

***Advertising,
Sales Promotion, and
Public Relations***

Chapter 15

Learning Goals

- 1. Understand the roles of advertising, sales promotion, and public relations in the promotion mix.**
- 2. Know the major decisions involved in developing an advertising program.**
- 3. Learn how sales promotion campaigns are developed and implemented.**
- 4. Learn how companies use public relations to communicate with their publics.**

Case Study

Crispin Porter & Bogusky

- Located in Coconut Grove, FL
 - Winner of several creative awards
 - Known for guerrilla tactics, unconventional media and holistic marketing strategies
- Often suggests changes in the client's procedures, products and processes to enhance brand image
 - Clients include Virgin Airline, MINI cars, Ikea furniture, Molson beer, Truth and Burger King

Definition

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

Advertising

- **Signage in ancient times offers evidence of early advertising.**
- **Modern ad spending tops \$245 billion in U.S. annually, \$498 billion worldwide.**
- **Business firms, not-for-profit, social agencies, and professionals all advertise.**

Advertising

Key Decisions

- ***Setting objectives***
 - ***Setting the budget***
 - ***Developing the advertising strategy***
 - ***Evaluating advertising campaigns***
- **Advertising objectives can be classified by primary purpose:**
 - **Inform**
 - Introducing new products
 - **Persuade**
 - Becomes more important as competition increases
 - Comparative advertising
 - **Remind**
 - Most important for mature products

Advertising

Key Decisions

- *Setting objectives*
 - *Setting the budget*
 - *Developing the advertising strategy*
 - *Evaluating advertising campaigns*
- **Methods of budget setting were listed in chapter 14**
 - **Several factors should be considered when setting the ad budget:**
 - **Stage in the PLC**
 - **Market share**
 - **Level of competition**
 - **Ad clutter**
 - **Degree of brand differentiation**

Advertising

Key Decisions

- *Setting objectives*
 - *Setting the budget*
 - *Developing the advertising strategy*
 - *Evaluating advertising campaigns*
- **Creative challenges**
 - Advertising clutter
 - TiVo and PVR's
 - **Creating ad messages**
 - **Message strategy**
 - Creative concept or Big Idea
 - Advertising appeal
 - **Message execution**
 - Many execution styles
 - Tone, format, illustration, headline, copy

Advertising

Creative Execution Styles

- **Slice of Life**
- **Lifestyle**
- **Fantasy**
- **Mood or Image**
- **Musical**
- **Personality Symbol**
- **Technical Expertise**
- **Scientific Evidence**
- **Testimonial Evidence or Endorsement**

Advertising

Key Decisions

- *Setting objectives*
 - *Setting the budget*
 - *Developing the advertising strategy*
 - *Evaluating advertising campaigns*
- **Select advertising media**
 - Decide on level of reach, frequency and impact
 - Choose among the major media types by considering:
 - Consumer media habits, nature of the product, types of messages, and costs
 - Select specific media vehicles
 - Decide on media timing

Advertising

Major Media Types

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

Advertising

Key Decisions

- *Setting objectives*
 - *Setting the budget*
 - *Developing the advertising strategy*
 - *Evaluating advertising campaigns*
- **Measuring communications effects**
 - Copy testing
 - **Measuring sales effect**
 - Compare past sales with past advertising expenditures
 - Experiments

Advertising

- **Organizing the Advertising Function**
 - **Small vs. large companies**
 - **Nature of advertising agencies**
 - **Advantages of advertising agencies**
 - **Consolidation and growth of agencies**
 - **Creative boutiques**

Advertising

- **Advertising to International Markets**
 - **Standardizing worldwide advertising**
 - Advantages include lower advertising costs, greater global advertising coordination, and consistent global image
 - Drawbacks include ignoring differences in culture, demographics, and economic conditions
 - **Most marketers think globally but act locally**

Definition

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

Sales Promotion

- **Sales Promotions**
 - **Can be targeted at final buyers, retailers and wholesalers, business customers, and members of the sales force.**
 - **The use of sales promotions has been growing rapidly.**
 - **78% are to the trade with 22% to end consumers.**

Sales Promotion

- **Objectives – Consumer Promotions:**
 - Increase short-term sales or long-term market share
 - Generate product trial
- **Objectives – Trade Promotions:**
 - Obtaining distribution and shelf space
 - Encouraging retailers to advertise the brand
- **Objectives – Sales Force Promotions:**
 - Signing up new accounts

Sales Promotion

Consumer Promotion Tools

- **Samples**
- **Coupons**
- **Cash Refunds (Rebates)**
- **Price packs (cents-off deals)**
- **Advertising Specialties**
- **Premiums**
- **Patronage Rewards**
- **Point-of-Purchase Communications**
- **Contests, Games, and Sweepstakes**

Sales Promotion

- **Trade Promotion Tools**
 - **Discounts (also called price-off, off-list, and off-invoice)**
 - **Allowances**
 - **Advertising allowances**
 - **Display allowances**
 - **Free goods**
 - **Push money**
 - **Specialty advertising items**

Sales Promotion

- **Business Promotion Tools**
 - **Includes many of the same tools used in consumer and trade promotions**
 - **Two additional tools:**
 - **Conventions and trade shows**
 - **Sales contests**

Sales Promotion

- **Key Decisions When Developing the Sales Promotion Program:**
 - **Size of the incentive**
 - **Conditions for participation**
 - **Promotion and distribution of the actual sales promotion program**
 - **Length of the promotional program**
 - **Evaluation**

Definition

- **Public Relations:**
 - **Building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.**

Public Relations

Public Relations Functions

- **Press Relations**
- **Product Publicity**
- **Public Affairs**
- **Lobbying**
- **Investor Relations**
- **Development**

Public Relations

- **Role and Impact of Public Relations**
 - **Strong impact on public awareness at lower cost than advertising**
 - **Greater credibility than advertising**
 - **Publicity is often underused**
 - **Good public relations can be a powerful brand-building tool**

Public Relations

Public Relations Tools

- **News**
- **Speeches**
- **Buzz Marketing**
- **Corporate Identity Materials**
- **Mobile Marketing**
- **Special Events**
- **Written Materials**
- **Audiovisual Materials**
- **Public Service Activities**
- **Internet**