations at the Point-of-Purchase Point of Purchase Consumers Submit an Entry to be Contest Judged Consumers Submit Their Names for Sweepstakes a Drawing Consumers Receive Something Each Time They Buy Which May Help Games Them Win a Prize

Interactive Student Assignments

- Which of the sales promotion tools described in the chapter would be best for stimulating sales of the following products or services?
 - Gummy Bears new Black Cherry flavor,
 - Proctor & Gamble's efforts to bundle laundry detergent and fabric softener together in a combined marketing effort,
 - Outpost.com attempts to help consumers remember what it sells as well as its Web address.

Major Trade Sales Promotion Tools

Trade-Promotion Objectives

Persuade Retailers or Wholesalers to Carry a Brand

Give a Brand Shelf Space

Promote a Brand in Advertising

Push a Brand to Consumers

Trade-Promotion Tools

Discounts

Allowances

Free Goods

Push Money

Specialty Ad Items

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Major Business Sales Promotion Tools

Business-Promotion Objectives

Generate Business Leads

Stimulate Purchases

Reward Customers

Motivate Salespeople

Business-Promotion Tools

Conventions

Trade Shows

Sales Contests

Developing the Sales Promotion Program

Decide on the Size of the Incentive

Set Conditions for Participation

Determine How to Promote and Distribute the Promotion Program

Determine the Length of the Program

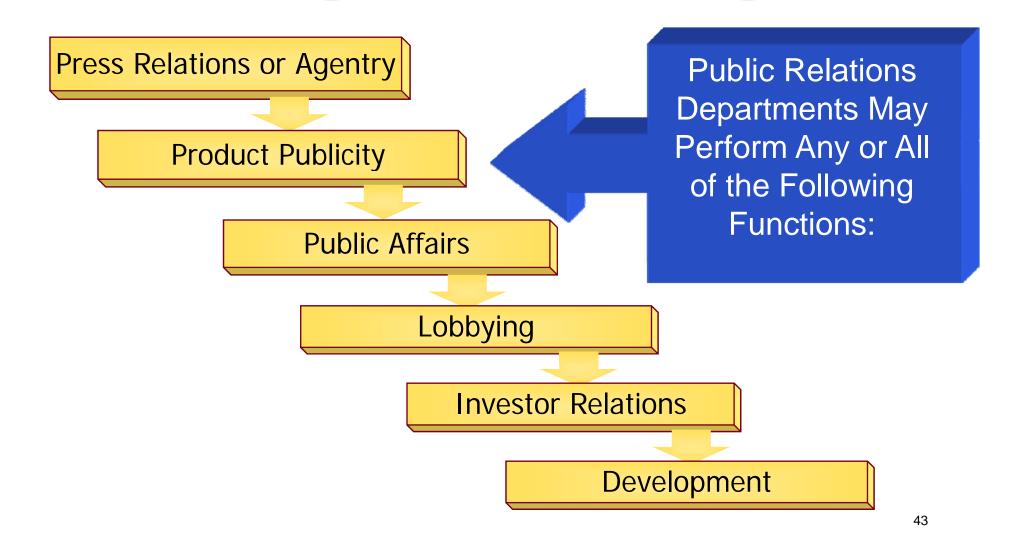
Evaluate the Program

What is 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.

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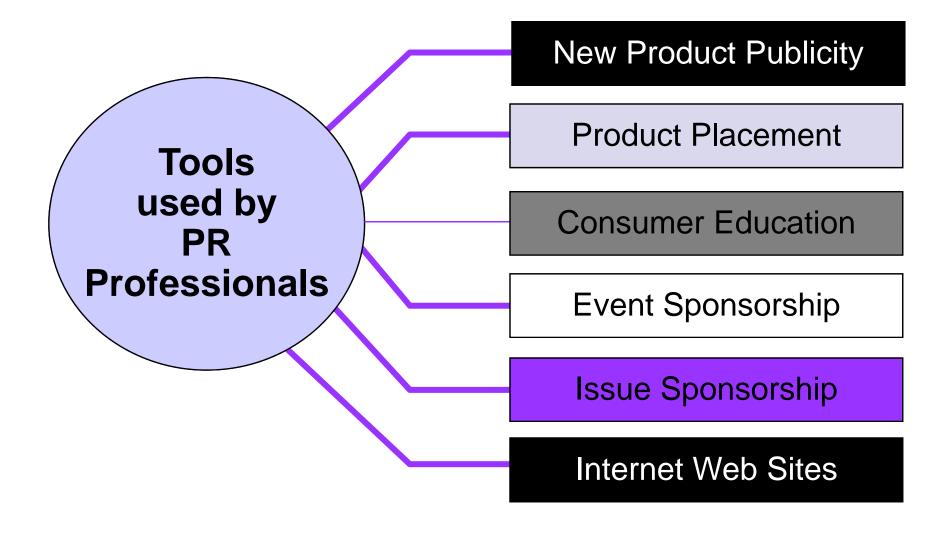
Major Public Relations Functions



Major Public Relations Tools



Public Relations Tools



Rest Stop: Reviewing the Concepts

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