



NEAR EAST UNIVERSITY
FACULTY OF ECONOMIC AND ADMINISTRATIVE SCIENCE
DEPARTMENT OF BUSINESS

THE ROLE OF PROMOTION IN MARKETING

BY
XHILDA PRENI
93663

A THESIS
PRESENTED TO THE FACULTY OF ECONOMICS AND ADMINISTRATIVE
IN THE NEAR EAST UNIVERSITY
IN THE PARTIAL FULFILMENT OF REQUIREMENTS FOR THE COURSE
THESIS
UNDER THE SUPERVISION OF Assoc. Prof. Dr. FIKRET KUTSAL

NICOSIA, T.R.N.C.
JULY, 1999





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To

My dearest

Cevdet

ABOUT THE AUTHOR

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ACKNOWLEDGMENTS

I would like to thank my supervisor Assoc. Prof. Dr. Fikret KUTSAL for his personal interest, encouragement and especially understanding that he has shown to me during the preparation of this thesis. I would like also, to thank the company in which I work (Cyprus Prestige Travel Ltd.) that made easier for me to attend the classes, especially my General Manager Mr. Mehmet Kırıl, the hotel rezervation deparment manager Mrs. Ceylan Karaca and my colleague Miss. Songul Tosun.

Xhilda Preni
Nicosia-KKTC
07/07/1999

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I. INTRODUCTION

Marketing, according to the American Marketing Association, consists of the performance of business activities that direct the flow of goods and services from producer to consumer or user. Although this definition of marketing is the one most generally accepted, most people would probably say that marketing means "selling" or "advertising" – words that tend to conjure up negative thoughts in some people's minds. It is crucial to recognize that, while selling and advertising are very important aspects of marketing, marketing is much more than just selling and advertising. On the other hand, marketing scholars have defined marketing as "the creation and delivery of a standard of living." There is a distinct difference between these two definitions, besides the fact that one is very narrow while the other is very broad. The first definition focuses on activities performed by an individual business firm, while the second focuses on the economic welfare of an entire society. In other words, the first is a micro-level definition while the second is a macro-level definition. This is a very important distinction. Traditionally, marketing has been viewed mainly from a micro perspective – as a set of business activities performed by individual firms. In recent years, we have recognized that many of these activities are also directly applicable to nonprofit organizations which try to serve their clients' needs. But this broadened perspective still focuses on activities performed by individual organizations. Which view is correct? Is marketing a set of activities performed by individual firms or organizations, or is it a social process? The answer is that marketing is both a set of activities performed by organizations and a social process. In other words, marketing exists at both the micro and macro levels and therefore must be defined and evaluated at both levels.

I would like to give a different definition. In my view, marketing is the business process by which products are matched with markets and through which transfers of ownership are effected. Why I have chosen to use this definition will be made clear in the follows. I believe, first of all, that the interrelatedness of product and market is an essential idea and should be included in a definition of marketing. So my definition states, in part, that "marketing is the business process by which products are matched with markets." The notion I want to convey here is that marketing and production activities are interlocked – that these two major business functions (namely marketing and production) certainly depend on each other, since we can only market products which can be produced, and we should only produce those that can be marketed. Thus it is logical to think of marketing as the business process by which specific products are matched up with specific markets, while thinking of production as the business process concerned with manufacturing these products.

In any society, patterns of consumption are directly affected by and dependent on the structure and efficiency of the marketing system. By a "pattern of consumption" we mean not only how much of what kind of goods and services are made available for consumption, but also how much of these goods and services are actually consumed and in what manner. By "structure of the marketing system" we mean the whole network of marketing institutions which serves society's needs. At one end of this network, producers initiate the flow of goods and services, and various intermediaries (e.g., wholesalers and retailers) maintain this flow, finally discharging the goods and services for consumption and use. "Efficiency" here refers to the value added to goods and services through the performances of marketing activities. Generally speaking, marketing adds value to goods by changing their ownership and by changing their time and place of consumption. Marketing adds value to services (e.g., legal, medical,

entertainment and educational services) by performing the services involved. A lawyer, for example, applies his specialized knowledge and experience in helping clients solve various legal services, and his fees represent value added through performance of legal services. Similarly, the retail store that provides credit facilities for its customers (making it possible for customers to make possession of their purchases now and to pay for them later) adds value to the extent that customers take advantage of their credit privileges. Patterns of consumption, then, are determined both by structure of marketing system which is set up to carry the flow of goods and services from producers to consumers and users, and by the value added to these goods and services through performance of marketing activities.

Promotion – one of the four major variables with which the marketing manager works – is communicating information between seller and buyer to change attitudes and behavior. The marketing manager's promotion job is to tell target customers that the right Product is available at the right Place at the right Price.

What the marketing manager communicates is basically determined when the target customers' needs and attitudes are known. How the appropriate messages are communicated depends on what blend of the following promotion methods are chosen: personal selling, mass selling, and/or sales promotion.

Clearly, promotion planning is only part of marketing strategy planning, but it is an important part because it links the seller with the prospective buyers, hopefully convincing them that the seller has the product they are looking for. People won't buy your product if they've never heard of it.

The marketing-mix activities of product planning, pricing, and distribution are performed mainly within the organization or between the organization and its marketing "partners." However, with promotional activities, the firm communicates directly with potential customers. Promotion is the element in an organization's marketing mix that serves to inform, persuade, and remind the market of the organization and/or its products. Basically, promotion is an attempt to influence. Whether a particular promotional activity is designed to inform, persuade, or remind, the ultimate objective is to influence the recipient's feelings, beliefs, or behavior.

Promotion is a critical ingredient of many marketing strategies. Product differentiation, market segmentation, trading up and trading down, and branding all require effective promotion. Promotional activities are essential. A company uses promotion to assist in differentiating its product, to persuade potential buyers, and to bring more information into the buying-decision process.

Promotion-informing, eruating, and reminding-is essential for several reasons. Distribution channels are often long, and so a product may pass through many hands between a producer and consumers. Therefore, a producer must inform middlemen as well as the ultimate consumer or business users, about the product. Wholesalers, in turn, must promote the product to retailers, and retailers must communicate with consumers. As the number of potential customers grows and the geographic dimensions of a market expand, the problems of market communication increase. The most useful product will be a failure if no one knows it is available. Thus, a major purpose of promotion is to disseminate information-to let potential customers know. Another function of promotion is persuasion. The intense competition among different industries, as well as among different firms in the same industry, puts tremendous pressure on the promotional programs of sellers. In our economy of abundance, even product designed to satisfy a basic physiological need requires strong persuasive promotion since consumers have many brands to choose from. For a want-satisfying or luxury product, for which demand depends on a seller's ability to convince consumers that the product's benefits exceed those of other luxuries, persuasion is even more important.

Consumers also must be reminded about a product's availability and satisfaction potential. Sellers bombard the marketplace with thousands of messages every day in the hope of attracting new consumers and establishing markets for new products. Given the intense competition for consumers' attention, even an established firm must constantly remind people about its products in order to retain a place in their minds. Much promotion, therefore, is intended simply to offset competitors' marketing activity by keeping the firm's products in front of the market.

II. PROMOTION METHODS

2.1. Personnel Selling

Personnel selling involves direct face-to-face relationships between sellers and potential customers. Personnel selling is the presentation of a product to a prospective customer by a representative of the selling organization. Across all businesses, more money is spent on personal selling than on any other form of promotion. Sales people are often very important parts of a marketing mix because they can adapt the company's marketing mix to the needs and circumstances of each target market and, in the extreme, to each potential customer. Moreover, face-to-face selling provides immediate feedback, which helps sales people to adapt effectively. Sales people are included in most marketing mixes, but their services come at a price. Sometimes personal selling is very expensive, and it is desirable to supplement this effort with mass selling and sales promotion.

Marketing manager must decide how much and what kind of personal selling effort is needed in each marketing mix. To be more specific, as part of their strategy planning, they must decide:

- a) how many sales people will be needed
- b) what kind of sales people are needed
- c) what kind of sales presentation is desired
- d) how sales people should be selected
- e) how they should be motivated.

The sales manager would provide inputs into these strategic decisions. And once they are made, it would be his responsibility to implement the personal selling part of the marketing strategy. These strategic decisions can be seen more clearly in Figure 2-1. Personal selling is important in some promotion blends, and absolutely vital in others. Some of its supporters feel that personal selling is the dynamic element which keeps our economy going. And you would have a better appreciation for the importance of personal selling if you regularly had to meet payrolls and somehow, almost miraculously, your sales people kept coming in with orders just in time to keep the business going. U.S. Census Bureau statistics show that almost 10 percent of the total U.S. labor force is in sales work. Keeping in mind that the sales people into other classifications, it is likely that at least percent of the nation's labor force, or over 8 million people, are engaged in personal selling. Contrast this with less than half a million people working in advertising. Any activity that engages so many people and is so important to the economy deserves study.

Personal selling is vital to the survival of most businesses, but the role of personal selling has come, in for considerable criticism. The aggressive and sometimes sharp practices of some sales people especially door-to-door peddlers and the hucksters involved in county or street fairs, have soured some prospective personal sales people. Salesman established a pathetic stereotype in some peoples' minds. There also has been criticism about the salesperson's effectiveness, especially at the retail level. Many people have had bad experiences with incompetent retail clerks who couldn't care less about customers and their needs.

The poor image of personal selling, coupled with the ineffectiveness of many sales people, led some prophets to predict that personal selling would decline in importance. And this has happened in retailing, resulting in an increase in self-service. Personal sales people are far from dead. Their role is simply being redefined and upgraded, as different types of sales tasks are required. And modern sales and marketing management have gone far toward redefining what needs to be done and then selecting, training, and motivating sales people to perform effectively-while also providing them with personal satisfaction.

A salesperson should not be expected to compensate completely for his firm's failings, but production-oriented managers often feel that is the salesperson's job to "get rid of the product," good or not. If the sales people can see that they don't have much to sell, it is easy to understand why their morale might slip and the whole promotion job suffer. Increasingly, good sales people don't try to sell the customer, rather they try to help him buy by presenting both the advantages and disadvantages of their products and showing how they will satisfy needs. This new approach recognizes the growing sophistication of buyers, especially industrial buyers. The salesperson is recognized as a representative of the whole company, responsible for explaining its total effort to target customers, rather than just moving products. A salesperson is expected to do much more than just bring in new business. The salesperson should gather feedback to enable the company to do a better job in its subsequent planning.

Recall that a feedback function is an integral part of both the communications process and the basic management process of planning, executing, and controlling.

Some sales representatives are expected to be marketing managers in their geographic territories. Or, some may become marketing managers by default because their own manager or top management has not provided clear strategic guidelines. In this case, the salesperson must fill the void—that is, develop his own marketing mix or even his own strategy. He may be given a geographic territory, but exactly who his customers are may be vague. He may have to start from scratch in his strategy planning, the only restrictions being the general product line which he is expected to sell and probably a price structure. A salesperson who can put together profitable strategies and implement them well can rise very rapidly. If a strategy will work in his territory, it may work elsewhere and it is very likely that he will become responsible for larger and larger territories. The opportunity is there for those who are prepared and willing to work.

There are three basic sales tasks which a sales representative might have to perform. These tasks are: 1) order getting, 2) order taking and 3) supporting. As the names imply, order getters and order takers are interested in obtaining orders for their company. In contrast, supporting sales people are not directly interested in orders. Their function is to help the order-oriented sales people.

Order getting is concerned with developing new business. Order getting, sometimes called creative selling, means seeking out potential buyers aggressively with a well-organized sales presentation designed to sell a product, service, or idea. Order getters must have complete confidence in their abilities, company, and product, since their attitudes show through to customers. They must also know what they are talking about—not be just a personal contact. Manufacturers of all kinds of goods, but especially industrial goods, have a great need for order getters. High-caliber order getters are essential in sales of installations and accessory equipment, where substantial sums are involved and top-level management participates in buying decision. Top-level customers are more interested in technical details, and good order getters cater to this interest. They sell concepts and ideas rather than physical products. The products are merely the means of achieving the ends desired by the

customers. In selling other industrial goods – such as raw materials, components, supplies, and services – skilled order getters also are necessary. Industrial goods order getters may be required to help solve the customer's problems which continually arise in the course of production. To supply themselves with technically competent order getters, firms often give special technical training to business – trained college graduates. Such sales people can deal intelligently with their specialist customers. In fact, they may be more technically competent in their narrow specialty than anyone they are likely to encounter and so may be able to provide a unique service.

The crucial need for technical training and an interest in service and problem solving can be seen in an incident in the career of a young man who was selling Ralston Purina hog feed (a component material) to hog raisers. He had worked at Ralston Purina Co.'s huge (26,000 animals) experimental farm, which that firm uses as a sales training school. After training at this school, a salesperson knows a lot about the care and feeding of animals, as the following story illustrates

One day he called on a hog raiser—one of the biggest buyers of hog feed in that part of the state.

The farmer was not interested in Purina products. While our young salesman was talking with him, one of his hogs lay down and died in the mud right in front of them. "Worms," said the salesman. "No such thing!" said the farmer. "I've had my hogs tested for worms and they don't have any." "Give me a sharp knife and let's see," suggested the new graduate. So he performed an autopsy on that porker and

revealed that it was full of worms.

His next step was an offer of service. He said, "Now let's de-worm the rest of your hogs before you lose any more of them. I'll hang around and help you do it." He spent the best part of three days helping with this rather unpleasant chore, then made bold to suggest that the farmer would be wise to put a solid floor on his pens so that the hogs could live under cleaner conditions. By this time, the hog raiser was somewhat humbled and genuinely grateful; so he promised to make this improvement. Then, without being asked, he came across with the startling proposition: "Young fellow, you know hogs. You know things that I had never learned. I'd like your advice on how I should feed my hogs." Of course, he became one of the biggest buyers of Purina hog feed and through his influence, almost an assistant salesman to our young friend.

Order takers complete the bulk of all sales transactions. After the customer acquires an interest in the products of a specific firm—either from an order getter, or, a supporting salesperson through advertising or sales promotion—an order taker may be necessary to answer any final questions and complete the sale.

Order taking is defined as the routine completion of sales made regularly to the same or similar customers. It accounts for much personal selling.

Sometimes sales managers or customers will use the term "order taker" in a snide way when referring to unaggressive sales people, but such usage is highly colored with prejudice. A particular salesperson may perform so poorly that criticism of him is justified. But it is a mistake to downgrade the function of order taking. Order taking is extremely important, whether handled by human hands or machines.

Many times the order taker must set up displays, or place the company's sales promotion materials. He must continually explain the company's marketing mix to his customers. As it changes, he has to negotiate new prices, allowances, guarantees, credit terms, cooperative advertising and other aspects of the mix. Sometimes jobs that are basically order taking are used to train potential order getters and managers, since they may offer some order-getting possibilities. This can be seen in the following description of his job by a young Colgate salesperson, who moved rapidly into the ranks of sales management.

Over many months, I worked carefully with Gromer's Super Market. It was an aggressive young store. After a few calls, I felt I had built up a warm friendship with the store personnel. They came to trust me and, more frequently than not, after I straightened shelves, checked out-of-stocks, and did the usual dusting and rearranging, I gave them an order blank already filled in.

It got to be a joke with big, husky Paul Gromer, the owner, and his hard-working manager-brother. They kept asking, "Well, what did we buy today?" and they signed the order book without checking.

Naturally, I worked at the order like it was my own business, making certain that they were never stuck with dead stock or over-orders. They were making continual progress, though nothing sensational.

Finally, Colgate came out with a good deal. I knew it was right for Gromer's and I thought the store ought to double its weekly order to 400 cases. I talked to Paul Gromer about it and, without any reason that I'm able to think of today, I said, "Paul, this is a hot deal and I think you're ready for a carload order."

He looked at me for just a moment, I braced myself for an argument. Then he said, "Sure, why not? You've always been right before. Just ship it."

It was the biggest order of soap Gromer's had ever taken and the store soon became a regular carload buyer.²

Most order takers just sell out of their catalog. They have so many items that they cannot possibly give aggressive sales effort to many, except perhaps newer or more profitable items. Once a new product has been featured, it is unlikely that the order taker will give it much attention for some time, if ever. He just has too many items to single assortment rather than detailed knowledge of individual products.

The wholesale order taker's main function is to keep in close contact with his customers, perhaps once a week, and fill any needs that have developed. Sometimes such an order taker gets very close to industrial customers or retailers. Some retailers permit him to take inventory and write up his own order. Obviously, this position of trust cannot be abused. After writing up the order, this order taker normally checks to be sure his company fills the order promptly and accurately. He also handles any adjustments or complaints and generally acts as a liaison between his company and customers.

And the last one is supporting salespeople. There are two types of supporting sales people who assist the order-oriented sales people, but do not themselves try to secure orders. These two types are missionary sales people and technical specialists. Their activities are directed toward obtaining sales in the long run. For the short run, however, they are ambassadors of goodwill who provide specialized services. Almost all supporting sales people work for manufacturers or are middlemen specialists who do this supporting work for manufacturers.

Missionary sales people are employed by a manufacturer to work with its middlemen and their customers. The usual purpose is to develop goodwill and stimulate demand, help the middlemen train their sales people to do so, and often take orders for delivery by the middlemen. Missionary sales people are sometimes called merchandisers or detailers.

Technical Specialists are usually scientists or engineers who have relatively little interest in sales. Instead, they have technical competence, plus the ability to explain the advantages of the company's product. Frequently, it is the order getter's job to get past the purchasing agent or other company executives who serve as a screen for the company's engineering or technical personnel.

² Marketing (Middle East Technical University), Page 438

Figure 2.1
Strategy planning for personal selling



Source: Middle East Technical University/Faculty of Economic and Administrative Sciences

2.2. Mass Selling

Mass selling facilitates widespread distribution. Although a marketing manager might prefer to use personal selling exclusively, it can be expensive on a per-contact or per-sale basis. Mass selling is a way around this roadblock. It is not as pinpointed as personal selling, but it does permit communication to large numbers of potential customers at the same time. Today, most promotion blends contain both personal and mass selling. To reach a lot of people quickly and cheaply, you can use mass selling. Marketing managers have strategic decisions to make about mass selling. Working with advertising managers, they must decide:

1. who is to aimed at,
 2. what kind of advertising is to be used,
 3. how customers are to be reached (via which types of media),
 4. what is to be said to them (the copy thrust), and
 5. by whom (i.e., the firm's own advertising department or advertising agencies)
- (see Fig. 2.2.)

The advertising can get results in a promotion blend. Good advertising results are obtained at a cost, of course. While total advertising expenditures are large, the advertising industry itself employs relatively few people. The major expense is for media time and space. For example in the United States, the largest share of this —30 percent— goes for newspaper space. Television takes about 20 percent of the total, and direct mail, about 14 percent.

Fewer than 500,000 people work directly in the U.S. advertising industry. This would include all people who help create or sell advertising for advertising media (such as radio and television stations, newspapers, and magazines) as well as those in advertising agencies and those working for retailers, wholesalers, and manufacturers.

Some industries spend a considerably larger percentage of sales for advertising than the average of 1.5 percent. One study showed that soap and related products manufacturers spent 14.2 percent; drug manufacturers, 11.05 percent; and tobacco manufacturers, 6.06 percent. At the other extreme, coal mining companies spent only 0.09 percent; construction companies, 0.10 percent; men's and boys' clothing, 0.11 percent; and wholesalers and retailers in the aggregate, 1.05 percent.³

Clearly, advertising is an important factor in certain markets, especially the consumer goods markets. Nevertheless, we must keep in mind that in the aggregate it costs much less than personal selling and, also, less than sales promotion.

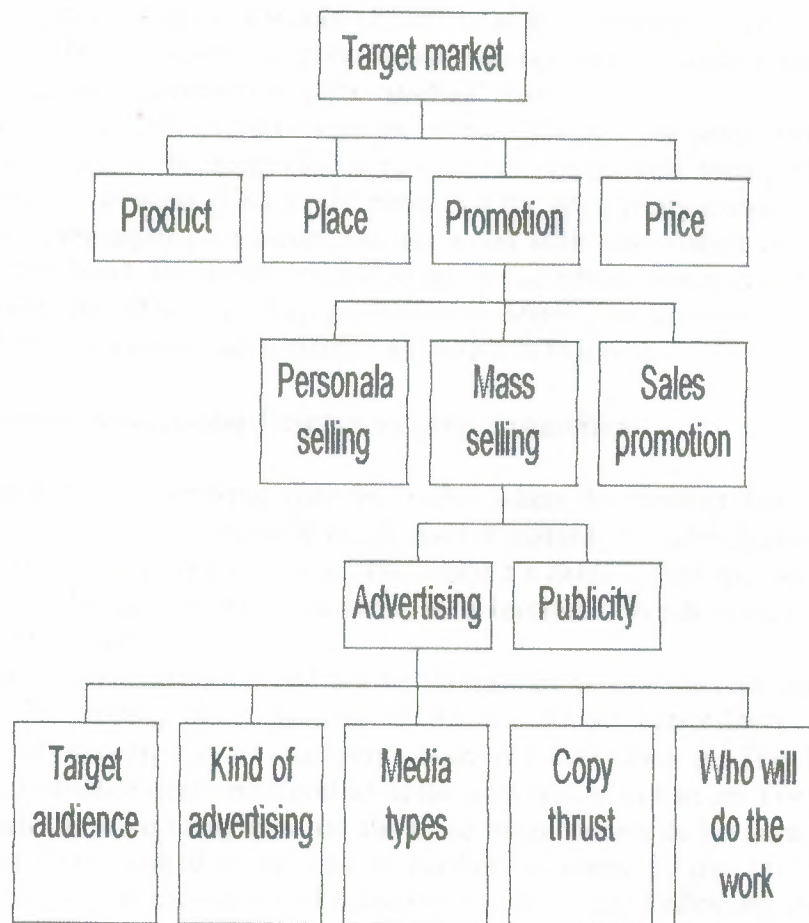
Every advertisement and every advertising campaign should have clearly defined objectives. These should flow from the overall marketing strategy and the tasks assigned to advertising. It is not enough for the marketing manager to say simply, "Promote the product." The marketing manager should decide exactly what advertising should do, although specifying what should be accomplished in each individual advertisement is not necessary. Such detailed objectives should be set by the advertising manager, to guide his own efforts.

An advertising manager might be given one or more of the following specific objectives, along with the budget to accomplish them:

1. Aid in the introduction of new products to specific target markets.
2. Help obtain desirable dealer outlets.

³ Arthur P. Felton, "Conditions of Marketing Leadership," *Harvard Business Review*, March-April 1956, pp. 117-27.

Figure 2.2
Strategy planning for advertising



Source: Middle East Technical University/Faculty of Economic and Administrative Sciences

3. Prepare the way for sales people by presenting the company's name and the merits of its products.
4. Provide ongoing contact with target customers even when the salesperson is not available.
5. Obtain immediate buying action.
6. Help buyers confirm their purchasing decisions.

The objectives listed above, however, are not very specific. The advertising manager might want to sharpen them for his own purposes or encourage the marketing manager to set more specific responsibilities. If a marketing manager really wants specific results, then he should state what he wants. A general objective: "To assist in the expansion of market share," could be rephrased more specifically: "To increase traffic in our cooperating retail outlets by 25 percent during the next three months."

Such specific objectives would obviously affect implementation. Advertising that might be right for building a good image among opinion leaders might be entirely wrong for getting customers into the retailers' stores.

Even more specific objectives might be desirable in some cases. For new products, f.e., the majority of the target market may have to be brought through the early stages of the adoption process. This might mean that the advertising manager would want to use teaser campaigns or announcements, along with informative or descriptive ads. On the other hand, for more established products, advertising's job might be to build brand preference as well as help purchasers confirm their decisions. This, too, would lead to different kinds of advertising, as shown in Figure 2.3.

➤ **Reminder Advertising-Reinforces early Promotion**

Reminder advertising may be useful when the product has achieved brand preference or insistence, perhaps in the market maturity or sales decline stages. Here, the advertiser mainly wants to keep the product's name before the public. It may use soft-sell ads that just mention the name, as a reminder. Much Coca-Cola advertising has been of this variety.

Reminder advertising should not be thought of as low-cost advertising which is done as the product nears the end of its life. Major expenditures are made for reminder advertising. Coca-Cola spent about 600,000 Dolar on Tuesday night, May 11, 1976, to launch a new multimillin-dollar advertising campaign. For this amount, it bought aall the advertising slots on the three major networks between 9:00 and 9:30 p.m. Coca-Cola wanted to be sure it reached as many of the 13-23 year olds as possible-the largest consumers of carbonated soft drinks. Following this massive TV introduction were on-going expenditures for radio, newspaper, magazine, and more television advertising. And local Coca-Cola bottlers added their own budgets, tying into the campaign at the local level. All of this was done to remind its target customers that "Coke adds life to everything that makes your living nice."

Institutional advertising focuses only on the name and prestige of a company or industry. It may seek to inform, persuade, or remind. A persuading kind of promotion is sometimes used by large companies with several divisions. General Motors Corp., f.e., does considerable instituional adveertising of th GM name, emphasizing the quality and research behind all GM products. These are often keyed to GM's. "Mark of Excellence.

Some people think that only producers do product or instituional advertising. This is not true, of course, but producers can affect the advertising done by others. Sometimes a manufacturer knows what promotion job or advertising job he wants done but finds that it can be done more effectively or more economically by someone

Fig. 2.3.
Advertising should vary for adoption process stages¹⁴

Adoption process (basically the Lavidge- Steiner model)	Advertising that might be relevant to various stages
Awareness	Teaser campaigns Skywriting Jingles and slogans Classified ads Announcements
Knowledge	Informative or descriptive Ads
Liking	Status or glamour appeals Image ads
Preference	Competitive ads Persuasive copy
Conviction	Testimonials Price deal offers "Last-chance" offers "Direct-action" retail ads
Purchase	Point-of-purchase ads
Confirmation	Informative "why" ads Reminder ads

¹⁴ Donald F. Mulvihill, "Marketing Research for Small Company," Journal of Marketing, pp. 179-82.

further along in the channel. In this case, he may offer advertising allowances to buy the promotion he feels is needed by the channel system.

COOPERATIVE ADVERTISING MAY GET MORE COOPERATION

Cooperative advertising goes further than advertising allowances by requiring the middleman to share in the cost of ads, perhaps fifty-fifty.

Cooperative advertising helps the manufacturer get more promotion for the advertising dollar because media rate structures usually give local advertisers, lower rates than national firms. In addition, the retailer is more likely to follow through where he is paying a share of the cost.

Cooperative advertising and advertising allowances are subject to abuse, however, because allowances can be given to retailers with little expectation that they will be used for ad purposes.

Some retailers, particularly those in shopping centers, may get together in joint promotional efforts. Similarly, the manufacturers of complimentary products, such as house furnishings, may find it desirable to join forces. Generally, the objective is the same as in vertical cooperation—to get more for the promotion dollar.

For effective promotion, specific target customers must be reached. Unfortunately, not all potential customers read all newspapers, magazines, or other printed media, or listen to all radio and television programs. So not all media are equally effective.

There is no simple answer to the question, "What is the best medium?" Effectiveness depends on how well it fits with the rest of a particular marketing strategy. To be more specific here, however, it depends on

1. your promotion objectives,
2. what target markets you are attempting to reach,
3. the funds available for advertising, and
4. characteristics of the media, including target market selectivity, life of message, visual possibilities and cost.

Before a firm can choose the best medium, it must decide on its promotion objectives. When timeliness is not too critical, then weekly or monthly magazines may be practical. But if demonstrations are needed, then Tv may become desirable or necessary.

To guarantee good media selection, the advertiser first must clearly specify its target markets—a step necessary for all our marketing strategy planning. Then, media can be chosen that are heard, read, or seen by these target customers. But they cannot be as definite about who actually reads each page or sees or hears each show. The difficulty of evaluating alternative media has led some media analysts to focus excessively on objective measures such as cost in relation to audience size or circulation. But preoccupation with minimizing these costs may lead to ignoring the relevant dimensions and slipping into "mass marketing." The media buyer may become mesmerized by the relatively low cost of "mass media" when, in fact, a more specialized medium might be a much better buy. Media are now directing more attention to reaching smaller, more defined target markets. National media may offer regional editions. Time magazine, for example, offers not only several regional and metropolitan editions, but also special editions for college students, educators, doctors and business managers. Large metropolitan newspapers usually have several editions to cater to city and suburban areas.

Many magazines serve only special-interest groups, such as fishermen, radio and television enthusiasts, homemakers, religious groups and professional groups. There

are trade magazines in countless fields, such as chemical engineering, electrical wholesaling, farming and the defense market. Radio suffered at first from the inroads of television. But now, like some magazines and newspapers, it has become a more specialized medium. Some stations cater to particular nationality, racial and religious groups, such as Puerto Ricans, blacks, and Catholics, while others emphasize country, rock, or classical music. Perhaps the most specific medium is direct-mail advertising. The purpose of this medium is to go directly to the customer via his mailbox. The method is to send a specific message to a carefully selected list of names. Some organizations specialize in providing mailing lists, ranging in number from hundreds to millions of names. The diversity of these lists is shown in Table 2.4, and indicates the importance of knowing specifically the firm's target market or markets.

Figure 2.4
Examples of available mailing lists

Quantity of Names	Name of list
425	Small Business Advisors
40,000	Social Register of Canada
5,000	Society of American Bacteriologists
500	South Carolina Engineering Society
2,000	South Dakota State Pharmaceutical Ass
250	Southern California Acad. of Science
12,000	Texas Manufacturing Executives
720	Trailer Coach Association
1,200	United Community of Utah Alumni
50,000	University of Utah Alumni
19,000	Veterinarians

Selecting which media to use is still pretty much an art. There may be some media that are obvious must buys, such as the local newspaper for a retailer in a small or medium-sized town. Such "must" buys may even exhaust the available funds. If not,

then the media buyer must begin to think in terms of the relative advantages and disadvantages of the possible alternatives and recognize that trade-offs must be made. Typically, media that have several advantages—for example, television, which permits visual and audio presentations along with movement—are more expensive. So the buyer might want to select a media blend which included some expensive media as well as some less expensive ones which may permit him to reach additional customers or reinforce the presentation from a different angle.

Once it has been decided how the messages are to reach the target audience, then it is necessary to decide on the copy thrust—what is to be communicated by the written copy and illustrations. This should flow from the promotion objectives and the specific tasks assigned to advertising. Although the overall promotion objective is to affect the target customer's attitudes and behavior, a particular advertisement may have the specific objective of informing target customers that the firm's prices have dropped 10 percent. Or it might have the more difficult job of persuading customers that a product with a 10 percent price premium is really a good buy.

Executing the copy thrust is the job of advertising specialists. But the advertising manager and the marketing manager should have an understanding of the process, to insure that the task is placed in good hands.

Rather than just relying on "creative feelings" message planning should be guided by a sound understanding of the communication process. Some advertisers realize the complexity of the communication process and use marketing research to help them as much as possible. At the very least, such research may give clues about perceived needs and the words or ideas that potential customers use in the company's product area. Other advertisers rely almost exclusively on their own "creative genius". This is at the root of many poor campaigns. Some are brilliant and others are miserable failures-and they don't know why.

There are relatively few tried-and-true rules in message construction. Everything we see and every new way we see it changes us in some way. An idea that may have worked a year ago can fail today.

Behavioral science research does provide some help, however. The concepts of needs, learning, and perception are certainly relevant here. We know, for example, that consumers have a fantastic ability for selectively "tuning out" messages or ideas which are not of current interest. Just think of how much of the daily newspaper you actually "see" as you page through it. We do not see everything the advertisers want us to see or learn all they would like us to learn. So we may say that Communication process is relevant to message planning.

Basically, the overall marketing strategy should determine what should be said in the message. Then management judgment, perhaps be encoded, so it will be decoded as intended. As a guide to message planning, we can make additional use of the AIDA concept: getting Attention, holding interest, arousing Desire, and obtaining Action.

GETTING ATTENTION

Getting attention is the first job of an advertisement. If this is not done, it doesn't matter how many people can or do see it. Many readers leaf through magazines and newspapers without paying attention to any of the advertisement. A large headline, newsy or shocking statements, pictures of pretty girls, babies, cartoon characters-or anything that is "different" or eye-catching-may do the trick. But...the attention-getting device must not distract from the next step-holding interest.

HOLDING INTEREST

A man will pause to appreciate her; women will evaluate her. But if there is no relation between the girl and the product, observers of both sexes will move on. More is known about holding interest than getting attention. The tone and language of the advertisement must be compatible with the field of experience and attitudes of target customers and their reference groups. A food advertisement featuring fox hunters in riding costumes, for example, might be noted but passed over by many potential customers who do not ride to the hounds. In addition to speaking the target customer's language, the advertising layouts should look right to the customer. Print illustrations and copy should be arranged so that the eye is encouraged to move smoothly through the ad, perhaps from the upper left-hand corner to the signature or brand name at the lower right-hand corner. Advertisements having this natural flowing characteristic are said to encourage gaze motion.

AROUSING DESIRE

Arousing desire to own or use a particular product is one of the most difficult jobs of an advertisement. It requires that the advertiser be successful in communicating with the customer. To communicate effectively, the advertiser should understand how target customers think, behave, and make decisions. To be successful, an advertisement must convince the customer that the product can meet his needs.

Pioneering advertising may be useful to develop primary, demand and show how the whole product class would satisfy latent needs.

An advertisement may also have the function, especially during the market growth and market maturity stages, of supplying words that the customer can use for rationalizing a desire to buy. Although products may satisfy certain emotional needs, in our society many consumers find it necessary to justify their purchases on an economic or even moral basis. Desire may develop around emotional needs, but economic reasons must also be reinforced.

OBTAINING ACTION

Getting action is the final requirement, and not an easy one. We now know, from communications research, that the potential customer should be encouraged to try the product. The prospective customer must be led beyond considering how the product might fit into his life to actually trying it or letting the company's sales representatives come in and show how it works. Strongly felt customer needs might be pinpointed in the ads to communicate more effectively. Appealing to these needs can get more action and also provide the kind of information the buyers seek to confirm his decision.

Most companies have an advertising manager identified either by title or function. His job is to manage the company's mass selling effort. Many advertising managers, especially those working for retailers, have their own advertising departments that plan the specific advertising campaigns and carry out the details. Others delegate much of the advertising task to specialists-the advertising agencies.

Finally we can say that it may seem relatively simple to develop a mass selling campaign. Simply pick the media and develop a message. Yet, this is no simple process. Effectiveness depends upon using the "best" medium and the "best" message, considering

1. promotion objectives
2. the target markets, and
3. the funds available for advertising.

The specific advertising objectives will determine what kind of advertising to use-product or institutional. If product advertising is needed, then the particular type must be decided-pioneering, competitive (direct or indirect action), or reminder. And advertising allowances and cooperative advertising may be helpful.

There are many technical details involved in mass selling and specialists-advertising agencies-have evolved to handle some of these tasks. But specific objectives must be set for them, or their advertising may have little direction and be almost impossible to evaluate.

Ultimately, effective advertising should affect sales. But the whole marketing mix affects sales, and the results of advertising cannot be measured by sales changes alone. Advertising is only a part of promotion, and promotion is only a part of the total marketing mix that the marketing manager must develop to satisfy target customers.

2.3. Sales Promotion

Sales promotion is designed to supplement advertising and coordinate personal selling. Included in sales promotion are such activities as contests for sales people and consumers, trade shows, in-store displays, samples, premiums, and coupons.

Sales promotion consists of marketing activities other than personal selling, advertising, and publicity that stimulate consumer purchasing and dealer effectiveness. These include displays, trade shows and expositions, product basis. Sales promotion is a short-term incentive and is usually combined with other forms of advertising to emphasize, assist, supplement, or otherwise support the objectives of the promotional program.

Sales promotion may be defined as those marketing activities, other than personal selling, advertising, and publicity, that enhance consumer purchasing and dealer effectiveness. Although sales promotion techniques traditionally were viewed as a supplement to other elements of the firm's promotional mix, today they are an integral part of many marketing plans. Sales promotion techniques may be used by all members of a marketing channel: manufacturers, wholesalers, and retailers.

Sales promotion activities typically are targeted at specific markets. Marketers using sales promotion can choose from various methods—point-of-purchase advertising; specialty advertising; trade shows; samples, coupons, and premiums; contests; and trading stamps. More than one option may be used in a single promotional strategy, but probably no promotional strategy has ever used all of them in a single program. While they are not mutually exclusive, promotions generally are employed on a selective basis.

Now let's see one by one what are those methods for.

2.3.1. Point-of-Purchase Advertising

Point-of-purchase advertising refers to displays and other promotions located near the site of the actual buying decision. The in-store promotion of consumer goods is a common example. Such advertising may be useful in supplementing a theme developed in another area of promotional strategy. A life-size display of a celebrity used in television advertising is a very effective in-store display. Another example is the familiar L'eggs store displays; pantyhose packaged in plastic "eggs" completely altered marketing practices in this industry.

2.3.2. Specialty Advertising

Specialty advertising is a sales promotion technique that utilizes useful articles carrying the advertiser's name, address, and advertising message to reach target consumers. The origin of specialty advertising has been traced to the Middle Age, when wooden pegs bearing artisans' names were given to prospects to be driven into their walls and serve as a convenient place on which to hang armor. By 1989, in U.S. specialty advertising had grown to a \$3-billion-a-year business. Wearables, including T-shirts, baseball caps, and jackets, are the most popular products, followed by writing instruments. Other popular forms of contemporary advertising specialties that carry the sponsoring firm's name include desk and business accessories, calendars, and glassware/ceramics. Advertising specialties help reinforce previous or future advertising and sales messages. A study by Gould/Pace University in New York found the use of advertising specialties generates a greater response to direct mail and three times the dollar volume of sales of those produced by direct mail alone.

2.3.3. Trade Shows

To influence channel members and resellers in the distribution channel, it has become common for sellers to participate in trade shows. These shows are often organized by a industry's trade association and may be part of the association's annual meeting or convention. Vendors serving the industry are invited to the show to display and demonstrate their products for the association's membership. The National Restaurant Association for example holds the annual National Restaurant/Hotel-Motel Show in Chicago each May. In 1987, the show attracted more than 100,000 attendees from all 50 states and 70 countries and almost 2,000 exhibitors.

Shows are also used to reach the ultimate consumer. Home and recreation shows, for instance allow businesses to display and demonstrate home care, recreation, and other consumer products to entire communities.

2.3.4. Samples, Coupons, and Premiums

The distribution of samples, coupons, and premiums is probably the best-known sales promotion technique. Sampling is the free distribution of a product in an attempt to obtain future sales. Price Choppers, a chain of 58 discount supermarkets, increased its sales of Canfield's Diet Chocolate Fudge soda from 80 to 250 cases per week after it ran a five-week sampling promotion. Samples may be distributed on a door-to-door basis, by mail, via demonstrations, or by inclusion in packages containing other products. Sampling is especially useful in promoting new or unusual products.

A coupon offers a discount-usually some specified price reduction-on the next purchase of a product or service. Coupons are redeemable at retail outlets that receive a handling fee from the manufacturer. Mail, magazine, newspaper, and package insertions are the standard methods of distributing coupons.

Premiums are items given free or at a reduced cost with the purchase of another product. They have proven effective in motivating consumers to try new products or different brands. Premiums should have some relationship with the purchased item. For example, the service department of an auto dealership might offer its customers ice scrapers.

2.3.5. Contests

Firms often sponsor contests to introduce new products and services and to attract additional customers. Contests, sweepstakes, and games offer substantial prizes in the form of cash or merchandise as inducements to potential customers.

In recent years, a number of court rulings and legal restrictions have limited the use of contests. As a result, firms contemplating using this promotional techniques should engage the services of a specialist.

2.3.6. Trading Stamps

A sales promotion technique similar to premiums is trading stamps. Customers receive trading stamps with their purchases in various retail establishments. The stamps can be saved and exchanged for gifts, usually at special redemption centers operated by the trading-stamp company. The degree to which the consumer benefits by trading stamps depends on the relative values of the goods offered.

Although the trading-stamp industry was founded by Sperry & Hutchison in 1896, the height of their popularity as a sales promotion tool occurred in 1969, when some 400 stamp companies operated and nearly three-quarters of all groceries and supermarkets, and hundreds of retail gas stations issued them. Since then, their U.S. market has declined more than 50 percent, and only three major companies-Sperry & Hutchison, Quality Stamp, and Gold Stamp-remain. The extent of their usage seems to

depend on such factors as relative price levels, location of redemption centers, and legal restrictions.

Sales promotion is one of the most loosely used terms in the marketing vocabulary. As we defined above, sales promotion as those promotional activities (other than advertising, personal selling, public relations, and publicity) that are intended to stimulate customer demand and improve the marketing performance of sellers.

Sales promotion is distinct from advertising and personal selling, but all three activities often are interrelated. In fact, a major function of sales promotion is to serve as a bridge between advertising and personal selling—to supplement and coordinate efforts in these two areas.

For example, an in-store display (sales promotion) furnished by the manufacturer to stores selling Michelin tires may feature a slogan and illustrations from Michelin's current advertising campaign. This effective display makes retailers more receptive to talking with Michelin sales people. Or prospecting leads may be generated from people who visited the Canon copy-machines exhibit at an office equipment trade show.⁴

Recently sales promotion has been the fastest-growing method of promotion, with dollars being shifted from advertising. Total annual expenditures for sales promotion are estimated to parallel or even exceed those for advertising. Sales promotion is also being integrated into the total marketing strategy in many firms. It is being introduced at the inception of a promotion campaign, not tacked on as an afterthought.

Several factors in the marketing environment contribute to the surging popularity of sales promotion:

- Short-run orientation. Sales promotions such as couponing and trade allowances produce quicker, more measurable sales results. However, critics of this strategy argue that these immediate benefits come at the expense of building a strong brand image in consumers' minds and condition buyers to expect incentives. Thus they feel an overemphasis on sales promotion will undermine a product's future.
- Competitive pressure. If competitors are offering buyers price reductions, contests, or other incentives, a firm may feel forced to retaliate with its own sales promotions.
- State of the economy. Rising prices have made consumers more price-conscious. Thus, sales promotions become more attractive to them.
- Low quality of retail selling. Many retailers have switched to self-service or use sales clerks who are inadequately trained. For these outlets sales promotion devices such as product displays and information booklets often are the only effective promotional tools available at the point of purchase.

Sales promotion should be included in a company's strategic marketing planning, along with advertising and personal selling. This means setting sales promotion goals, selecting appropriate strategies, and establishing a separate sales promotion budget. Management should also evaluate the performance of sales promotion activities.

One problem management faces is that many sales promotion tools are short-run, tactical actions. Coupons, premiums, and contests, for example, are designed to produce immediate (but short-lived) responses. As a result, they are frequently used as stopgap measures to shore up unexpected sales declines rather than as integrated parts of a marketing program.

Early in the strategic planning for sales promotion, management should

⁴ Fundamentals of Marketing, William J. Stanton, Michael J. Etzel, Bruce J. Walker, Ninth Edition

1. set goals for the current sales promotion program,
2. identify target markets and,
3. select appropriate strategies.

We identified three broad objectives of sales promotion when defining the term:

- Stimulating end-user demand (either business user or household).
- Improving the marketing performance of middlemen and sales people.
- Supplementing and coordinating advertising and personal selling.

More specific objectives of sales promotion are much like those for advertising and personal selling. Examples are:

- To gain a trial for a new or improved product.
- To disrupt existing buying habits. A coupon offering a large discount might cause a consumer to switch brands of a product that is viewed as generic, such as orange juice or motor oil.
- To attract new customers. Financial institutions have offered small appliances and other premiums to encourage consumers to open accounts.
- To encourage greater use by existing customers. United and most other airlines have "frequent flyer" programs to encourage travelers to use their airlines more often.
- To combat a competitor's promotional activity. One supermarket chain runs a lottery or game to attract shoppers and a competitor retaliates by offering triple-value coupons.
- To increase impulse buying. End-of-aisle and island displays in supermarkets can increase sales of a product by as much as 50 percent.
- To get greater retailer cooperation. A sporting-goods manufacturer gets additional shelf space by setting up excellent point-of-purchase displays, training retailers' sales people, and providing tote bags to be given away with purchases.

The choice of sales promotion tools derives directly from the objectives of the total marketing program. Consider the following situations and the different strategies available:

- A firm's objective is to increase sales, which calls for entering new geographic markets using a pull strategy. To encourage product trial and lure consumers away from familiar brands, possible sales promotion tactics are coupons, cash rebates, free samples, and premiums.
- A firm's objective is to protect market share in the face of intense competition. This goal suggests a push strategy to improve retailer performance and goodwill. Training retailers' sales forces, supplying effective point-of-purchase displays, and granting advertising allowances would be appropriate sales promotion options.

The sales promotion budget should be established when the budget for the total promotional mix is determined. Combining sales promotion with advertising or public relations for budgetary purposes or lumping it together with an appropriation labeled "advertising" is likely to prevent the development of a separate sales promotion strategy. Sales promotion may then be overlooked or poorly integrated with the other components of promotion. Setting a separate budget for sales promotion forces a company to recognize and manage this important activity.

Consistent with developing an integrated strategy, the amount budgeted for sales promotion should be determined by the task method. This forces management to

consider specific objectives and the sales promotion techniques that will be used to accomplish them.

A key step in sales promotion management is deciding which tools will help the organization reach its promotional goals. As shown in Figure 2.5., these tools may be divided into three categories, based on the target audience: end users, middlemen, or the producer's own sales force.

Figure 2.5.

Major sales promotion tools, grouped by target audience

End users (consumer or business)	Middlemen and their sales forces	Producers' own sales force
Coupons	Trade shows and exhibitions	Sales contests
Cash rebates	Point-of-purchase displays	Sales training manuals
Premiums(gifts)	Free goods	Sales meetings
Free samples	Advertising allowances	Packets with promotional materials
Contests & sweepstakes	Contests for sales people	
Point-of-purchase displays	Training middlemen's sales force	Demonstration model of product
Product demonstrations	Product demonstrations	
Trade shows and exhibitions	Advertising specialties	
Advertising specialties		

- Target market for the promotion. Is promotion aimed at ultimate consumers, middlemen, or the firm's own sales force?
- Nature of the product. Does it lend itself to sampling or demonstration?
- Cost of the tool. Sampling a large market is very expensive.
- Current economic conditions. Coupons, premiums, and rebates are good options during periods of recession or inflation.

Many of the tools in Fig. 2.5. probably are quite familiar to you, but a brief discussion of some of them will give you a better sense of their significance. In a 20-year time span, the number of coupons distributed by marketers has increased by over 1,200 percent with no end in sight. "Advertising specialties" is a miscellaneous category of small usually inexpensive items imprinted with a company's name or logo that are given or sold by producers or middlemen to customers and prospects. Examples are pens, calendars, key rings, paperweights, coffee cups, hats, and jackets.

Some of the tools just discussed may also be directed at middlemen and their sales forces. In addition, trade associations in industries as diverse as shoes, travel, and furniture sponsor trade shows that are open only to wholesalers and retailers. Many producers also spend considerable time and money to train the sales forces of their wholesalers and retailers.

Again, there is overlap between the tools directed at middlemen and those designed for the producer's own sales force. Sales contests are probably the most significant of these tools, with about 30 percent of firms offering one kind or another.⁵

The most common incentive is cash, used in over half or all contests. Other incentives include merchandise, plaques, jewelry, and travel. Visual sales aids

⁵ Fundamentals of Marketing, William J. Stanton, Michael J. Etzel, Bruce J. Walker, Ninth Edition

(flipcharts, slides) are prepared for sales people and brochures are developed to reinforce sales presentations.

As with other components of the promotional mix, management should try to evaluate the productivity or effectiveness of sales promotion. For many sales promotion tools, this task is much easier and the results more accurate than is the case with advertising. For example, responses to a premium offer or a coupon with a specified closing date can be counted and compared to a similar period when there were no sales promotions underway. Elements that contribute to this ease of measurement are:

- Sales promotions have definite starting and ending points. Coupons must be redeemed by a certain date. Contest entries must be submitted before a particular deadline. Sales contests for the sales force count only the sales made during a specified period. This is quite different from advertising, where there can be significant residual effects and the results of one campaign may overlap another.
- Most sales promotions are designed to impact sales directly. It is more difficult to measure a change in attitude or an increase in information about a product or brand than it is to count sales.

However, there are some pitfalls in measuring sales promotion effects. First, not all sales promotions meet the conditions just mentioned. For instance, training given to a distributor's sales force may be valuable, but may not produce immediate results. Second, sales promotion results may be inflated by sales cannibalized from the future. That is, a sales promotion may get buyers to act now when they would have bought the product in the future anyway. An indication of cannibalization is a lower level of sales after the promotion ends compared to before the sales promotion began. Third, any attempt at measurement must take into consideration external conditions such as the behavior of competitors and the state of the economy. A firm's market share may not increase following an expensive sales promotion, for example, but the promotion may have offset the potentially damaging impact of a competitor's promotional activity.

2.4.Publicity

Publicity is similar to advertising in that it is a mass communication type of demand stimulation. Publicity usually consists of a favorable news presentation—a "plug"—for a product or organization presented in any medium. The unique features of publicity are that it is not paid for and it has the credibility of editorial material. Organizations frequently provide the material for publicity in the form of news releases, press conferences, and photographs.

Publicity is an important part of an effective public relations effort. It can be defined as the nonpersonal stimulation of demand for a product, service, person, cause, or organization by placing significant news about it in a published medium or by obtaining favorable presentation of it through radio, television, or the stage that is not paid for by an identified sponsor. Compared to personal selling, advertising, and even sales promotion, expenditures for public relations are usually low in most firms. Since they don't pay for it, companies have less control over the publication by the press or electronic media of good or bad company news. For this reason, a consumer may find this type of news source more believable than if the information were disseminated directly by the company.

As Fig. 2.6. indicates, each type of promotion has both advantages and shortcomings.

Fig. 2.6.
Comparing Alternative Promotional Techniques
Type of

Promotion	Cost	Advantages	Disadvantages
Personal			
Personal selling	Expensive per contact	Permits flexible presentation and gains immediate response	Costs more than all other forms per contact; difficult to attract qualified salespeople
Nonpersonal			
Advertising	Relatively inexpensive per contact	Appropriate in reaching mass audiences; allows expressiveness and control over message	Considerable waste; difficult to demonstrate product; difficult to close sales; difficult to measure results
Sales promotion	Can be costly	Gains attention and has immediate effect	Easy for others to imitate
Public relations	Relatively inexpensive; publicity is free	Has high degree of believability	Not as easily controlled as other forms

Although personal selling entails a relatively high per-contact cost, there is less wasted effort than in nonpersonal forms of promotion such as advertising. Personal selling often is more flexible than the other forms because the salesperson can tailor the sales message to meet the unique needs-or objections-of each potential customer.

On the other hand, advertising is an effective means of reaching mass audiences with the marketer's message. Sales promotion techniques are effective in gaining attention, and public relations efforts such as publicity frequently have a high degree of believability compared to other promotional techniques. The task confronting the marketer is to determine the appropriate blend of each technique in marketing the firm's products and services.

The aspect of public relations that is most directly related to promoting a firm's products or services is publicity. Publicity can be defined as the nonpersonal stimulation of demand for a product, service, place, idea, person, or organization by planning significant news about it in a print or broadcast medium without having to pay for the time or space. Members Only, a marketer of men's outerwear, received favorable publicity for its unique anti-drug abuse program. For 15 months, the company used all of its advertising budget on television commercials, magazine and newspaper ads, billboards, and posters designed to discourage drug abuse. The program so impressed New York Governor Mario Cuomo that he held a press conference to honor Members Only for its campaign and showed two of the firm's commercials. Reporters and media personnel attending the conference reported the news nationally and locally, resulting in coverage worth an estimated 6 million Dollars.

Since publicity is designed to familiarize the general public with the characteristics, services, and advantages of a product, service, place, idea, person, or organization, it is an informational activity of public relations. While its associated costs are minimal

compared to those of other forms of promotion, publicity is not entirely cost free. Publicity related expenses include the costs of employing marketing personnel assigned to create and submit publicity releases, printing and mailing costs and other related expense items.

Some publicity is used to promote a company's image or viewpoint, but a significant amount provides information about products, particularly new ones. Because many consumers accept information in a news story more readily than they do that in an advertisement, publicity releases are often sent to media editors for possible inclusion in news stories. In some cases, the information in a publicity release about a new product or service provides valuable assistance for a television, newspaper, or magazine writer and eventually is broadcast or published.

Publicity releases are sometimes used to fill voids in a publication and at other times are used in regular features. In either case, publicity releases are a valuable supplement to advertising.

Today public relations must be considered an integral part of promotional strategy even though its basic objectives extend far beyond the attempt to influence the purchase of a particular good or service. Public relations programs-especially publicity-make a significant contribution to the achievement of promotional goals.

Publicity is any promotional communication about an organization or its products that is presented by the media but is not paid for by the organization. Publicity usually takes the form of a news story appearing in a mass medium or an endorsement provided by an individual informally or in a speech or interview.

There are three channels for gaining publicity. One is to prepare a story (called a news release) and circulate it to the media. The intention is for the selected newspapers, television stations, or other media to report the information as news. The second channel is personal communication with a group. A press conference will draw media representatives if they feel the subject or speaker has news value. Company tours and speeches to civic or professional groups are other forms of individual-to-group communications. The third channel is one-on-one personal communication, often called lobby-influence their opinions, and subsequently their decisions. In addition, firms will give products to highly visible people in hopes that the people will be seen using them.

Publicity can help to accomplish any communication objective. It can be used to announce new products, publicize new policies, recognize employees, describe research breakthroughs, or report financial performance-if the message is viewed by the media as newsworthy or by the group or individual recipient as interesting or useful. This is what distinguishes publicity from advertising-publicity cannot be "forced" on the audience. This is also the source of its power. The credibility level of publicity typically is much higher than advertising. If we tell you our products is great you may well be skeptical. But if an independent, objective third party says our product is great, you are more likely to believe it.

Recognizing the value of publicity, some organizations have special units to generate information. For example, Gatorade created the Sports Science Institute, Reebok operates the Aerobic Information Bureau, and Nutri-System set up the Health and Fitness Information Bureau, all designed to link their respective firms with consumer interests.⁶

However, to fulfill its potential, publicity must be treated as part of promotional strategy and coordinated with the other promotional tools. The benefits of publicity are:

⁶ Fundamentals of Marketing, William J. Stanton, Michael J. Etzel, Bruce J. Walker, Ninth Edition

- Lower cost than advertising or personal selling. Publicity usually costs much less than advertising and personal selling because there are no media space or time costs for conveying the message.
- Greater credibility than advertising. Because the source of the message is an uninvolved third party, the message is more believable than an ad.
- Increased readership. Many consumers are conditioned to ignore advertising or at least pay it scant attention. Publicity is presented as editorial material or news, so it gets greater readership.
- More information. Again, because it is presented as editorial material, publicity can contain much more detail than a standard ad. Thus more information and persuasive content can be included in the message.
- Timeliness. A company can put out a news release very quickly when some unexpected event occurs.

Of course, publicity also has some limitations:

- Loss of control over the message. An organization has no guarantee that a publicity release will appear in the media. In fact, only a small proportion of all publicity messages prepared are ever used. In addition, there is no way to control how much or what portion of a publicity release the media will print or broadcast.
- Limited exposure. The media will typically use publicity material only once. If the target audience misses the message when it is presented, there is no second or third chance. Thus there is no opportunity for repetition as in advertising.
- Publicity is not free. Even though there are no media time and space costs, there are expenses in staffing a publicity department and in preparing and disseminating messages.

Although few executives would argue that having a good image and staying in touch with an organization's publics are unimportant, evaluating public relations and publicity is difficult. In the past, evaluation usually involved a report of inputs or activities rather than outputs or results. Public relations departments maintained "scrapbooks" to show management what was being done. These days, to justify expenditures, more organizations are requiring departments to provide specific public relations objectives and show measurable results. Because it is impossible to relate public relations and publicity directly to sales, other measures must be used. One is behavioral research to show, for example, increased awareness of a product or brand name or changes in attitudes and beliefs about a firm.

2.5. Public Relations

Public Relations is a firm's communications and relationships with its various publics. These publics include customers, suppliers, stockholders, employees, the government, the general public, and the society in which the organization operates. Public relations programs can be either formal or informal. The critical point is that every organization, whether or not it has a formally organized program, must be concerned about its public relations.

Public relations is an efficient indirect communications channel for promoting products, although its objectives typically are broader than those of other age of all parts of the organization.

Public relations is a \$2-billion-a-year industry employing 157,000 people in both the nonprofit and profit-oriented sectors. Some 1,800 public relations firms currently operate in the United States, including the largest, Hill & Knowlton, with

almost 2,000 employees. Of these, the top 50 firms have billings of over Dollar 2 million. In addition, there are thousands of smaller firms and one-person operations.⁷

Public relations is considered to be in a period of major growth as a result of increased environmental pressure for better communication between industry and the public.

Public relations is more targeted than publicity. It is a planned effort by an organization to influence the attitudes and opinions of a specific group. The target may be customers, stockholders, a government agency, or a special interest group. Public relations efforts are seen in newsletters, annual reports, lobbying, and sponsorship of charity events.

Public relations departments maintained "scrapbooks" to show management what was being done. These days, to justify expenditures, more organizations are requiring departments to provide specific public relations objectives and show measurable results. Because it is impossible to relate public relations and publicity directly to sales, other measures must be used. One is behavioral research to show, for example, increased awareness of a product or brand name or changes in attitudes and beliefs about a firm.

⁷ Contemporary Marketing; Louis E. Boone, David L. Kurtz, Sixth Edition

III. The Communications Process

As we have seen above the Promotional strategy is closely related to the process of communication. A standard definition of communication is the transmission of a message from a sender to a receiver. Marketing communications, then, are those messages that deal with buyer-seller relationships. Marketing communication is a broader concept than promotional strategy, because it includes word-of-mouth advertising and other forms of unsystematic communication. A planned promotional strategy, however, is certainly the most important part of marketing communications.

Fig. 2.7. shows a general communications process and its application to promotional strategy. The sender is the source of the communications system, since he or she seeks to convey a message (a communication of information, advice, or request) to a receiver (the recipient of the communication). The message must accomplish three tasks in order to be effective:

1. It must gain the receiver's attention
2. It must be understood by both receiver and sender
3. It must stimulate the receiver's needs and suggest an appropriate method of satisfying them.

The three tasks are related to the AIDA concept (attention-interest-desire-action) proposed by E.K. Strong over 60 years ago as an explanation of the steps an individual must go through before making a purchase decision. First, the potential consumer's attention must be gained. Then the promotional message seeks to arouse interest in the good or service. The next stage is to stimulate desire by convincing the would-be buyer of the product's ability to satisfy his or her needs. Finally, the sales presentation or advertisement attempts to produce action, in the form of a purchase or a more favorable attitude, that may lead to future purchases.

Promotion obviously must get the attention of the target audience or it is wasted effort. What is obvious, however, is not always easily accomplished. Much promotion does not really communicate. Behavioral science studies indicate that the communication process may be more complicated than we imagine.

3.1. Interpretation of Messages

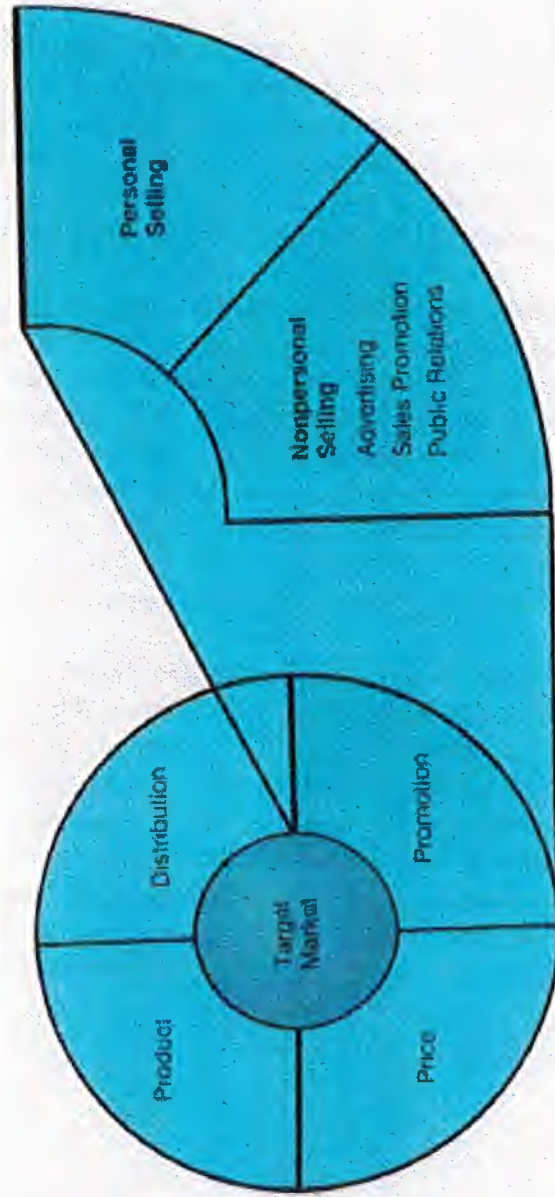
Researchers have demonstrated that the audience evaluates not only the message but also the source of the message in terms of trust-worthiness and credibility. Studies have also shown that some persons are more easily persuaded than others. Persuasibility seems to be related to feelings of inadequacy and social inhibitions, but it does not seem to be related to the level of general intelligence.⁸

Different audiences perceive the same message in different ways and interpret the same words differently. Such differences are often encountered in international marketing where translation is a problem. Parker Pen Co., for example, once blanketed Latin America with an ad campaign that, unfortunately, suggested that its new ink would help prevent unwanted pregnancies. And General Motors had trouble in Puerto Rico with its Nova automobile until it discovered that while Nova means "star" in Spanish, when it is spoken it sounds like "no va," which means "it doesn't go". The company quickly changed the car's name to "Caribe" and it sold nicely.⁹

⁸ Middle East Technical University; Faculty of Economic and Administrative Sciences

⁹ Middle East Technical University, Faculty of Economic and Administrative Sciences

Figure 2.7
How Promotion Fits into Total Marketing Mix



Source : Based on an idea suggested by Professor James H.Kennedy of Navarro College

Semantic problems in the same language may not be so obvious and yet they must be recognized and solved to avoid giving offense. This is an especially sensitive matter now, to make sure that advertising does not offend any of the minority groups. Blacks and women have been especially vocal in this regard, but other minorities are becoming increasingly sensitive. These may seem like small differences, but it is such subtleties that make a target audience tune out a message, wasting the whole promotion effort.

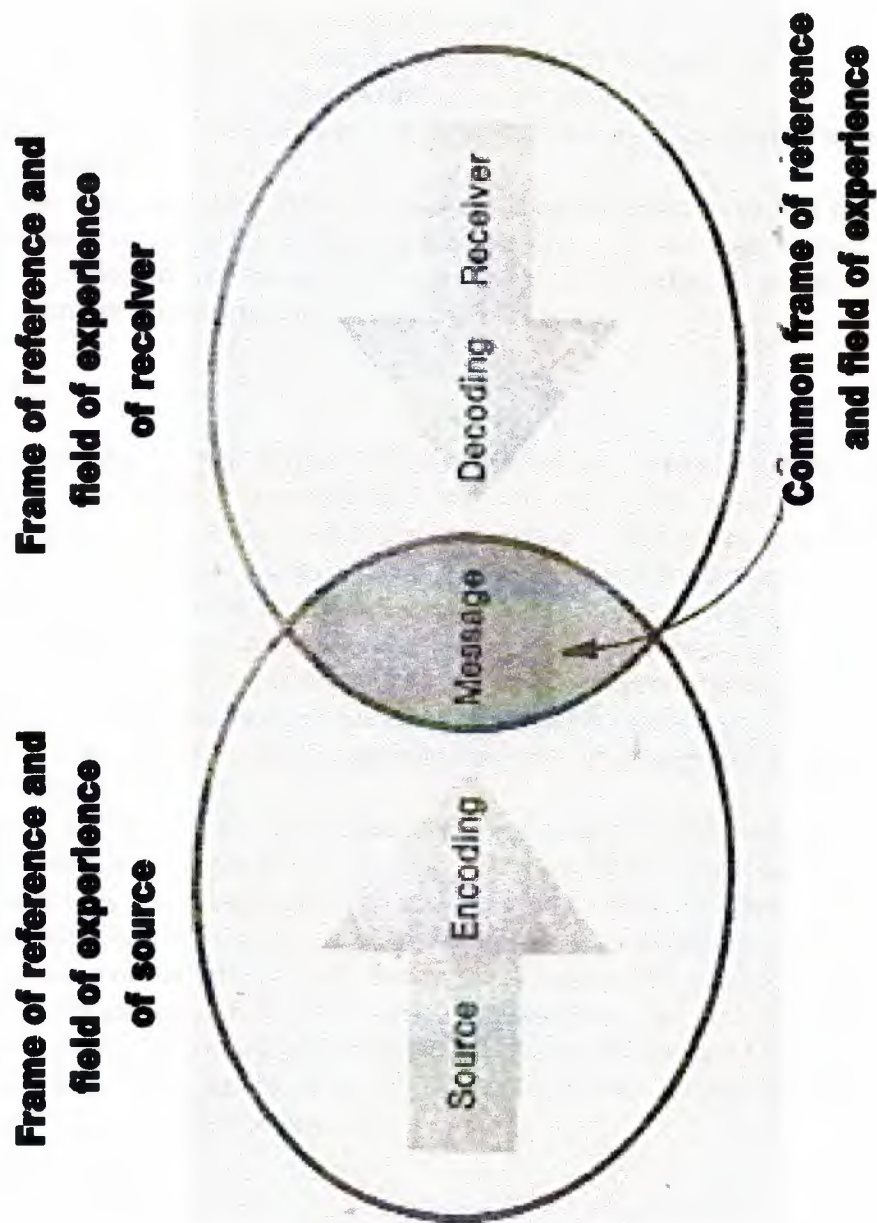
3.2. Encoding and Decoding

The fundamental difficulty in the communication process occurs during encoding and decoding. The source must decide what it wants to say and then try to translate it into terms that will be decoded with the same meaning by the target audience. This can be very tricky because the meanings attached to various words and symbols may differ depending on the frames of reference and fields of experience of the two groups. This can be seen in Fig. 2.8. If there is no overlap, communication may be bad or impossible.

Average car drivers, for example, might think of the Ford Mustang as a sports car. If they are the target audience, then their version of sports car terminology should be used in the message. Auto engineers and sports car buffs, however, do not consider the Mustang a true sports car. If they were specifying, writing, or approving copy, they might encode the message in regular "small-car" terms, while their average-driver audience wants to hear about ease of handling, acceleration, and racing symbols such as wide tires. Errors could be minimized by knowing the relevant market dimensions, in terms of the needs and attitudes of potential customers. This data should be available for strategy planning anyway, and here it would be especially useful.

Whether the message should emphasize only the positive features (one-sided arguments) or perhaps both positive and negative features (two-sided arguments) depends on the attitudes of the target market. Sometimes accenting the positive is desirable, since it's less confusing. But if the potential customers already know something of the pros and cons, it may be desirable to use a two-sided approach. Research on this and other topics about putting together a message are beyond our scope. But it is important for the marketing manager to realize that such matters may affect the effectiveness of communication and see to it that these matters are taken care of during the implementation process.

Figure 2.8
Another view of the communication process



IV. Adoption Process

Consumers also make decisions about a new product offering. In the adoption process, potential consumers go through a series of stages from learning of the new product to trying it and deciding to purchase it regularly or to reject it. These stages in the consumer adoption process can be classified as:

1. Awareness. Individuals first learn of the new product but lack information about it.
2. Interest. They begin to seek information about it.
3. Evaluation. They consider whether or not the product is beneficial.
4. Trial. They make trial purchases to determine its usefulness.
5. Adoption/Rejection. If the trial purchase is satisfactory, they decide to use the product regularly.

The marketing manager needs to understand the adoption process so that he or she can move potential consumers to the adoption stage. Once the manager is aware of a large number of consumers at the interest stage, steps can be taken to stimulate sales by moving consumers through the evaluation and trial stages.

4.1. Adopter Categories

Some people purchase a new product almost as soon as it is placed on the market. Others wait for additional information and rely on the experiences of consumer innovators-first purchasers-before making trial purchases. Consumer innovators are likely to be present in each product area. Some families were the first in the community to buy videocassette recorders. Some doctors are the first to prescribe new drugs. Some farmers plant new hybrid seeds much earlier than their neighbors.

A number of investigations analyzing the adoption of new products have resulted in the identification of five categories of purchasers based on relative time of adoption. These categories, shown in Fig. 2.9, are innovators, early adopters, early majority, late majority, and laggards.

The diffusion process is the acceptance of new products and services by the members of a community or social system. Fig. 2.9. shows this process as following a normal distribution. A few people adopt at first; then the number of adopters increases rapidly as the value of the innovation becomes apparent. The adoption rate finally diminishes as fewer potential consumers remain in the nonadopter category.

Since the categories are based on a normal distribution, standard deviations are used to partition them. Innovators are the first 2.5 percent to adopt the new product; laggards are the last 16 percent to do so. Excluded from Fig. 2.9 are nonadopters – those who never adopt the innovation.

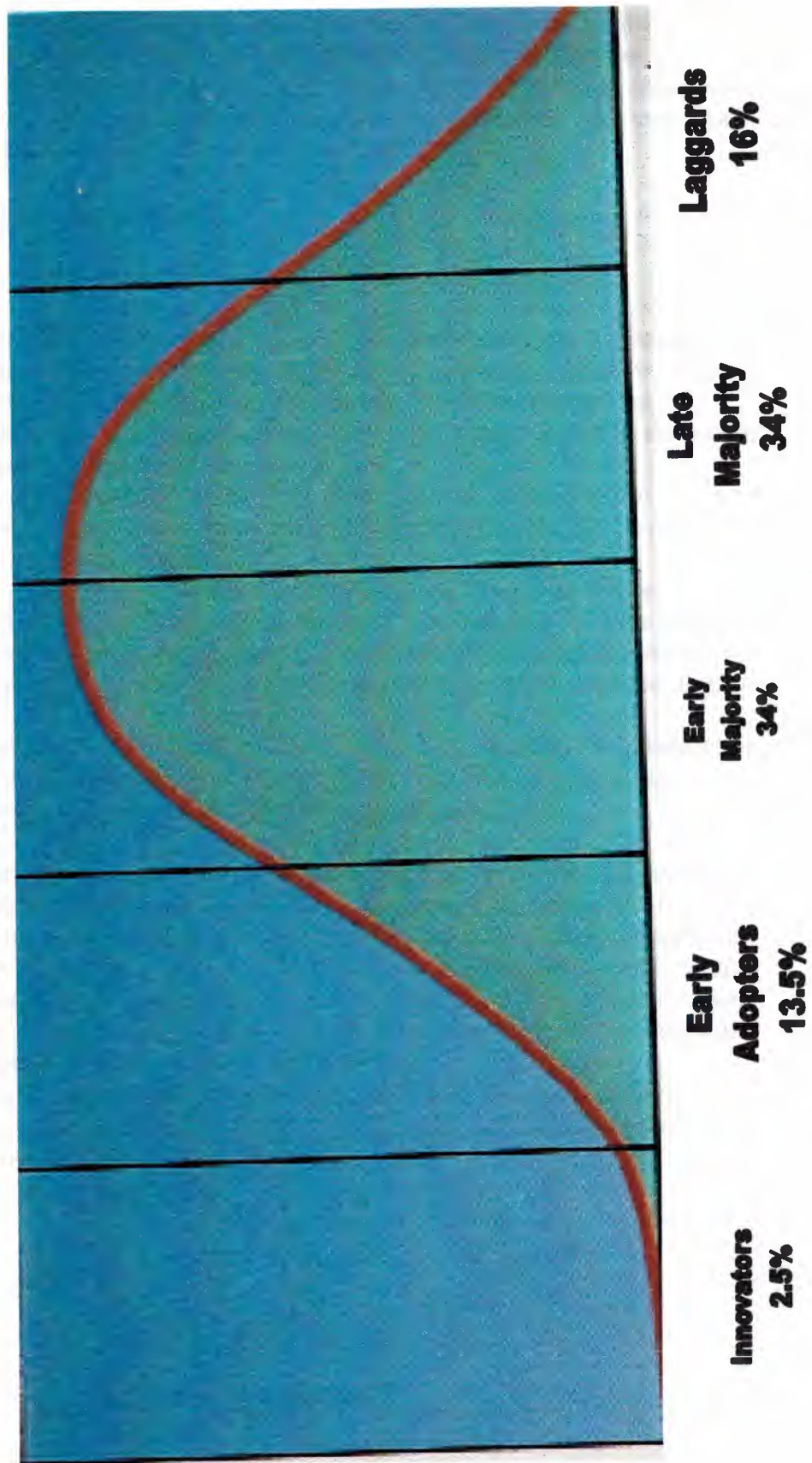
4.2. Identifying First Adopters

Locating first buyers of new products is a challenge for the marketing manager. If first buyers can be reached early in the product's development or introduction, they can serve as a test market, evaluating the products and making suggestions for modifications. Since early purchasers are often opinion leaders from whom others seek advice, their attitudes toward new products are quickly communicated to others. Acceptance or rejection of the innovation by these purchasers can help forecast its expected success.

Figure 2.9

Categories of Adopters Based on Relative Time of Adoption

Time of Adoption of New Product



Unfortunately, first adopters of one new product are not necessarily first adopters of other products or services. A large number of research studies, however, have established some general characteristics of most first adopters. First adopters tend to be younger, have higher social status, be better educated, and enjoy higher incomes than others. They are more mobile than later adopters and change both their jobs and home addresses more often. They are also more likely to rely on impersonal information sources than are later adopters, who depend more on promotional information from the company and word-of-mouth communication.

4.3. Rate of Adoption Determinants

The adoption rate is influenced by five characteristics of the innovation:

1. Relative advantage – the degree to which the innovation appears superior to previous ideas. The greater the relative advantage-manifested in terms of lower price, physical improvements, or ease of use-the faster the adoption rate.
2. Compatibility – the degree to which the innovation is consistent with the values and experiences of potential adopters.
3. Complexity – the relative difficulty of understanding the innovation. In most cases, the more difficult a new product is to understand or use, the longer it will take to gain general acceptance.
4. Divisibility – the degree to which the innovation can be used on a limited basis. First adopters face two types of risk-financial loss and ridicule from others-if the new product proves unsatisfactory. The option of sampling the innovation on a limited basis reduces these risks and generally accelerates the rate of adoption.
5. Communicability – the degree to which the results of using the product are observable or communicable to others. If the innovation's superiority can be displayed in a tangible form, the adoption rate will increase.¹⁰

These five characteristics can be implemented to some extent by the marketing manager to accelerate the rate of adoption. Product complexity must be overcome with informative promotional messages. Products should be designed to emphasize their relative advantages and whenever possible, be divisible to permit sample purchases. If divisibility is physically impossible, in-home demonstrations or trial home placements can be used. Positive attempts must also be made to ensure the innovation's compatibility with adopters' value systems.

These actions are based on extensive research studies of innovators in agriculture, medicine, and consumer goods. They should pay off in increased sales by accelerating the adoption rate in each adopter category.

¹⁰ Contemporary Marketing; Louis E. Boone, David L. Kurtz, Sixth Edition

V. Selection of Promotion Blend

Most business firms develop a promotion blend of some kind, because, the various methods complement each other. But what blend is right in a particular situation?

Wholesalers invariably rely on personal selling, perhaps with good reason. Some retailers do, too, while other retailers advertise aggressively.

At the same time, a food products manufacturer may develop a promotion blend composed of 10 parts advertising to 1 part personal selling, although some of this advertising money may be allocated to help the retailers advertise. A lawn seed producer might emphasize advertising 4 to 1, while a paint manufacturer might reverse the ratio. Is there some logical patterns underlying these differences?

Each promotion blend is designed to accomplish the firm's overall objectives. But the particular blend selected depends on a number of factors, including

1. the promotion budget available,
2. stage of product in its life cycle,
3. nature of competition,
4. target of the promotion,
5. nature of the product.

5.1. The promotion budget available

There are some economies of size in Promotion. Network radio or television may reach more people more economically than local media City-wide radio, TV, and newspapers may be more economical than neighborhood newspapers or direct personal contact. But the minimum charge for some alternatives may force smaller firms, or those with small promotion budgets, to use the less economical alternative, in terms of cost per contact.¹¹

A small budget, however, need not limit a firm to personal selling. Sales promotion, public relations, and direct mail are attractive possibilities. A small tire manufacturer wanted to tell potential dealers about its product but was not in a position to compete with the big tiremakers' promotion programs. It decided instead to use direct mail.

5.2. Stage of a Product in its Life Cycle

A new product seldom becomes a spectacular success overnight. During these stages, promotion blends may be changed to achieve changing promotion objectives, including reaching different groups at varying stages of their adoption process.

¹¹ For example, a small retailer might like to use local television, but all he can reasonably afford are handbills and perhaps ads in neighborhood newspapers, together with church and school bulletins. Some smaller manufacturers, out of necessity rather than choice, use personal selling as their major promotion method. A personal salesperson can be hired for Dollar 10,000 to Dollar 15,000 a year plus expenses, while sponsorship of a single hour of network television can cost from Dollar 50,000 to Dollar 400,000 depending on whether it is a daytime soap opera or a night-time show like "Kojak" or "Hawaii Five-O." The TV show might bring the firm's message to more people for less per person, but its total one-lump cost might be too high for a small firm.

5.2.1 Introduction Stage – “This new idea is good”

During the introduction stage, the basic objective is to inform. If the product contains an entirely new idea, that idea must be sold-and not just the company's version of it. The promotion must pioneer acceptance of the product idea- not just the company's own brand. The purpose of this emphasis is to stimulate primary demand, a job which may be long and costly. There may be few potential innovators during the introductory stage. Personal selling can be very useful, especially for industrial products. But sales people also are needed to select good channel members and then persuade them to carry the new product.

Since there are few competitors at this stage, mass selling can concentrate on the basic informing job. Initial advertisements might be designed to draw inquiries.

5.2.2. Market Growth Stage – “Our brand is best”

In the market growth stage, competitors begin entering the market, and promotional emphasis must begin to shift from stimulating primary demand to stimulating selective demand for the company's own brand. The main job is to persuade customers to buy and stay with the company's own product, although informing is still important.

Now that more potential customers are trying and adopting the product, mass selling may become more economical. But personal sales people must still work in the channels, expanding distribution.

5.2.3. Market Maturity Stage – “Our brand is better, really”

In the market maturity stage, additional competitors have entered the market. Promotion must become increasingly persuasive rather than informative.

At this stage, mass selling may dominate the promotion blends of consumer products manufacturers. Industrial products might require more aggressive personal selling, perhaps complemented by more advertising. The total dollars allocated to the promotion blend may rise as the competitive frenzy rises.

Firms that have achieved a strong customer franchise are able to use reminder-type advertising. They seek only to remind the customer of the product name and this may be considerably less expensive than more persuasive efforts.

5.2.4. Sales Decline Stage – Let's tell those who still want our product

During the sales decline stage, the total amount spent on promotion may decrease as firms attempt to cut costs and remain profitable. Since the product may still be acceptable to some people, more targeted promotion is needed to reach these remaining customers. Firms with a strong customer franchise may use reminder-type promotion.

5.3. Nature of Competition

Closely related to the product life cycle is the nature of competition in the target market.

Firms in monopolistic competition may favor mass selling because they have differentiated their mix somewhat and apparently have something to talk about. Mass selling can be more economical, especially if they are trying to reach broad audiences.

As the market tends toward pure competition, or oligopoly, it is difficult to generalize about what will happen. Competitors in some markets aggressively seek to outpromote each other, using mass or personal selling or both. The only way for a competitor to stay in such a market is to match rivals' promotional efforts – unless, of course, the whole marketing mix can be improved in some other way. We see such competitive advertising in our daily newspapers.

In markets that are drifting toward pure competition, some companies may resort to price cutting. This may increase their number of units sold, temporarily, but it may also reduce the revenue and the amount available for promotion per unit. And then competitive retaliation may reduce the temporary sales gains and drag price levels down faster. In such a situation, the cash revenues flowing into the business may decline, and all promotion will have to be cut back.

Once a firm is in pure competition, there would appear to be little reason to promote the product. But someone has to get the business, and using persuasive personal sales people can be the way to get it. For the customer's part, he must buy needed products someplace, and often prefers to buy from friendly sales people who call regularly.

This condition also exists in oligopoly situations. Only here, there may be enough sales revenue to support promotional efforts such as entertaining and business gift giving.

5.4. Target of Promotion

The vast number of potential customers practically forces consumer goods manufacturers and retailers to use mass selling in their promotion blends. Effective mass selling may even establish brand preference to such an extent that little personal selling may be needed. Self-service and discount operations attest to this.

Mass communication may even be the way to supply information to those consumers who seek it. We noted earlier that there are innovators and early adopters, and communicators within social groups, to whom others look for suggestions. Mass selling may be necessary to reach these communicators because they are widely dispersed and it is not possible to identify or approach each one individually.

The predominance of mass selling in promoting to final consumers should not suggest that personal selling cannot be effective. Some retailers, in particular specialty shops, rely heavily on knowledgeable sales people. And some door-to-door sales organizations have been very effective. But aggressive personal selling to final consumers usually is found only in relatively expensive channel systems (although a less costly system might not succeed at all).

5.4.1. Promotion to Industrial Customers

Industrial customers are much less numerous than final consumers, and there is more justification for a promotion blend emphasizing personal selling. Industrial customers may have specific questions or might need adjustments in the total product. Manufacturers' or wholesalers' personal sales people can be more flexible in adjusting their companies' appeals to suit each customer. They also are able to call back later and provide confirmation and additional information. Personal selling becomes more practical as the size of each purchase increases, and larger unit purchases are more typical in the industrial goods field.

Although personal selling dominates industrial goods promotion blends, mass selling is used for some jobs, for economic reasons.

5.4.2. Promotion to Retailers

As with industrial buyers, the relatively small number of retailers makes it feasible for manufacturers and wholesalers to emphasize personal selling. Sales promotion activities and some mass selling in trade magazines and newspapers are valuable, but the bulk of the promotion effort is by personal sales people – who can answer retailers' questions about what promotion will be directed toward the final consumer, the retailers' own part in selling the product, and important details concerning price, markups, and promotional assistance and allowances.

In other words, promotion to retailers is primarily informative. But since the manufacturer's or wholesaler's sales representative cannot guarantee the retailer a profit, promotion to retailers must also be persuasive. The sales rep must convince the retailer that demand for the product exists and that making a profit will be easy.

Another reason personal selling is so important in dealing with retailers is that marketing mixes may have to be adjusted drastically from one geographic territory to another to meet competitive situations. The mixes in highly competitive urban areas, for example, may emphasize price more than those in outlying areas. Personal sales people have to judge these conditions. We already have seen the development of a specialist – the food broker – to assist producers' sales reps in the extremely competitive grocery industry.

Personal selling is also important in a promotion blend aimed at retailers because part of the selling job is to establish and maintain good channel relationships. The retailer must be shown that the manufacturer or wholesaler has his interest at heart. A channel is a human system and depends on the mutual trust and understanding of channel members. This can be built only by personal relations.

5.4.3. Promotion to Wholesalers

Promotion to wholesalers is very similar to promotion to retailers except that wholesalers are less numerous and perhaps even more conscious of demand and cost. They respond to economic arguments. They may be very interested in the promotion which the producer intends to direct at retailers and final consumers. And personal sales representatives are needed to cement the relationship between producer and wholesaler.

5.5. Nature of Product

The target customers' view of the product is the common theme tying together all the variables that must be combined into a marketing mix. Their view of the product affects the promotion blend, too.

5.5.1. Technical Nature of Product

An extremely technical industrial product may require a heavy emphasis on personal selling, preferably by technically trained sales people. This is the only sure way to make the product understood and obtain feedback on how industry can use it. The technical sales rep can meet with engineers, plant people, purchasing agents, and top executives, and can adjust the sales message to the needs of these various influencers. Mass selling, on the other hand, is feasible for many consumer goods because there is no technical story to be told. Or, if there are some technical details – for example, with cars or appliances – they can be offered where there is demonstrated customer interest in them, perhaps in booklets at the dealer's showroom.

5.5.2. Degree of Brand Familiarity

If the product has already won a strong brand preference, perhaps after years of satisfactory service in the market, there may be no need for aggressive personal selling. Reminder-type advertising is usually adequate. Indeed, Hershey Chocolate long prided itself on not having to do any advertising! Recently, however, it did begin some advertising and sales promotion to counter increasing competition in the United States. But in Canada, where it is not well established, Hershey has advertised aggressively.

If a manufacturer has not differentiated its product, and does not plan to invest in building a brand name – perhaps because its product is not different – then much heavier emphasis on personal selling is sensible. The major goals, then, should be building good channel relations and getting distribution in as many outlets as possible. Rather than spending – perhaps fruitlessly – to build a brand name, the firm could invest in Place.

VI. OBJECTIVES OF PROMOTION

Determining the precise objectives of promotion has always been a perplexing problem for management. What specific tasks should promotion accomplish? The answer to this question seems to be as varied as the sources one consults. Generally, however, the following are considered objectives of promotion:

1. to provide information
2. to increase demand
3. to differentiate the product
4. to accentuate the product's value
5. to stabilize sales

6.1. Providing Information

The traditional function of promotion was to inform the market about the availability of a particular product or service. Indeed, a large part of current promotional efforts is still directed at providing product information for potential customers. For example, the typical newspaper advertisement for a university or college extension course program emphasizes informative features, such as the availability, time, and location of different courses. Firms also use promotion to give information about their company.

6.2. Stimulating Demand

The primary objective of most promotional efforts is to increase the demand for a specific brand of product or service. Successful promotion can shift demand, resulting in increased sales without having to reduce prices. To stimulate consumer demand for catfish, the Catfish Institute designed a Dollar 2 million promotional campaign consisting of print advertisements and a public relations program. In the United States, per capita consumption of catfish is less than one pound a year compared to 70 pounds of poultry. Moreover, 75 percent of all catfish consumption occurs in 12 states in the Deep South. The Institute hopes its promotion efforts overcome this heavy regional skew in consumption patterns and will prompt poultry buyers to purchase catfish. Targeted to an upscale, health-conscious audience. Other advertisements contain directly competitive headlines such as "Think of it as Chicken that doesn't cluck." Part of the Institute's attempt to boost catfish demand involves dispelling consumer stereotypes of catfish as an unappealing scavenger fish. To this end, the advertisements explain how Mississippi Prime are farm raised, cultivated in clean ponds, and fed "a gourmet diet of natural grains and proteins."¹²

¹² Contemporary Marketing; Louis E. Boone, David L. Kurtz, Sixth Edition

6.3. Differentiating the Product

A frequent objective of the firm's promotional effort is product differentiation. Homogeneous demand means consumers regard the firm's output as virtually identical to its competitors' products. In these cases the individual firm has almost no control over marketing variables such as price. A differentiated demand schedule, in contrast, permits more flexibility in marketing strategy, such as price changes.

6.4. Accentuating Product's Value

Promotion can point out greater ownership utility to buyers, thereby accentuating the product's value. The good or service might then be able to command a higher price in the marketplace. F.e., status-oriented advertising may allow a retail clothing store such as Banana Republic to command higher prices for its products than other retail competitors. The demand curve – a schedule of the amounts of a product or service that a firm expects consumers to purchase at different prices – facing a prestige store may be less responsive to price differences than that of a competitor without a quality reputation.

6.5. Stabilizing Sales

For the typical firm, sales are not uniform throughout the year. Sales fluctuations may be caused by cyclical, seasonal, or irregular demand. Stabilizing these variations is often an objective of the firm's promotional strategy. Coffee sales, f.e., follow a seasonal pattern, with purchases and consumption increasing during the winter months. To stimulate summer sales of the Sanka brand of decaffeinated coffee, General Foods has created advertisements that include a recipe for making instant iced coffee, promoting it as a refreshing, caffeine-free summer beverage.

VII. MEASURING EFFECTIVENESS OF PROMOTION

It is widely recognized that part of a firm's promotional effort is ineffective. Measuring the effectiveness of promotional expenditures has become an extremely important research issue, particularly among advertisers. Studies aimed at this measurement dilemma face several major obstacles, one of them being the difficulty of isolating the effect of the promotional variable.

Most marketers would prefer to use a direct-sales-results test to measure the effectiveness of promotion. Such an approach would reveal the specific impact on sales revenues for each dollar of promotional spending. This type of technique has never been possible, however, due to the marketer's inability to control for other variables operating in the marketplace. A firm may experience Dollar 20 million in additional sales following a new, Dollar 1.5 million advertising campaign, but the success may have resulted from price increases of competing products rather than from the advertising outlays.

Because of the difficulty of isolating the effects of promotion from the other marketing elements and outside environmental variables, many marketers have simply abandoned all attempts at measurement. Others, however, turn to indirect evaluation. These researchers concentrate on the factors that are quantifiable, such as recall (how much is remembered about specific products or advertisements) and readership (size and composition of the audience). The basic problem is the difficulty of relating these variables to sales.

Frequently used assessment methods for determining promotional effectiveness include sales inquiries and research studies aimed at determining changes in consumer attitudes toward the product and/or improvement in public knowledge and awareness.

The technological innovation that promises to revolutionize evaluations of consumer promotions is the use of scanner sales data. One of the features of Information Resources, Inc.'s recently unveiled PromotionScan service is to provide clients with information on the best promotional mix for a given product for various retail outlets. The data collected from consumer purchases of UPC-coded products allow marketers to determine the effectiveness of newspaper feature ads, in-store displays, and coupon redemptions by correlating their use with consumer sales on a market-by-market basis. Early research studies of what one marketer calls "the electron microscope of marketing" have shed light on the different ways in which consumers respond to promotions and the impact of their responses on a promotion's profitability. Consumers can be categorized by shopping behavior as those who:

- Are not promotion sensitive
- Buy only sale brands
- Are loyal to the sale brand and stockpile products
- Buy a sale brand they would not normally buy

Once marketers have determined the type of consumer who is attracted to a promotion, they can more closely evaluate the effectiveness of specific promotions

VIII. THE VALUE OF PROMOTION

Promotion has often been the target of criticism. Common complaints are:

- "Promotion contributes nothing to society."
- "Most advertisements and sales presentations insult my intelligence."
- "Promotion 'forces' consumers to buy products they cannot afford and do not need."
- "Advertising and selling are economic wastes."
- "Salespersons and advertisers are usually unethical."

Consumers, public officials, and marketers agree that too many of these complaints are true. Some salespeople do use unethical sales tactics. Some product advertising indeed is directed at consumer groups that can least afford the particular item. Many television commercials do contribute to the growing problem of cultural pollution.

While promotion can certainly be criticized on many counts, it is important to remember that promotion plays a crucial role in modern society. This point is best understood by examining the importance of promotion at the social, business, and economic levels.

8.1. Social Importance

Criticisms such as "most promotional messages are tasteless" and "promotion contributes nothing to society" sometimes ignore the fact that no commonly accepted set standards or priorities exist within our social framework. We live in a varied economy characterized by consumer segments with differing needs, wants, and aspirations. What is tasteless to one group may be quite appealing to another. Promotional strategy faces an "averaging" problem that escapes many of its critics. The one generally accepted standard in a market society is freedom of choice for the consumer. Consumer buying decisions eventually determine what is acceptable practice in the marketplace.

Promotion has become an important factor in the campaigns to achieve socially oriented objectives, such as stopping smoking, family planning, physical fitness, and elimination of drug abuse.

Promotion performs an informative and educational task that makes it crucial to the functioning of modern society. As with everything else in life, what is important is how promotion is used rather than whether it is used.

8.2. Business Importance

Promotional strategy has become increasingly important to both large and small business enterprises. The long-term increase in funds spent on promotion is well documented and certainly attests to management's faith in the ability of promotional efforts to produce attitude changes, brand loyalty, and additional sales. It is difficult to conceive of an enterprise that would not attempt to promote its product or service in some manner. Most modern institutions simply cannot survive in the long run without promotion. Business must communicate with its publics.

Nonbusiness enterprises also recognize the importance of promotional efforts. The U.S. government spends about Dollar 300 million a year on advertising and ranks twenty-sixth among all U.S. advertisers. The Canadian government is the leading advertiser in Canada, promoting many concepts and programs. Religious organizations have acknowledged the importance of promoting what they do. Even labor organizations have used promotional channels to make their viewpoints known to the public at large.

8.3. Economic Importance

Promotion has assumed a degree of economic importance if for no other reason than it provides employment for thousands of people. More important, however, effective promotion has allowed society to derive benefits not otherwise available. F.e., the criticism that promotion costs too much isolates an individual expense item and fails to consider the possible beneficial effect of promotion on other categories of expenditures.

Promotional strategies that increase the number of units sold permit economies in the production process, thereby lowering the production costs associated with each unit of output. Lower consumer prices in turn make these products available to more people. Similarly, researchers have found that advertising subsidizes the informational content of newspapers and the broadcast media.¹³

In short, promotion pays for many of the enjoyable entertainment and educational aspects of contemporary life as well as lowering product costs.

¹³ Contemporary Marketing; Louis E. Boone, David L. Kurtz, Sixth Edition

IX. CONCLUSION

9.1. Summary of the Findings

This thesis prepared in order to analyse the importance of The Role of Promotion in Marketing. To understand how Promotion effects the Marketing Sector, first of all I explained the concept of Marketing the concept of Promotion. Then I explained the Promotional Methods and I gave detailed information about each of them. Then I explained the Communication Process as an important factor of Promotion. Furthermore, in this thesis I tried to examine the selection of Promotion Blend and objectives of Promotion. Finally I analyse the Promotion as a communication process, the concepts of the Promotional Mix and campaign, and governmental regulation of Promotion

As I mentioned above, I try to explain what is the role of promotion in marketing and how promotion fits into a firm's total marketing program. After reading this thesis you will be able to explain:

- The concepts of promotion and how they differ
- The importance of promotion to an organization and to the economy
- What makes promotion a special case of communications
- The concept of promotional mix
- Factors that shape a company's promotional mix
- Methods and problems in determining the promotional budget
- The concept of the promotional campaign
- Governmental regulation of promotion

As we know promotion is the fourth component of a company's total marketing mix. Its purpose is to inform, persuade, and remind. It is a basic ingredient of nonprice competition and an essential element of modern marketing.

Promotional activity is essentially an exercise in communication. Fundamentally the communication process consists of a source sending a message through a channel to a receiver. The success of communication depends on the encoding and decoding of the message and the noise that may interfere with transmission. Feedback is a measure of how effective a communication has been.

Promotion must be integrated into firm's strategic planning because all elements of the marketing mix – product, price, distribution, and promotion – must be coordinated in order to be effective.

The promotional efforts of the firm should be coordinated in a campaign built around a single theme and designed to reach a predetermined goal.

Promotional practices are regulated by state and local legislation, by private organizations, and by the industry itself.

9.2. The Limitations of the Research

As the research emphasis on the Role of Promotion in Marketing, detailed documents on the functions and implementations were only found from the Marketing Text Books, which was chosen as an example.

9.3. Recommendations for Future Research

In this kind of researches, it can be more emphasised on the Marketing Mix and the effects of Promotion in this sector. This kind of researches should be done by taking in consideration the communication process as an fundamental important factor in Promotion.

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