Discuss the role of promotion in the marketing mix

Discuss the elements of the promotional mix

Describe the communication process

Explain the goal and tasks of promotion
Discuss the AIDA concept and its relationship to the promotional mix

Describe the factors that affect the promotional mix

Discuss the concept of integrated marketing communications
The Role of Promotion

Promotion

Communication by marketers that informs, persuades, and reminds potential buyers of a product in order to influence an opinion or elicit a response.
- Product
- Price
- Promotion
- Placement

Types of Competitive Advantage

Cost
- Product/Service Differentiation
- Niche Strategies
The Role of Promotion

Promotional Strategy

A plan for the optimal use of the elements of promotion:
- Advertising
- Public Relations
- Sales Promotion
- Personal Selling
- Social Media

Competitive Advantage
A firm’s competitive advantage is the reason or reasons that cause customers to patronize that firm and not the competition.
The Role of Promotion in the Marketing Mix

Overall Marketing Objectives

Marketing Mix
• Product
• Place
• Promotion
• Price

Promotional Mix
• Advertising
• Public Relations
• Sales Promotion
• Personal Selling
• Social Media

Target Market

Promotion Plan
Promotional Objectives

- Build Awareness
- Create Interest
- Provide Information
- Retain Customers
- Stimulate Demand/Get Consumers to Buy
- Reinforce the Brand
The Promotional Mix

Combination of promotion tools used to reach the target market and fulfill the organization’s overall goals.

- Advertising
- Public Relations
- Sales Promotion
- Personal Selling
- Social Media
Integrated Marketing Communications

The careful coordination of all promotional messages to assure the consistency of messages at every contact point where a company meets the consumer.
Hands-Only CPR Awareness New York-Presbyterian
Communication Process

- **Sender**
  - Marketing manager
  - Advertising manager
  - Advertising agency
  - Other consumers

- **Encoding the message**
  - Advertisement
  - Sales presentation
  - Store display
  - Coupon
  - Press release
  - Social media

- **Message channel**
  - Media
  - Salesperson
  - Retail store
  - Local news show

- **Decoding the message**
  - Receiver interpretation of message

- **Receiver**
  - Customers
  - Viewers/listeners
  - News media
  - Clients

- **Noise**
  - Other advertisements
  - News articles
  - Other store displays

- **Feedback channel**
  - Market research
  - Sales results
  - Change in market share
  - Social media
Impact of Social Media and Internet on Communication Model

Consumers are able to become senders as opposed to only brands being senders

Feedback is primarily shown as impersonal and numbers driven
- Customers use social media platforms to comment publicly on marketing efforts
- Platforms enable marketers to personalize the feedback channel through direct communication
Promotional Tools

Advertising  Public Relations  Sales Promotion  Personal Selling  Social Media
Advertising

Any form of impersonal paid communication in which the sponsor or company is identified.
Advertising Media

Traditional Advertising Media

- Television
- Radio
- Newspapers
- Magazines
- Pay-per-click online advertising
- Direct mail
- Billboards
- Transit advertisements (bus stops, taxis, trains)

Other Options:
- Websites
- Email
- Blogs
- Videos
- Interactive games
Advantages of Advertising

- Reach large number of people
- Low cost per contact
- Can be micro-targeted to small groups
Microtargeted Ads

New!

SOFTER TEXTURE, INCREDIBLE TASTE & BIG SLICES

SHOP NOW
Visa Black
Public Relations

The marketing function that evaluates public attitudes, identifies areas within the organization that the public may be interested in, and executes a program of action to earn public understanding and acceptance.
The Function of Public Relations

- Maintain a positive image
- Educate the public about the company’s objectives
- Introduce new products
- Support the sales effort
- Generate favorable publicity
Publicity

Public information about a company, product, service or issue appearing in the mass media as a news item

- Social media sites like Twitter can provide instant Publicity.
- Organizations do not pay for publicity
- Companies are not identified as the source of information
Social Media Publicity

@kyliejenner using @fittea_28daydetox. View all 36,992 comments.

matze132 Lb
adrianarubiloc @melisa_arvizu it fit como yo puede, pero... melisa_arvizu @adrianarubiloc el ues en nutri?
baybear_unknown Wonder if she got paid to post this
marisoiventura_1st marisoiventura_1st marisoiventura_1st
misiqokono Lbb be.scn @julienbrsn_ __.rnx If you stop reading died my name if Theresa don't post this on 20 pints...
It's a solitaire, a 14 carat blue diamond ring, a very rare diamond.
One more time...
Alex Rodriguez
Engaged or not?
DOMINO’S
Wedding Registry

Gifts For The Couple

2-x-lb. Bachelor Party Feast
$60
A row of dough is a row of love. Share two 1-lb. pizzas.

Cater the Bachelorette Party
$60
Cater the bachelorette party. Give every girl a slice of pizza.

The Wedding Night
$25
Just so they don’t feel like the oddball wedding toast, let them in on the pizza action.

GIVE THIS GIFT
GIVE THIS GIFT
GIVE THIS GIFT
Sales Promotion

Marketing activities—other than personal selling, advertising, and public relations—that stimulate consumer buying and dealer effectiveness.
Sales promotion

Short run tool used to stimulate immediate increase in demand

- Free samples
- Contests
- Premiums
- Free samples
- Trade shows
- Groupon (uses sales promotions effectively)
Sales Promotion

Levi's is offering 30% off all regular priced items at their San Francisco stores. To qualify, all you need to do is RSVP "yes" to this event and either print this page or display this page on your mobile phone.
Pick up the BEST BUNS around!

Udi’s Sales Promotion
Personal Selling

Planned presentation to one or more prospective buyers for the purpose of making a sale.
Personal Selling

- Traditional Selling
- Relationship Selling
Social Media

websites and applications that enable users to create and share content or to participate in social networking.
Content marketing & social Media

Promotion tools used to facilitate conversations and other interactions among people online

- Customers are able to speak directly to other consumers
- The company
- Web communities
- Includes: Blogs, microblogs (Twitter), podcasting, Tumbler, Pinterest and Snapchat.
Digital Media Types

- **Owned Media**: Websites, Blogs, Social media presence
- **Earned Media**: Media coverage, SEO, Publicity activities
- **Paid Media**: Banner ads, Sponsored posts, Video ad inserts

A new category of promotional tactic based on brands becoming publishers of their own content in order to maximize the brand’s value to customers.

Promotional tactic based on a public relations or publicity model that gets customers talking about products or services.
AIDA Concept

Outlines the process for achieving promotional goals in terms of stages of consumer involvement with the message.

Proposes that consumers respond to marketing messages in a cognitive, affective, and conative sequence.

The ultimate goal of any promotion is to get someone to buy a good or service, or in the case of non-profit, to take some action.

AIDA - Stands for attention, interest, desire, and action.
# AIDA for Advertising

<table>
<thead>
<tr>
<th>A</th>
<th>I</th>
<th>D</th>
<th>A</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Awareness</strong></td>
<td><strong>Interest</strong></td>
<td><strong>Desire</strong></td>
<td><strong>Action</strong></td>
</tr>
<tr>
<td>Something is used to attract the reader’s or viewer’s attention. In a print ad, it might be a photograph or illustration, bold type, white space around the art and words of the ad, or the ad’s size. In a commercial, it might be images, sounds and voiceovers on the screen.</td>
<td>Some information, such as details, price or availability, is provided to create interest in the product being advertised.</td>
<td>Something is used to make you desire the product. A celebrity may appear in the ad/commercial. The images and language of the ad/commercial may suggest that you will benefit from the product.</td>
<td>Something is done to urge to act now. There may be a time limit on a sale price or a limited supply of the product.</td>
</tr>
</tbody>
</table>
## Promotional Mix and AIDA

<table>
<thead>
<tr>
<th></th>
<th>Attention</th>
<th>Interest</th>
<th>Desire</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>●</td>
<td>●</td>
<td>○</td>
<td>●</td>
</tr>
<tr>
<td>Public Relations</td>
<td>●</td>
<td>●</td>
<td>○</td>
<td>●</td>
</tr>
<tr>
<td>Sales Promotion</td>
<td>○</td>
<td>○</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Personal Selling</td>
<td>○</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Social Media</td>
<td>●</td>
<td>●</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

- ● Very effective
- ○ Somewhat effective
- ● Not effective

LO 5
Elements of the Promotional Mix

- Maintain image and educate consumers
- Reach the masses
- Stimulate purchase
- Build relationships
## Characteristics of the Elements in the Promotional Mix

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Advertising</th>
<th>Public Relations</th>
<th>Sales Promotion</th>
<th>Personal Selling</th>
<th>Social Media</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mode of Communication</td>
<td>Indirect and impersonal</td>
<td>Usually indirect and impersonal</td>
<td>Usually indirect and impersonal</td>
<td>Direct and face-to-face</td>
<td>Indirect but instant</td>
</tr>
<tr>
<td>Communicator Control over Situation</td>
<td>Low</td>
<td>Moderate to low</td>
<td>Moderate to low</td>
<td>High</td>
<td>Moderate</td>
</tr>
<tr>
<td>Amount of Feedback</td>
<td>Little</td>
<td>Little</td>
<td>Little to moderate</td>
<td>Much</td>
<td>Much</td>
</tr>
<tr>
<td>Speed of Feedback</td>
<td>Delayed</td>
<td>Delayed</td>
<td>Varies</td>
<td>Immediate</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Direction of Message</td>
<td>One-way</td>
<td>One-way</td>
<td>Mostly one-way</td>
<td>Two-way</td>
<td>Two-way, multiple ways</td>
</tr>
<tr>
<td>Control over Message Content</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Varies, generally no</td>
</tr>
<tr>
<td>Identification of Sponsor</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Speed in Reaching Large Audience</td>
<td>Fast</td>
<td>Usually fast</td>
<td>Fast</td>
<td>Slow</td>
<td>Fast</td>
</tr>
<tr>
<td>Message Flexibility</td>
<td>Same message to all audiences</td>
<td>Usually no direct control over message audiences</td>
<td>Same message to varied targets</td>
<td>Tailored to prospective buyer</td>
<td>Some of the most targeted opportunities</td>
</tr>
</tbody>
</table>
Marketing Communication

Describe the communication process
The process by which we exchange or share meanings through a common set of symbols.
Categories of Communication

Interpersonal Communication

Mass Communication
Communication

Process by which meanings are exchanged or shared through a common set of symbols

**Interpersonal communication**
- Direct, face-to-face communication between two or more people
- Example - Salesperson speaking directly with a customer

**Mass communication**
- Communication of a concept or message to large audiences through a mass medium
GoPro - Mass Communications

GoPro – Interpersonal Communication
Goals and Tasks of Promotion

- Informing
- Reminding
- Persuading

Target Audience
Tasks of Promotion

01
Informative promotion - Converts an existing need into a want or stimulates interest in a new product

02
Persuasive promotion - Stimulates a purchase or an action

03
Reminder promotion - Keeps the product and brand in the public's mind

04
Connect promotion - Forms relationships with customers through social media
Goals and Tasks of Promotion

Informing

Reminding

Persuading

Target Audience

PLC Stages:
- Introduction
- Early Growth

PLC Stages:
- Growth
- Maturity

PLC Stages:
- Maturity
Goals and Tasks of Promotion

Informative Promotion

- Increase awareness
- Explain how product works
- Suggest new uses
- Build company image
Apple Watch
Goals and Tasks of Promotion

<table>
<thead>
<tr>
<th>Persuasive Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Encourage brand switching</td>
</tr>
<tr>
<td>▪ Change customers’ perceptions of product attributes</td>
</tr>
<tr>
<td>▪ Influence immediate buying decision</td>
</tr>
<tr>
<td>▪ Persuade customers to call</td>
</tr>
</tbody>
</table>
**Goals and Tasks of Promotion**

<table>
<thead>
<tr>
<th>Reminder Promotion</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Remind customers that product may be needed</td>
</tr>
<tr>
<td>▪ Remind customers where to buy product</td>
</tr>
<tr>
<td>▪ Maintain customer awareness</td>
</tr>
</tbody>
</table>
Remind consumers to buy with a new competitive advantage
Revitalizing a brand in Maturity stage of PLC
Factors Affecting the Choice of Promotional Mix

- Nature of the product
- Stage in PLC
- Target market factors
- Type of buying decision
- Promotion funds
Product Life Cycle and the Promotional Mix

- **Preintroduction**: Publicity; small amounts of advertising near introduction.
- **Introduction**: Heavy advertising and public relations to build awareness; sales promotion to induce trial; personal selling to obtain distribution.
- **Growth**: Heavy advertising and public relations to build brand loyalty; decreasing use of sales promotion; personal selling to maintain distribution.
- **Maturity**: Advertising slightly decreased—more persuasive and reminder in nature; increased use of sales promotion to build market share; personal selling to maintain distribution.
- **Decline**: Advertising and public relations drastically decreased; sales promotion and personal selling maintained at low levels.
Target Market Characteristics

For...

- Widely scattered market
- Informed buyers
- Brand-loyal repeat purchasers

Advertising

Sales Promotion

Less Personal Selling
Type of Buying Decision

Routine:
- Advertising
- Sales Promotion

Neither Routine nor Complex:
- Advertising
- Public Relations

Complex:
- Personal Selling
- Print Advertising
Available Funds

- Number of people in target market
- Quality of communication needed
- Relative costs of promotional elements
Sherman Williams Paint: New Target Strategy
done