

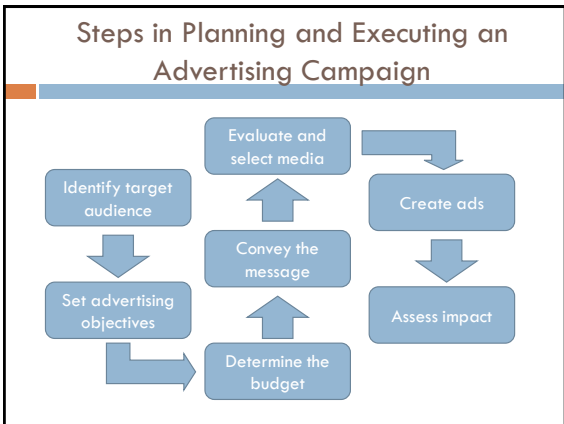
ADVERTISING, PUBLIC RELATIONS, AND SALES PROMOTION

Chapter 10

Advertising

“Any paid form of communication, delivered through media from an identifiable source, about an organization/product/service/idea”





Identify Target Audience

- Who is your target market?
 - ▣ Segmentation

- Understanding who has the purchasing power
 - ▣ Gatekeeper
 - ▣ Influencer
 - ▣ Decider
 - ▣ Buyer
 - ▣ User



Set Advertising Objectives

Informative Advertising

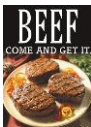
Persuasive Advertising

Reminder Advertising



Set Advertising Objectives

Product-focused Advertisements



Public Service Advertisements



Institutional Advertisements



Determine the Advertising Budget

- Size of the firm
- Size/nature of the target market
- Stage in the product life cycle
- The importance of advertising to the firm



Convey the Message

The Message

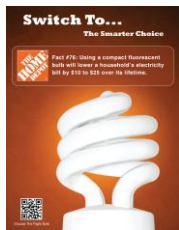
Communicate the problem solving ability clearly

Utilize a Unique Selling Proposition



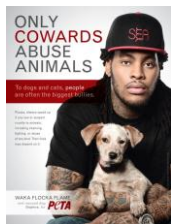
Convey the Message

The Appeal



Informational Appeals

Emotional Appeals



Evaluate and Select Media

Broadcast Media



Print Media



Television Advantages

Creativity and Impact



Coverage and Cost Effectiveness



Selectivity

Captivity and Attention



Advantages of Radio

Cost and Efficiency

Mental Imagery

Receptivity

Flexibility

Selectivity

Advantages of Magazines

- Selectivity
- Reproduction Quality
- Creativity
- Permanence
- Prestige
- Receptivity, Engagement
- Services



Advantages of Newspapers



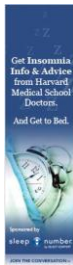
Advantages of Internet Marketing

Targeting Capabilities

Message Tailoring

Interactive Capabilities

Information Access



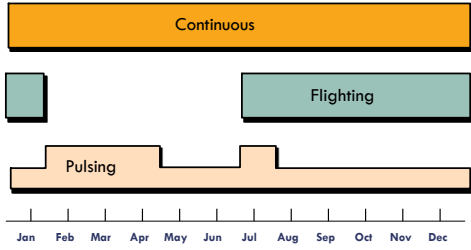
Sales Potential

Creativity

Exposure/Speed

Complement to IMC

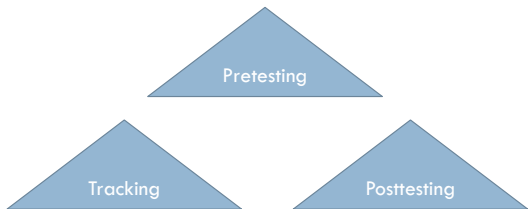
Advertising Schedules



Create Advertisements



Assess the Impact



Public Relations

Building and maintaining a positive image



Managing unfavorable stories and events



Developing relationships with the media

PR Functions



The Process of Public Relations

Determine Existing Attitudes

- Provides input into the planning process
- Serves as an early warning system
- Secures support internally
- Increases the effectiveness of the communication

The Process of Public Relations

Establish a PR Plan



Define the public relations problems

Recognize the public relations opportunities

The Process of Public Relations

Develop the PR Plan

Customers

Employees

Stockholders and investors

Community members



Suppliers

The media

Governments

Financial groups

The Process of Public Relations

Execute the PR Plan

Press releases

Press conferences

Exclusives

Community involvement

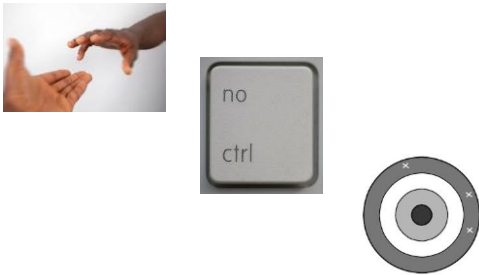
Social networking



Benefits of Effective Public Relations

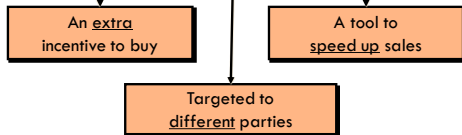


Weaknesses of Public Relations

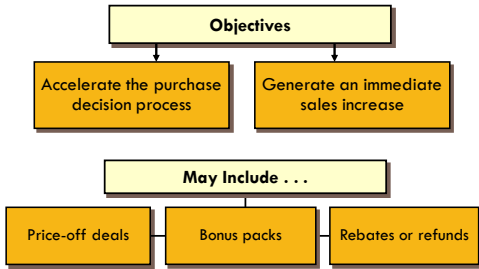


Sales Promotion

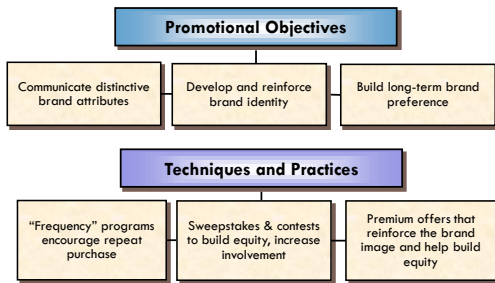
"A direct inducement that offers an extra value or incentive for the product to the sales force, distributors, or the ultimate consumer with the primary objective of creating an immediate sale."



Nonfranchise-Building Promotions



Consumer Franchise-Building Promotions



Sales Promotions

Coupons

- Oldest and most widely used price promotion
- Nearly 260 billion distributed each year in the US



The Dangers of Coupons

Media	Grocery Products	Health and Beauty Products
FSI	0.8%	0.6%
Newspaper	0.6	0.4
Magazine	0.8	0.6
Direct mail	2.2	1.5
Regular in-pack	4.2	4.7
Regular on-pack	4.6	15.6
In-pack cross-ruff	1.7	2.2
On-pack cross-ruff	2.6	10.0
Instant on-pack	18.3	32.0
Instant on-pack cross-ruff	5.2	16.4
Handout electronically dispensed	6.4	5.3
On-shelf distributed	6.3	7.4
All other handouts in store	2.0	2.3
All other handouts away from store	1.9	1.8
Internet	6.1	2.8

Sales Promotions

Rebates

- Often used to induce trial or get customers to switch
- Excellent data collection tool (via rebate claim form)
- Many customers don't claim rebates, creating phantom discounts

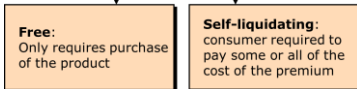


Sales Promotions

Premiums

An offer of an item, merchandise, or service, free or at a low cost, that is an extra incentive for customers

Types of Premiums



Price Promotions

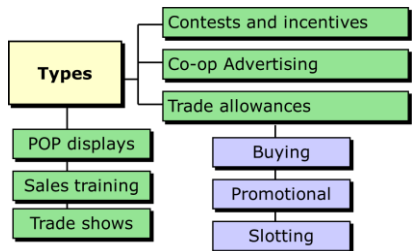
Loyalty Programs



The image shows three examples of loyalty programs: a Qdoba CARD, a Kroger Plus Shopper's Card, and a BEST BUY reward zone card.

Price Promotions

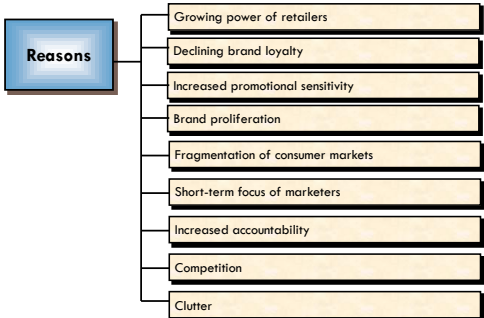
Trade-Oriented Promotions



```
graph TD; Types[Types] --- POP[POP displays]; Types --- ST[Sales training]; Types --- TS[Trade shows]; Types --- CI[Contests and incentives]; Types --- COA[Co-op Advertising]; Types --- TA[Trade allowances]; TA --- B[Buying]; TA --- P[Promotional]; TA --- S[Slotting];
```

The diagram illustrates the types of trade-oriented promotions, categorized into POP displays, Sales training, Trade shows, Contests and incentives, Co-op Advertising, and Trade allowances. Trade allowances are further divided into Buying, Promotional, and Slotting.

The Use of Sales Promotions



```
graph LR; Reasons[Reasons] --- R1[Growing power of retailers]; Reasons --- R2[Declining brand loyalty]; Reasons --- R3[Increased promotional sensitivity]; Reasons --- R4[Brand proliferation]; Reasons --- R5[Fragmentation of consumer markets]; Reasons --- R6[Short-term focus of marketers]; Reasons --- R7[Increased accountability]; Reasons --- R8[Competition]; Reasons --- R9[Clutter];
```

The diagram lists nine reasons for the use of sales promotions: Growing power of retailers, Declining brand loyalty, Increased promotional sensitivity, Brand proliferation, Fragmentation of consumer markets, Short-term focus of marketers, Increased accountability, Competition, and Clutter.
