

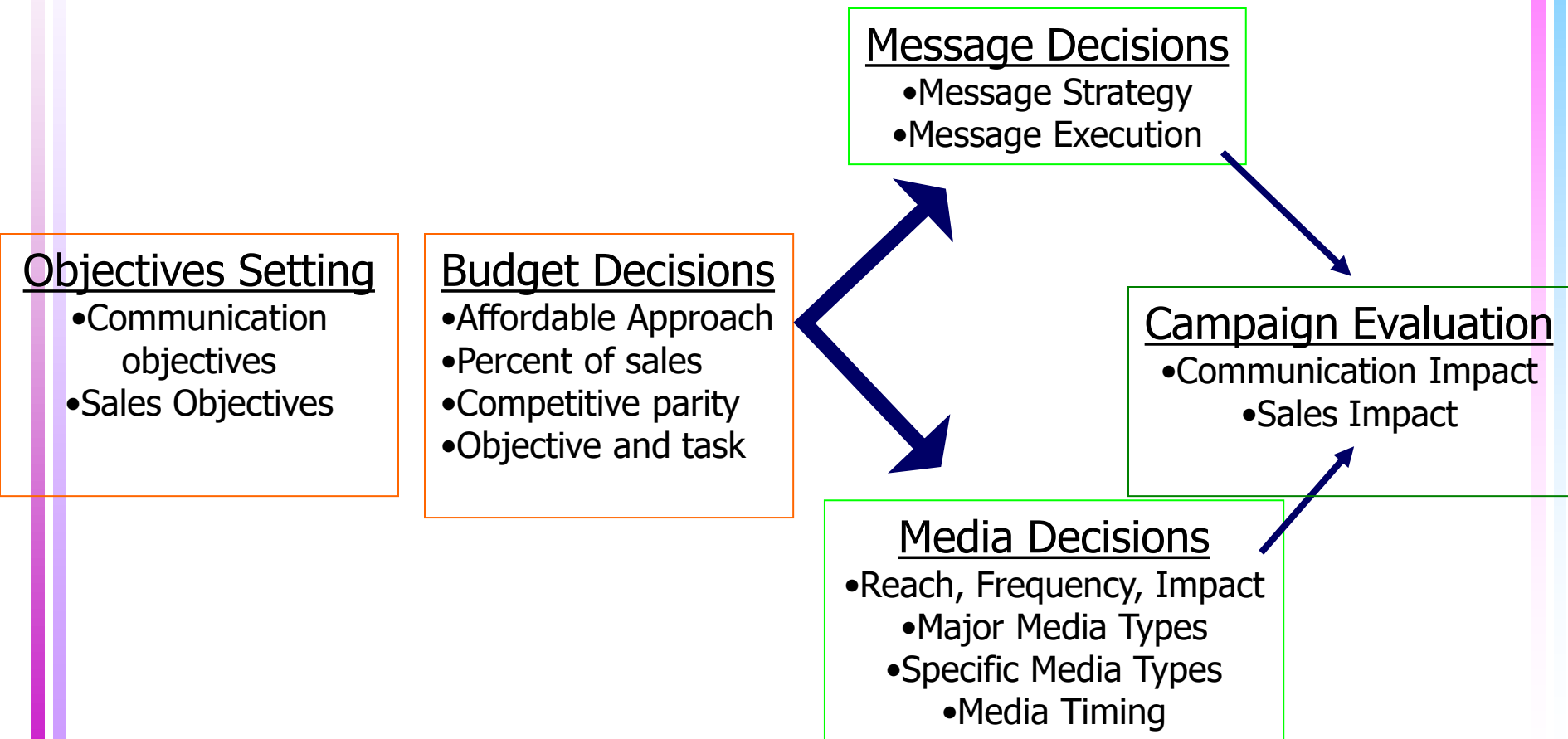
# *Advertising, Sales Promotion, and Public Relations*

Chapter 15 & 16

# Definition

- Advertising
  - Any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor.

# Major Advertising Decisions



# Four important decisions in developing advertising program

- *Setting advertising objectives*
- *Setting the advertising budget*
- *Developing the advertising strategy*
- *Evaluating advertising campaigns*

# *Setting Advertising Objectives*

- Advertising objectives can be classified by primary purpose:
  - Inform
    - *Introducing* new products **Subaru in the US repeated the name, DVD suggesting** new uses, *informing* price change etc.
  - Persuade
    - Becomes more important as competition increases **Sony offers best quality**
    - Comparative advertising **We're number two, so we try harder.**
  - Remind
    - Most important for mature products **Coca-Cola**
    - Reminding customers where to buy it

## *Setting the advertising budget*

- Several factors should be considered when setting the ad budget:
  - Stage in the PLC: New products, large ad budget to aware and persuade; mature brands - low
  - Market share: building the market or taking market share requires large ad budget.
  - Level of competition: many competitors - large
  - Ad clutter: high - large
  - Degree of brand differentiation: undifferentiated brand
    - heavy ad budget

# *Developing advertising strategy*

- Two major elements:
  - Creating ad messages
  - Selecting ad media
- **Creating ad messages:** increase number of TV channels, average ad expose numbers, remote control etc.
  - Message strategy: what general message to be communicated?
    - Advertising appeal: Three characteristics: appeals must be
      - Meaningful: pointing out benefits
      - Believable: deliver promised benefits
      - Distinctive: how better than the competing brands?  
Swatch – style and fashion.

# *Developing advertising strategy*

- **Message execution:** Turn big idea into actual ad execution that will capture target market's attention and interest. Creative people must find the best *style, tone, words, and format for executing the message.*
  - Many execution styles: slice of life, musical, personality symbol, scientific evidence.
  - Tone: +ve or –ve tone
  - Words: "Buy cheap socks and you'll pay through the toes" Hanes Socks.
  - Format: Illustration, headline, copy



# *Developing advertising strategy*

- **Select advertising media:** Major steps in media selection are
  - Decide on level of
    - Reach- % of people exposed to the ad in a given time
    - Frequency- how many times the average person is exposed to the ad
    - Impact- qualitative value of a message exposure through a given medium
  - Choose among the major media types by considering:
    - Target consumer media habits, nature of the product: fashion are best advertised in color magazines, auto performance on TV, types of messages: major sale – news paper, lots of technical data - magazine, and costs: the cost of reaching 1,000 people using the media.
  - Select specific media vehicles: specific media within each general media type. nTV, ATN Bangla; Ittefaq, Times, Daily Star, Independence.
  - Decide on media timing: Hallmark – occasions, Even *continuity(scheduling ads evenly)* or uneven *Pulsing(scheduling ads unevenly in a given period)*.

# Advertising

## Major Media Types

- Newspapers
- Television
- Direct Mail
- Radio
- Magazines
- Outdoor
- Internet

# Evaluating Advertising

- Measuring communications effects
- Measuring sales effect

# Definition

- Sales Promotion
  - Sales Promotions are short-term incentives to encourage the purchase or sale of a product or service.

# Who to target?

- Sales Promotions
  - Can be targeted at final buyers, retailers and wholesalers, business customers, and the sales force.

# Consumer Promotion Tools

- Samples: Lifebuoy mini pack shampoo.
- Coupon: certificates, save \$10 when you purchase with certificates
- Cash Refunds (Rebates): Dell, mailing rebates
- Price packs (cents-off deals): reduced price marked on the label or package. "two for the price of one"
- Advertising Specialties (promotional products): articles imprinted with advertiser's name. pens, calendars, key rings, matches, T shirts, caps, coffee mugs.

# Consumer Promotion Tools

- Premiums: good offered either free or at low cost as an incentive to buy a product. Gold or silver.
  - In-pack or on-pack
- Patronage Rewards: frequent flier-programs, six cups coffee 1 cup free at WPU.
- Point-of-Purchase Communications: Display at pop. Big Lipstick, Burger picture.
- Contests (suggestions, filling up essay), Games (yo-yo), and Sweepstakes.

# Trade Promotion Tools (for resellers)

- Discounts ( also called price-off, off-list, and off-invoice)
- Allowances
  - Advertising allowances
  - Display allowances
- Free goods with certain quantity purchased
- Push money-cash or gifts to dealers to push the manufacturer's goods.
- Specialty advertising items: carries company names. In drug stores - Pens, pencils, calendars, memo pads, paper weights.



# Business Promotion Tools (to business customers)

- Includes many of the same tools used in consumer and trade promotions
- Two additional tools:
  - trade shows
  - Sales contests- to motivate them to increase their sales performance over a given period of time.

# Key Decisions When Developing the Sales Promotion Program

- Size of the incentive- minimum quantity is needed to succeed
- Conditions for participation: everyone or to selected group
- Promotion and distribution of the actual sales promotion program: coupon may be given out in a packet, or at the store, or in the magazine.
- Length of the promotional program: too short – miss, long – lose “act now” force.
- Evaluation: compare sales before and after a promotion.
  - Surveys and experiments can be used

# Definition

- Public Relations:
  - 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.

# Public Relations Tools

- News
- Speeches: give talks
- Corporate Identity Materials: logos, stationery, signs, business cards, uniforms, company bus
- Special Events: macy\*s fire works.
- Written Materials: annual reports, brochures, articles.
- Audiovisual Materials: BATB CD
- Public Service Activities: contributing money and time.