

Marketing Mix

PROMOTION

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Introduction

DEFINITION:

- *Promotion is communication with actual and potential buyers*

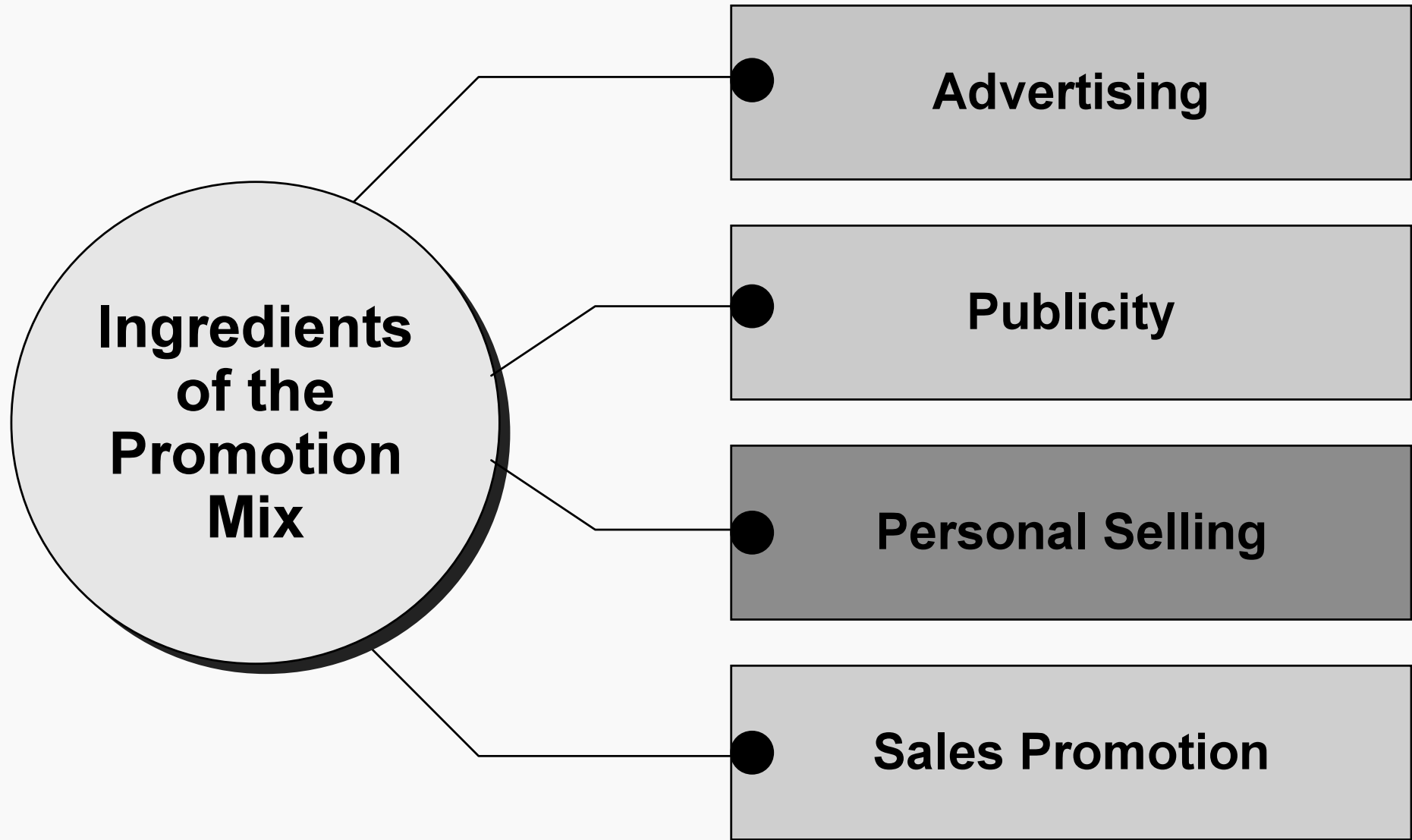
OBJECTIVE:

- *To convince target market of the product's differential advantage*

NECESSARY PREREQUISITE:

- *Ought be guided by a promotional strategy: a plan for the optimal use of the promotional mix*

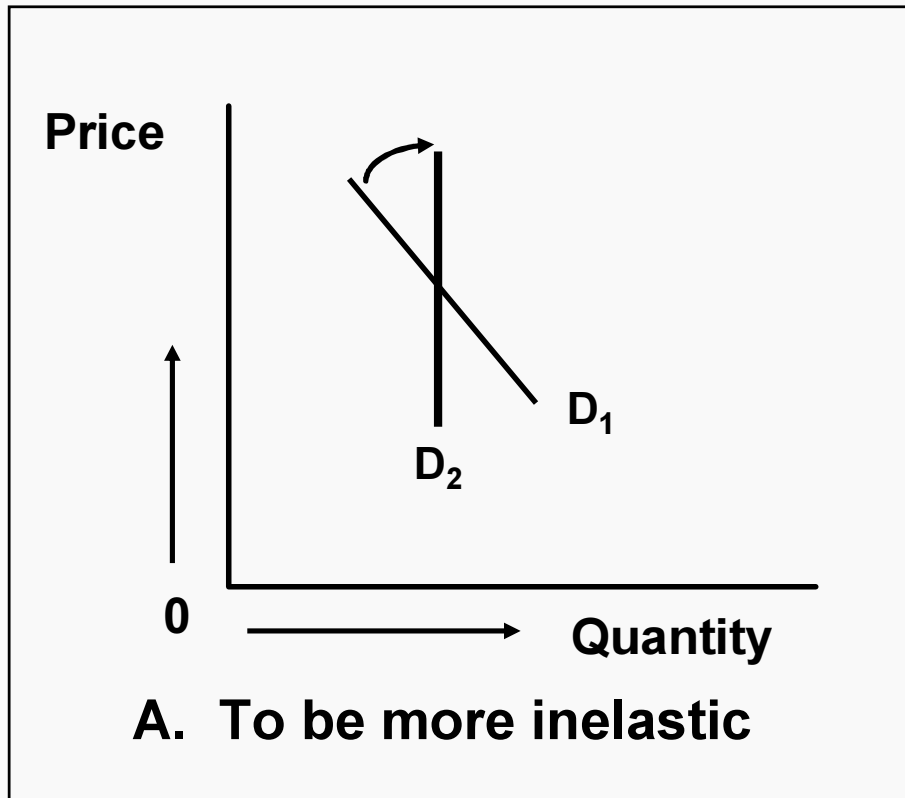
Elements of the Promotional Mix



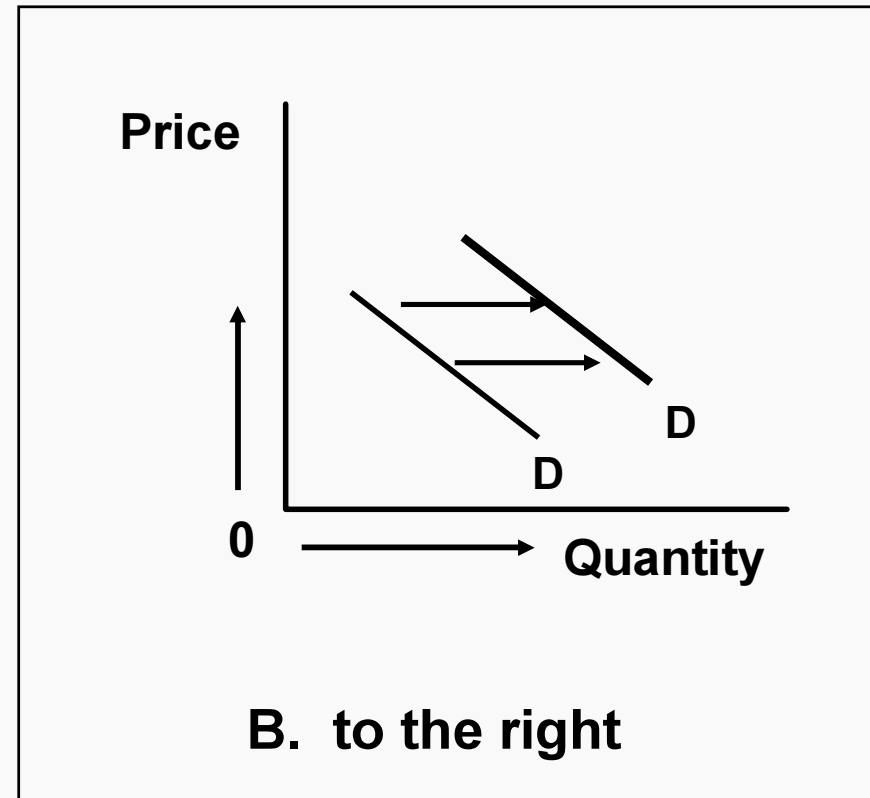
The Effects (outcomes) of Advertising

- **Advertising influences:**
 - market share
 - the consumers' behaviour
 - brand loyalty
 - perceptions of attributes

Promotion and the Demand Curve

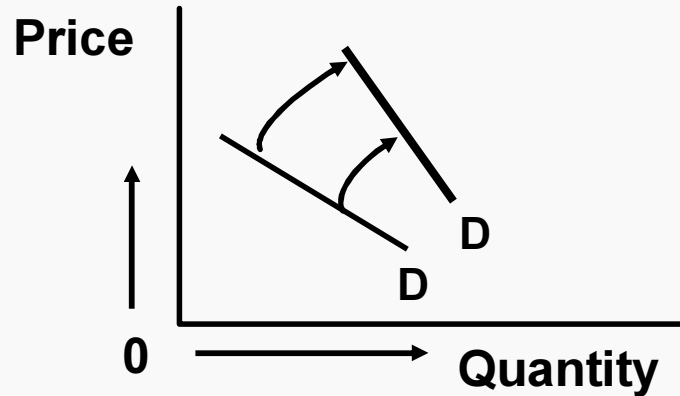


Promotion efforts may be targeted to make demand for the firm's products more inelastic and so more resistant to counter-moves by the competition.



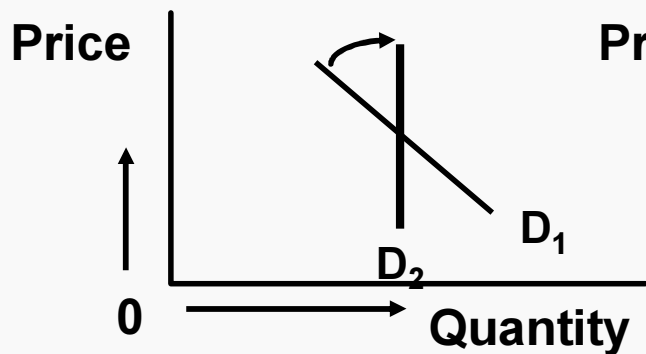
Promotion efforts may be targeted to increase the demand for the firm's products.

Promotion and the Demand Curve

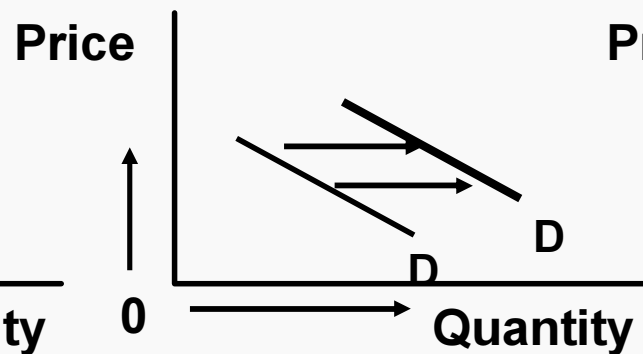


C. Both to the right and more inelastic

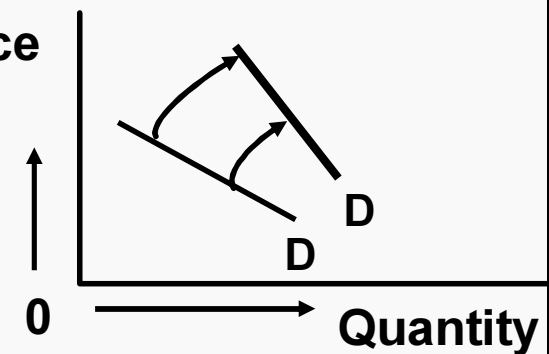
Promotion efforts may be targeted to both increase demand for the firm's products and to make demand more inelastic



A. To be more elastic

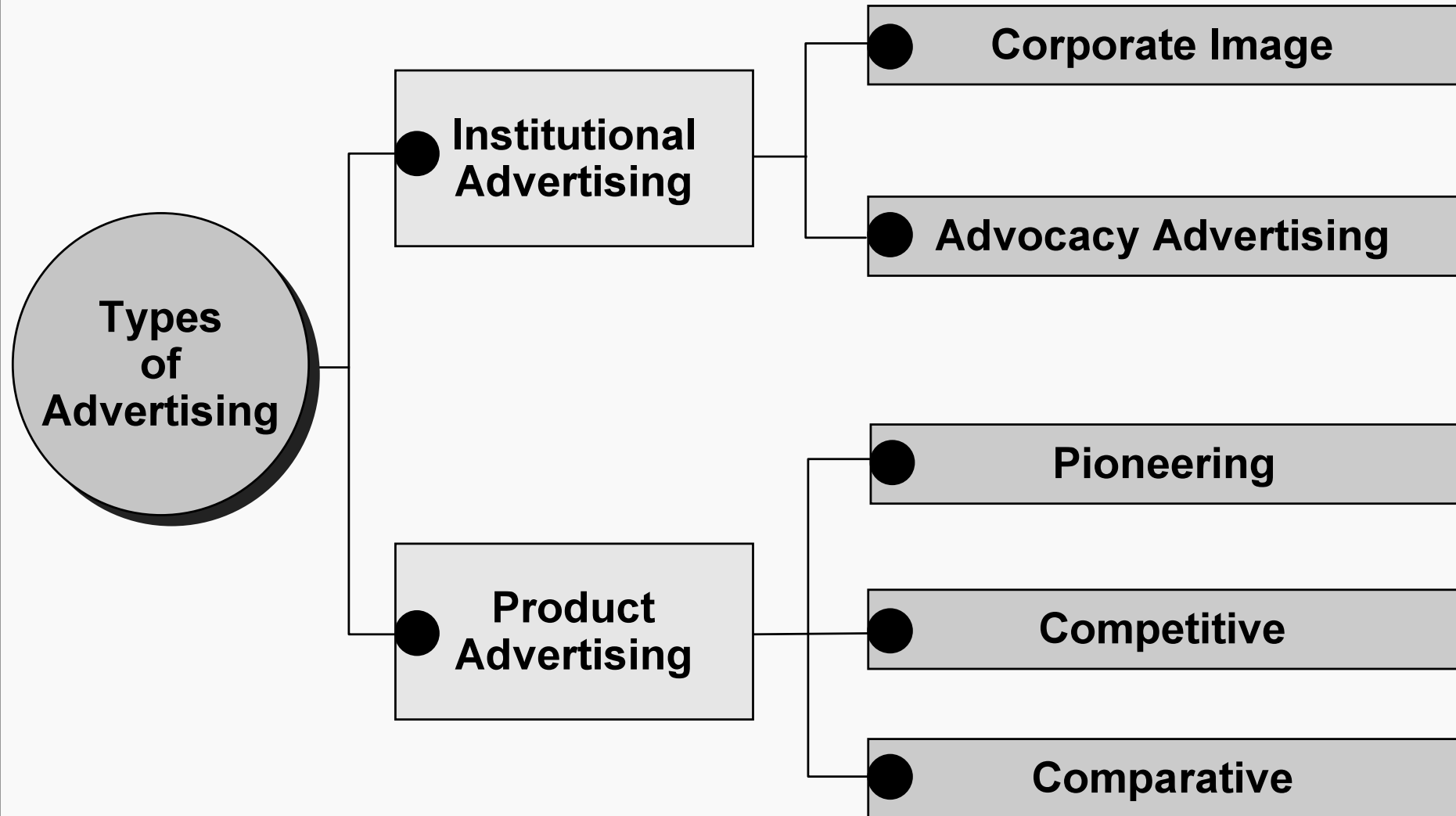


B. to the right



C. Both to the right and more elastic

Major Types of Advertising



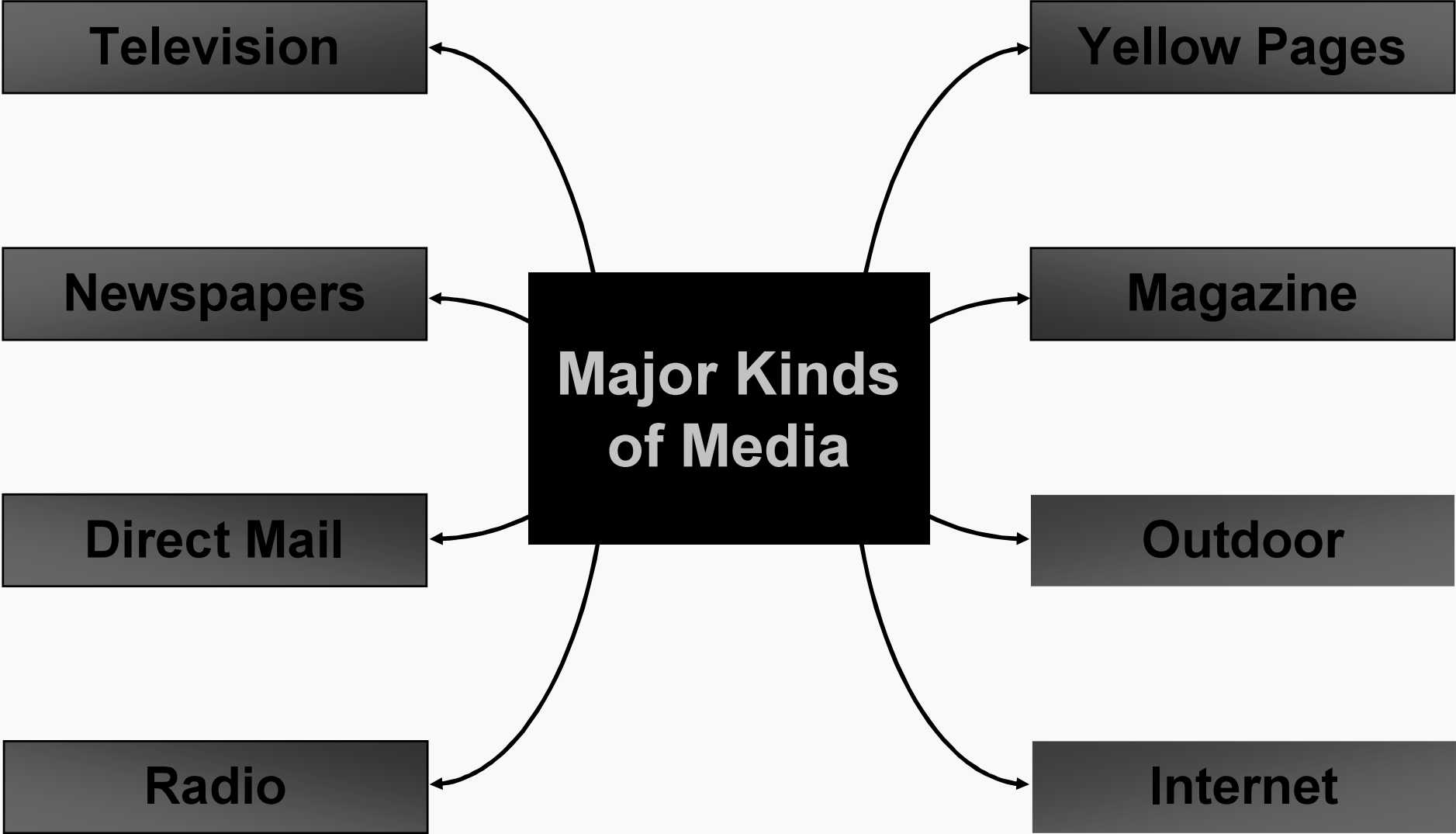
Major Types of Advertising (cont)

- **Institutional advertising**
 - to establish, change or maintain the firm's identity - not an attempt to sell anything
- **Product advertising**
 - **pioneering advertising**
 - » stimulate demand for a new product: primary demand
 - **competitive advertising**
 - » attempts to increase sales: brand insistence
 - **comparative advertising**
 - » directly or indirectly compares two brands

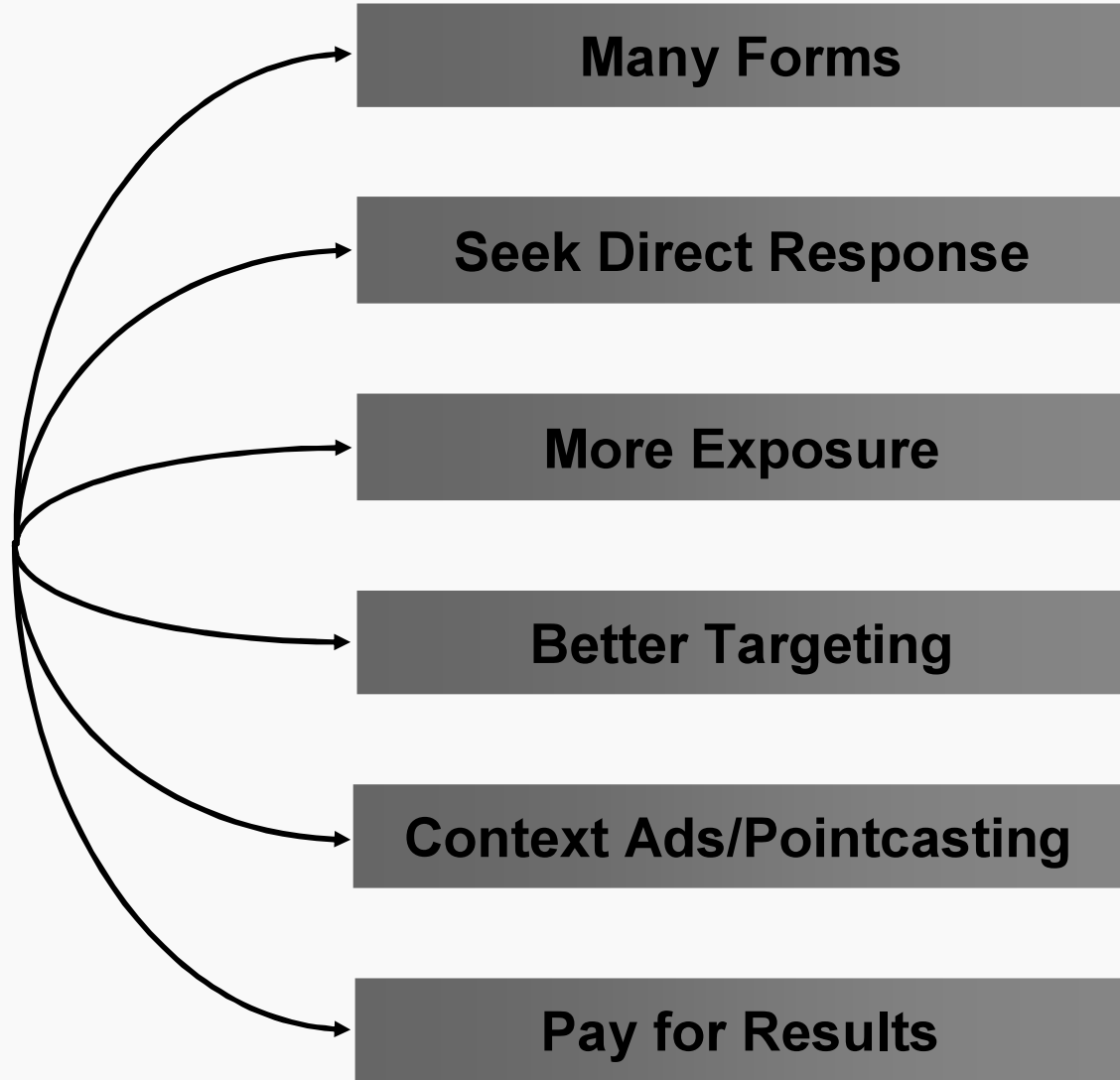
Setting Advertising Objectives



Choosing Media



Advertising on the Internet



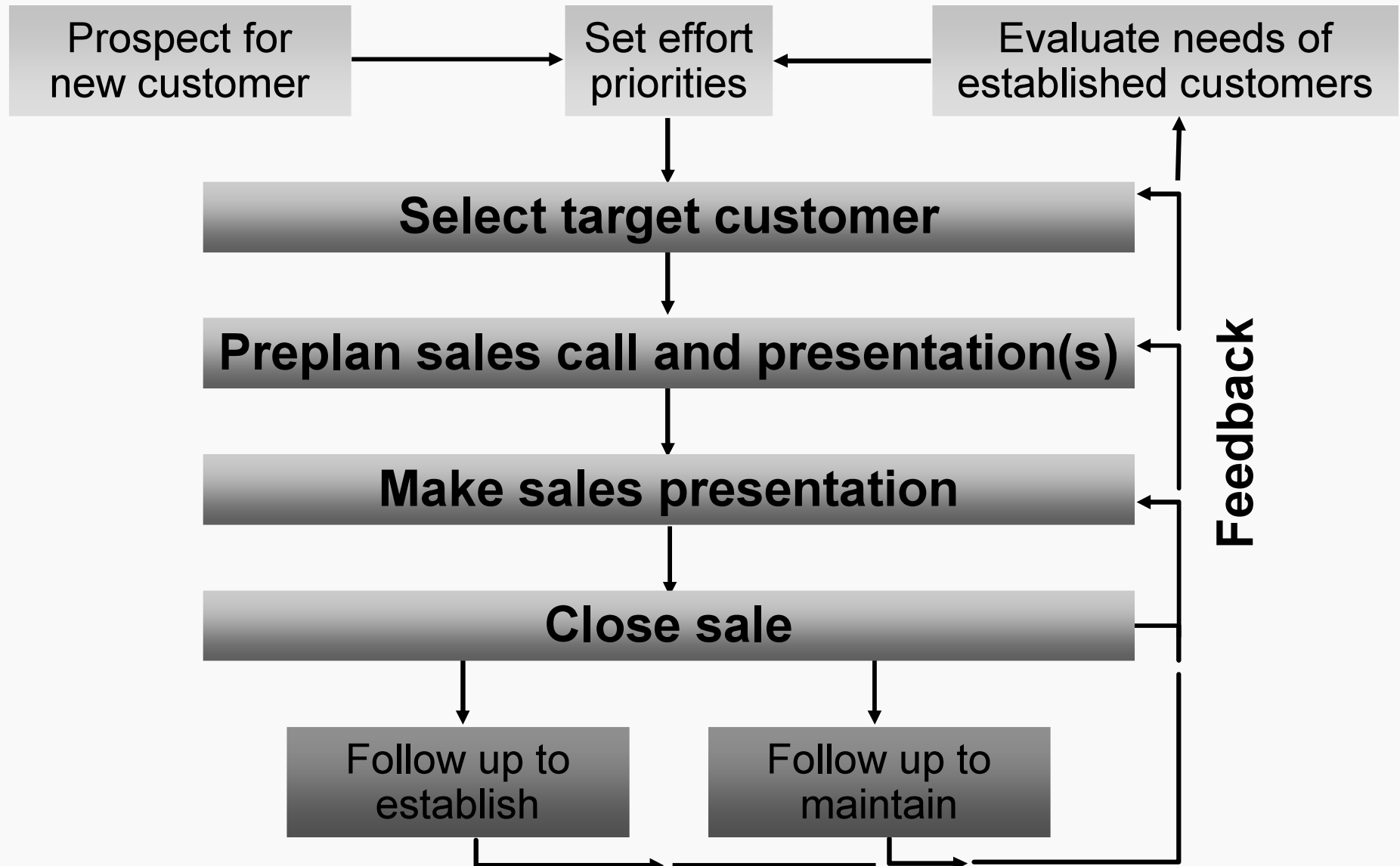
Public Relations and Publicity

- **Public relations: shape the public's perceptions of and attitudes towards the firm**
- **Communicates with stakeholders in manners other than advertising**
- **Publicity: non-paid for media exposure for the firm: both positive and negative**

Personal Selling

- **Two people in a purchasing situation trying to influence each other**
- **Each part has its own objectives**
 - **buyer wants to minimise costs or buy the best quality**
 - **seller wants to maximise price, sales and profits**
- **Often a well-prepared presentation**
- **Modern approach is relationship selling**

Steps in the Personal Selling Process



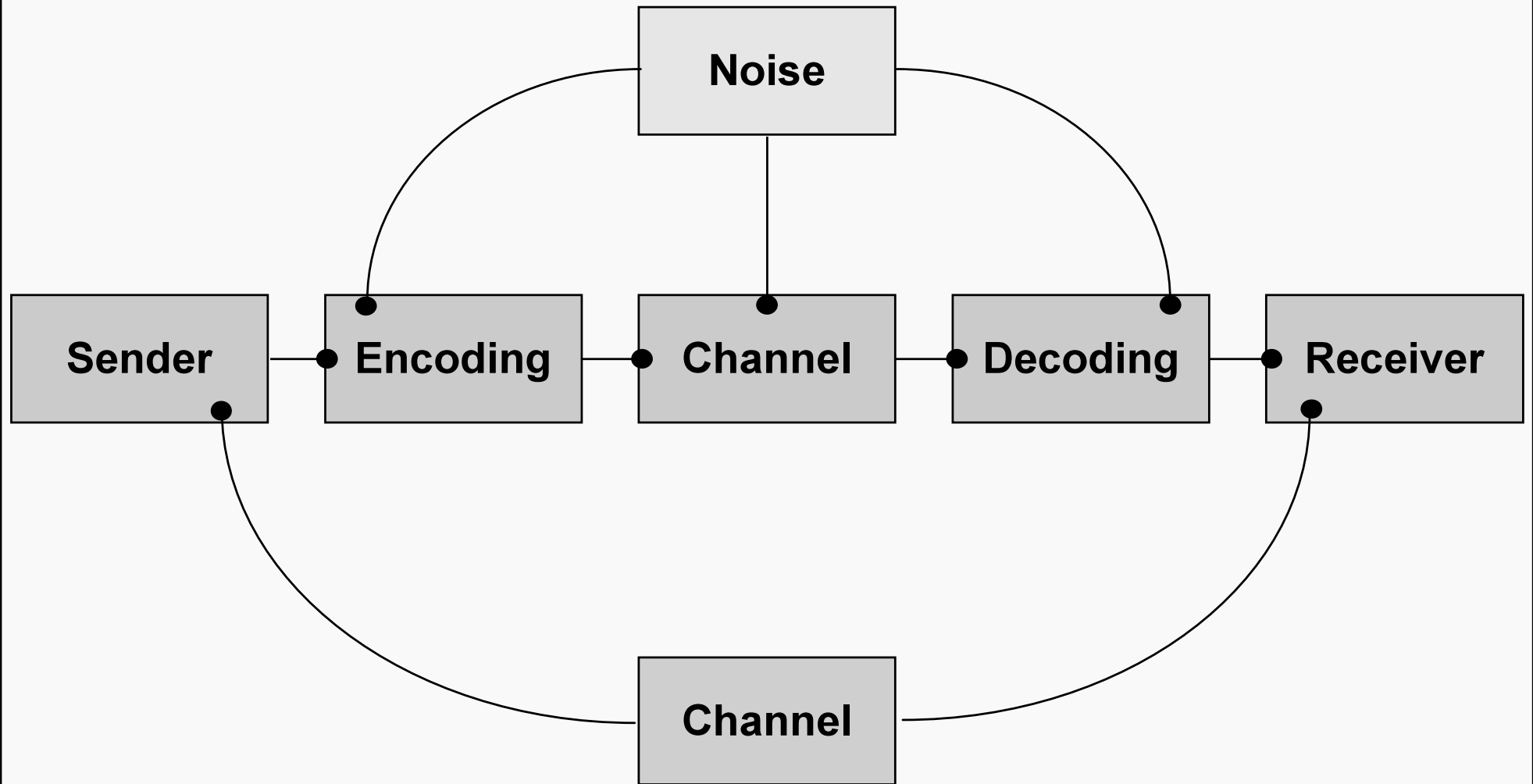
Sales Promotion

- **All marketing activities other than advertising, personal selling and public relations, that stimulates sales and dealer effectiveness**
- **Short-term, immediate stimulation of demand**
- **Can be aimed at consumers, intermediaries or employees**
- **Examples: free samples, coupons etc.**

Sales Promotion Activities

Aimed at final consumers or users	Aimed at middlemen	Aimed at company's own sales force
<p> Contests Coupons Aisle displays Samples Trade shows Point-of-purchase materials Banners and streamers Trading stamps Sponsored events </p>	<p> Price deals Promotion allowances Sales contests Calendars Gifts Trade Shows Meetings Catalogs Merchandising aids </p>	<p> Contests Bonuses Meetings Portfolios Displays Sales aids Training materials </p>

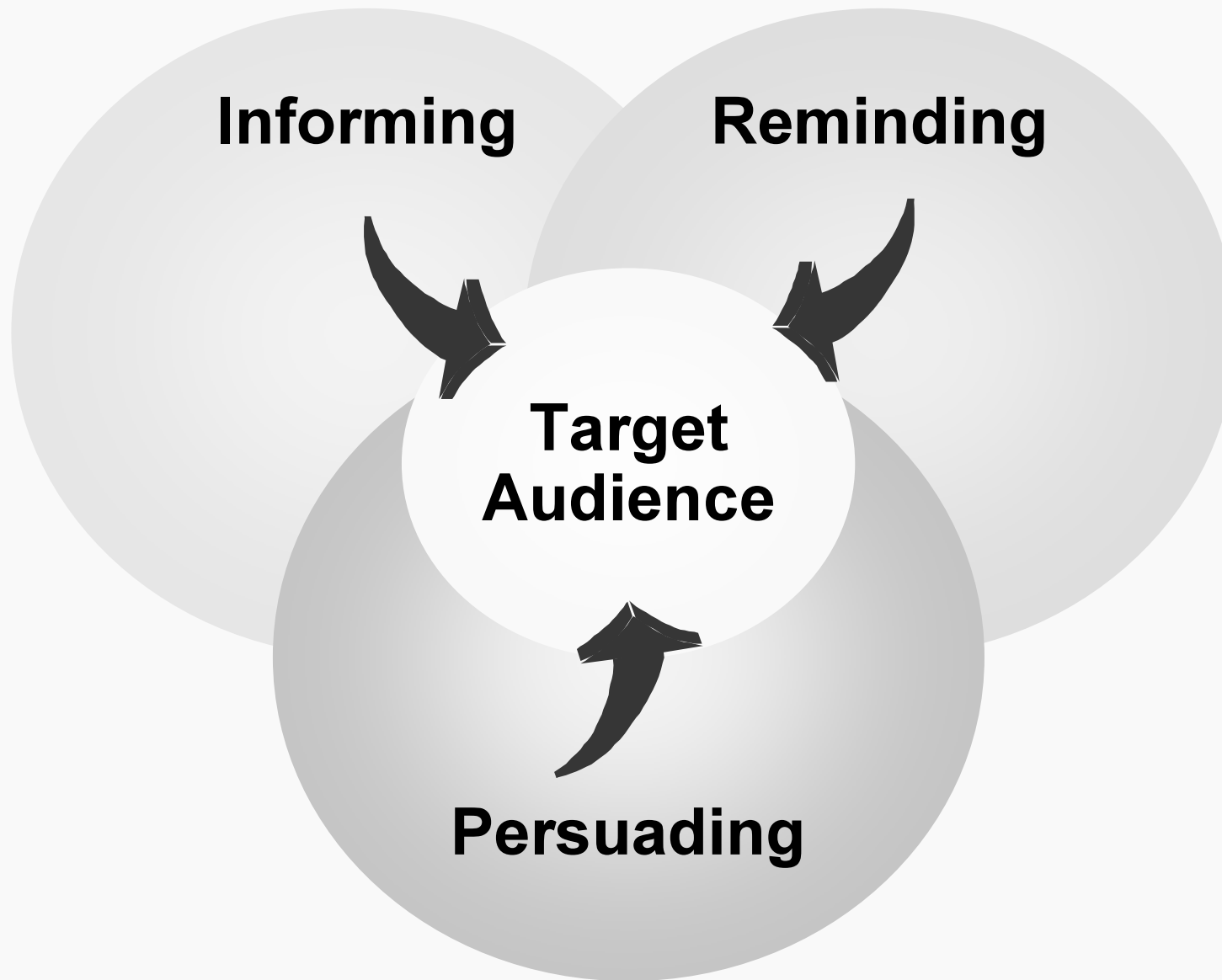
The Communication Process



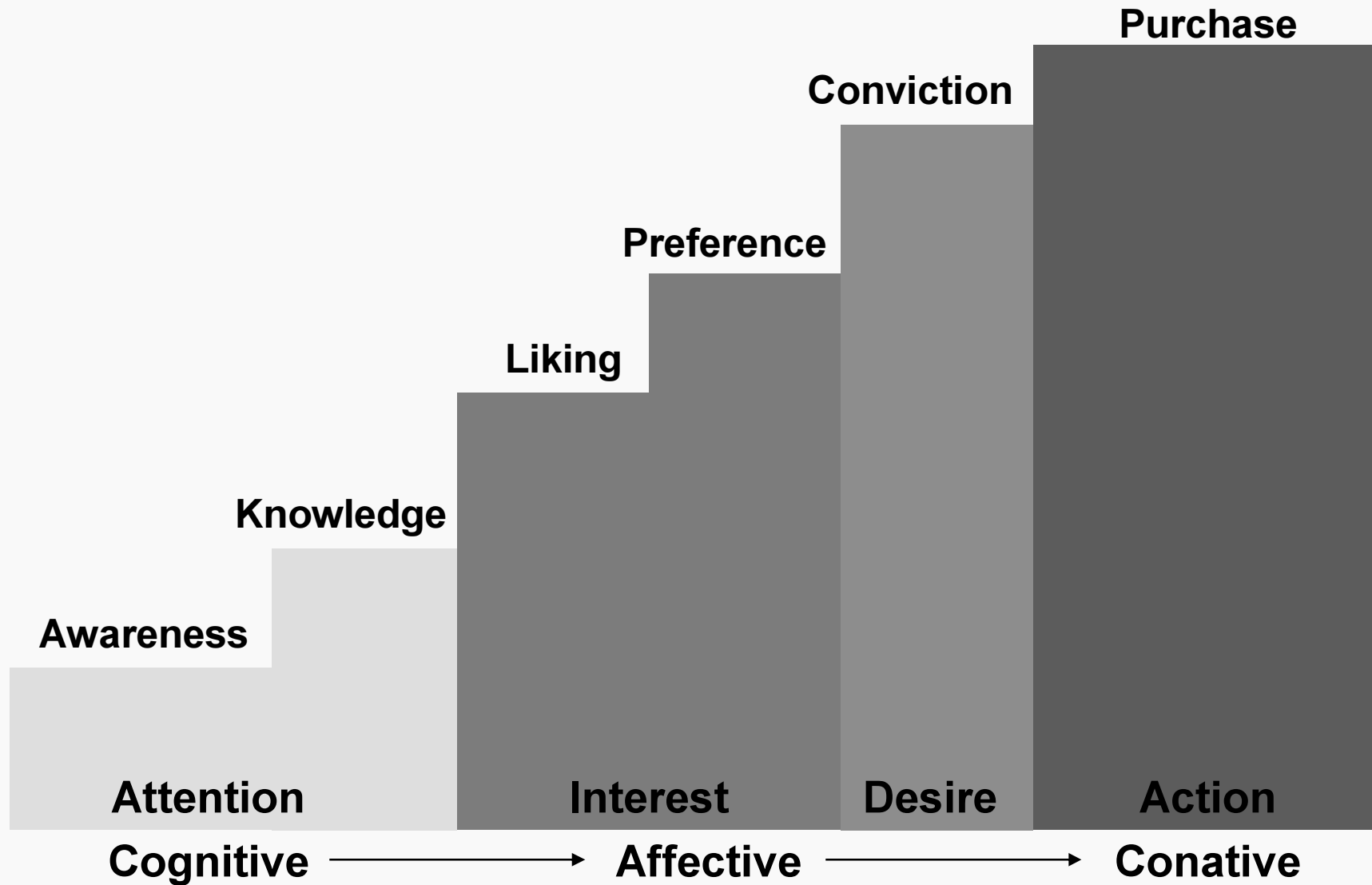
Integrated Marketing Communications

- **Ideally communication from each promotional element ought to be integrated**
- **The message reaching the consumer must be consistent irrespective of the medium used**
- **Organisational arrangements must ensure IMC**
- **The responsibility of the marketing communications manager**

Goals and Tasks of Promotion



AIDA and the Hierarchy of Effects



When Elements of Promotion Are Most Useful

Effectiveness

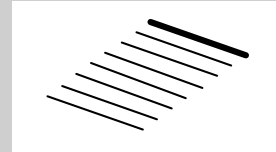


Awareness Knowledge Liking Preference Conviction Purchase

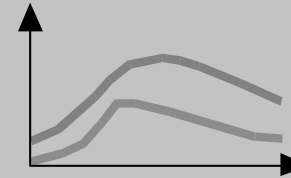
- Very effective
- Somewhat effective
- Not effective

Factors that Affect the Promotion Mix

Nature of the Product



Stage in the Product Life Cycle



Target Market Characteristics



Type of Buying Decision



Available Funds



Push-and-Pull Strategies

Creating a Promotion Plan

Analyse the Marketplace

Identify Target Market

Set Promotion Objectives

Develop Promotion Budget

Choose Promotion Mix



Criteria for Setting Promotion Objectives

Promotion objectives should:

be measurable, concrete

be based on sound research, with a well-defined target audience

be realistic

reinforce the overall marketing plan and relate to specific marketing objectives

Examples of Promotion Objectives

Informative (Awareness) Objective

To increase the top-of-mind awareness level for Black Cat peanut butter from 16 percent to 24 percent

Persuasion (Attitudinal) Objective

To increase the percentage of parents who feel that Black Cat peanut butter is the best peanut butter for their children from 22 percent to 35 percent

Reminder Objective

To remind consumers that Black Cat peanut butter is the creamiest peanut butter and is available at their nearest grocery and convenience stores

Techniques for Setting Promotion Budgets

- **Arbitrary Allocation**
- **All - You - Can - Afford**
- **Competitive Parity**
- **Percent of Sales**
- **Market Share**
- **Objective and Task**