

Marketing

Second SA edition
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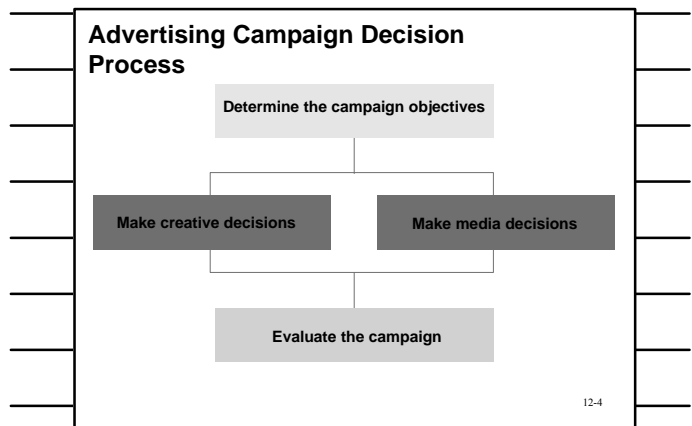
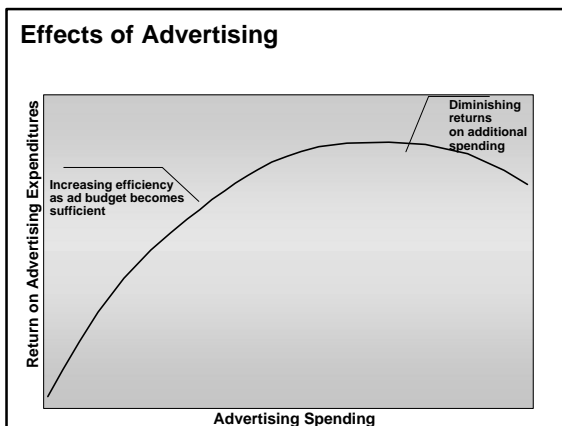
**Chapter 12:
Implementing Promotional
Mix Strategies**

12-1

Introduction

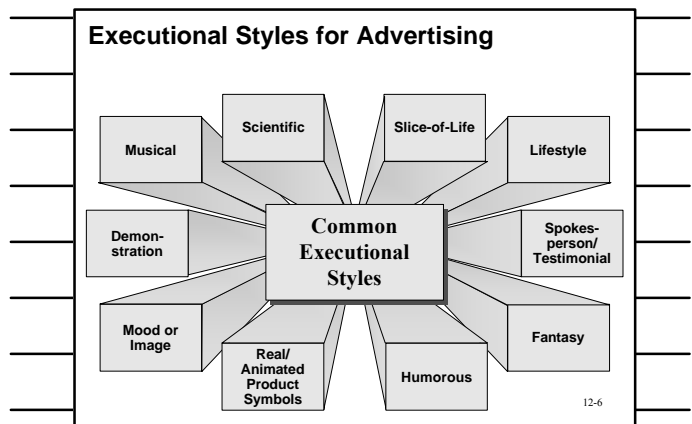
- Promotion aims at awareness - hopefully leading to sales
- Advertising aims to encourage brand insistence
- Advertising emphasises the firm's, product or brand's competitive advantage

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Common Advertising Appeals

Profit	Save money, keep from losing money
Health	Body-conscious, healthy
Love or Romance	Sell cosmetics and perfumes
Fear	Social embarrassment, growing old, losing health or power
Admiration	Celebrity endorsement
Convenience	Fast-food, saving time and effort
Fun and Pleasure	Holiday destinations, beer, amusement parks
Vanity and Egotism	Expensive, conspicuous items
Environment	Consideration for others, the environment



Making Media Decisions

- **Media Types**
 - » newspapers
 - » magazines
 - » radio
 - » television
 - » out-door media
 - » alternative media
- all have advantages and disadvantages in terms of cost, reach, lead time, immediacy, flexibility, use of visuals (see Table 12.1)

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Making Media Decisions (cont)

- **Final choice depends on objectives**
- **Important factors**
 - cost per contact
 - reach
 - frequency
 - audience selectivity
 - flexibility
 - noise level
 - life span
 - pass along rate

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(Dis)Advantages of Different Media

Media	Advantages	Disadvantages
Newspapers	Short lead time, geographic selectivity, immediacy	Limited colour capabilities, low pass along rate, could be expensive
Magazines	Good reproduction, demographic selectivity, long adv. life, high pass-along rate	Slow audience build up, limited demonstration, long lead time
Radio	Low cost, immediacy, local market selectivity	No visuals, short adv. life, high frequency required, many distractions
Television	Wide, diverse reach, low cost per 1000, demonstration	Short message life, expensive, long lead times, clutter
Outdoor	Repetition, moderate cost, geographic selectivity	Short message, no demographic selectivity, high noise level

Making Media Decisions (cont)

- **Media scheduling: designates the media to be used and the date of insertion**
 - continuous media schedule
 - flighted media schedule
 - seasonal media schedule

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Evaluating & Selecting the Media Mix

$$CPM = \frac{\text{Price of an ad}}{\text{Audience size (in thousands)}}$$

Reach

$$\text{Average Frequency} = \frac{\text{Total Exposures}}{\text{Audience Reach}}$$

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Methods Used to Evaluate Advertising Campaigns

Pre-tests

Examples:

- Consumer jury tests
- Portfolio or unfinished rough tests
- Physiological tests

Post-tests

Examples:

- Recognition tests
- Recall tests
- Attitude measures
- Audience size measurement

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Public Relations Functions

- Press relations
- Product publicity
- Corporate communication
- Public affairs
- Lobbying
- Employee and investor relations
- Crises management

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The Tools of Public Relations

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Managing Unfavourable Publicity

- Crises management: co-ordinated effort to handle unfavourable publicity
- General guidelines:
 - respond early
 - should be handled by a top level official for credibility purposes
 - avoid the no comment response
 - make it a team effort

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Types of Consumer & Sales Promotion Objectives

Type of buyer	Desired results	Sales promotion tools
Loyal customers People who buy your product most or all of the time	Reinforce behaviour, increase consumption, change purchase timing	<ul style="list-style-type: none"> • Loyalty marketing programs, such as frequent-buyer cards or frequent-chopper clubs • Bonus packs that give loyal consumers an incentive to stock up or premiums offered in return for proofs-of-purchase
Competitor's customers People who buy a competitor's product most or all of the time	Break loyalty, persuade to switch to your brand	<ul style="list-style-type: none"> • Sampling to introduce your product's superior qualities compared to their brand • Sweepstakes, contests, or premiums that create interest in the product
Brand switchers People who buy a variety of products in the category	Persuade to buy your brand more often	<ul style="list-style-type: none"> • Any promotion that lowers the price of the product, such as coupons, price-off packages, and bonus packs • Trade deals that help make the product more readily available than competing products
Price buyers People who consistently buy the least expensive brand	Appeal with low prices or supply added value that makes price less important	<ul style="list-style-type: none"> • Coupons, price-off packages, refunds, or trade deals that reduce the price of brand to match that of the brand that would have been purchased

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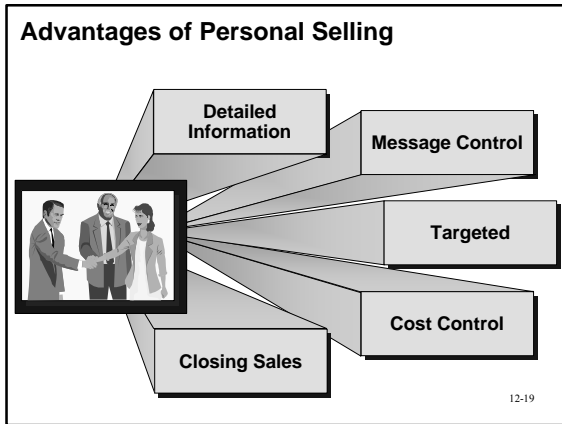
Source: From Sales Promotion Economics, 2E by Don E. Scholz, William A. Robinson, and Lisa A. Perrean. Reprinted by permission of MTC Publishing Group, Lincolnwood, IL.

Tools for Consumer Sales Promotion

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Tools for Trade Sales Promotion

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Advertising Versus Personal Selling

Personal Selling is more important if...

- The product has a high value
- It is a custom-made product
- There are few customers
- The product is technically complex
- Customers are geographically concentrated

Advertising/Sales Promotion is more important if...

- The product has a low value
- It is a standardized product
- There are many customers
- The product is simple to understand
- Customers are geographically dispersed

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Differences Between Traditional & Relationship Selling

Traditional Personal Selling	Relationship Selling
Sell products (goods and services)	Sell advice, assistance, and counsel
Focus on closing sales	Focus on improving the customer's bottom line
Limited sales planning	Considers sales planning as top priority
Spend most contact time telling customers about product	Spend most contact time attempting to build a problem-solving environment with the customer
Conduct "product-specific" needs assessment	Conduct discovery in the full scope of the customer's operations
"Lone-wolf" approach to the account	Team approach to the account
Proposals and presentations based on pricing and product features	Proposals and presentations based on profit impact and strategic benefits to the customer
Sales follow-up focused on product delivery	Sales follow-up is long term, focused on long-term relationship enhancement

Source: Robert M. Paterson, Patrick J. Shea, and George H. Lucas, Jr., "Consultative Selling: Walking the Walk in the New Selling Environment," National Conference on Sales Management, Proceedings, March 1996.

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