

MKTG
Principles Of Marketing
Twelfth Edition



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MKTG¹²
PRINCIPLES OF MARKETING

Chapter 15
Marketing
Communications

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Learning Outcomes

- 15-1 Discuss the role of promotion in the marketing mix
- 15-2 Describe the communication process
- 15-3 Explain the goals and tasks of promotion
- 15-4 Discuss the elements of the promotional mix
- 15-5 Discuss the AIDA concept and its relationship to the promotional mix
- 15-6 Discuss the concept of integrated marketing communications
- 15-7 Describe the factors that affect the promotional mix

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Learning Object 1: The Role of Promotion in the Marketing Mix

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Role of Promotion

- **Promotion:** Informs, persuades, and reminds potential buyers of a product in order to influence an opinion or elicit a response
- **Promotional strategy:** Plan for the optimal use of the elements of promotion: advertising, public relations, personal selling, sales promotion, and social media
- **Competitive advantage:** one or more unique aspects of an organization that cause target consumers to patronize that firm rather than competitor

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Exhibit 15.1: Role Of Promotion In The Marketing Mix



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Learning Object 2: Marketing Communication

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Communication (1 of 2)

Process by which meanings are exchanged or shared through a common set of symbols

- **Interpersonal communication**
 - Direct, face-to-face communication between two or more people
 - Example—Salesperson speaking directly to a customer
- **Mass communication**
 - Communication of a concept or message to a large audience through a mass medium

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Communication (2 of 2)

- **The Communication Process:** Can be senders and receivers of messages
 - Senders—Inform, persuade, and remind the target market to take actions favorable to purchase of product
 - Receivers—Develop and adapt messages and spot new communication opportunities

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Exhibit 15.2: Communication Process

Sending and Encoding

- **The Sender**
The Sender is the originator of the message in the communication process.
- **Encoding**
Encoding is the conversion of the sender's ideas and thoughts into a message, usually in the form of words or signs.

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Message Transmission

- **Channel**
 - A voice, radio, newspaper, computer, smartphone, or other communication medium
 - The response to these viral activities clearly created a lot of free publicity.
 - In a two-way conversation such as a sales pitch given by a sales representative to a potential client
- **Noise**
 - *Anything that interferes with, distorts, or slows down the transmission of information*

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Receiver and Decoding

- **Receiver**
Marketers communicate their message through a channel to customers, or *receivers*, who will decode the message.
- **Decoding**
It is the interpretation of the language and symbols sent by the source through a channel.

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Feedback

- Feedback may be verbal, as in saying “I agree” or “I do not like this new product.”
- Mass communicators are often cut off from direct feedback.
- The communication model in two major ways
 - *Consumers are now able to become senders.*
 - *The communication model shows the feedback channel as primarily impersonal and numbers driven.*



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Learning Object 3: The Goals of Promotion



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Tasks of Promotion

- **Informative promotion:** Converts an existing need into a want or stimulates interest in a new product
- **Persuading promotion:** Stimulates a purchase or an action
- **Reminder promotion:** Keeps the product and brand in the public's mind
- **Connect promotion:** Forms relationships with customers through social media



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Learning Object 4: The Promotional Mix



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Promotional Mix (1 of 2)

The proper promotional mix is the one that management believes will meet the needs of the target market and fulfill the organization's overall goals

- **Advertising**—Impersonal, one-way mass communication
- **Public relations**—evaluates, identifies and executes action
- **Sales promotion**—stimulate consumer and dealer effectiveness

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Promotional Mix (2 of 2)

- **Personal selling**—situation involving a personal, paid-for communication
- **Content marketing and social media**—crucial part of promotion
- **The Communication Process and the Promotional Mix**—based on the traditional advertising model

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Exhibit 15.3 : Digital Media Types



The diagram illustrates the relationship between three types of digital media:

- Owned Media** (top circle): Websites, Blogs, Social media presence.
- Paid Media** (bottom-left circle): Banner ads, Sponsored posts.
- Earned Media** (bottom-right circle): Media coverage, SEO, Publicity activities.

Social media is concentrated here, between owned and earned media, with some (but not much) paid media depending on the strategy.

Adapted from Dave Fleet, "Why Paying Bloggers for Posts Changes The Game," DaveFleet.com, December 12, 2010, <http://davelfleet.com/2010/12/bloggers-money-posts-game>, (accessed March 2015).

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Exhibit 15.4 : Characteristics Of The Elements In The Promotional Mix

	Advertising	Public Relations	Sales Promotion	Personal Selling	Social Media
Mode of Communication	Indirect and impersonal	Usually indirect and impersonal	Usually indirect and impersonal	Direct and face-to-face	Indirect but instant
Communicator Control over Situation	Low	Moderate to low	Moderate to low	High	Moderate
Amount of Feedback	Little	Little	Little to moderate	Much	Much
Speed of Feedback	Delayed	Delayed	Varies	Immediate	Intermediate
Direction of Message	One-way	One-way	Mostly one-way	Two-way	Two-way, multiple ways
Control over Message Content	Yes	No	Yes	Yes	Varies, generally no
Identification of Sponsor	Yes	No	Yes	Yes	Yes
Speed in Reaching Large Audience	Fast	Usually fast	Fast	Slow	Fast
Message Flexibility	Same message to all audiences	Usually no direct control over message audiences	Same message to varied targets	Tailored to prospective buyer	Some of the most targeted opportunities

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Learning Object 5: Promotional Goals and the AIDA Concept



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The AIDA Model (1 of 2)

- A model that outlines the process for achieving promotional goals in terms of stages of consumer involvement with the message.
- The acronym AIDA stands for attention, interest, desire, and action the stages of consumer involvement with a promotional message.



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The AIDA Concept (2 of 2)

- **Attention:** A firm cannot sell something if the market does not know that the good or service exists.
- **Interest:** Simple awareness of a brand seldom leads to a sale.
- **Desire:** Apple had to create brand preference with the iTunes Music Store.
- **Action:** The strategy worked—more than 250 million people own an iPad.



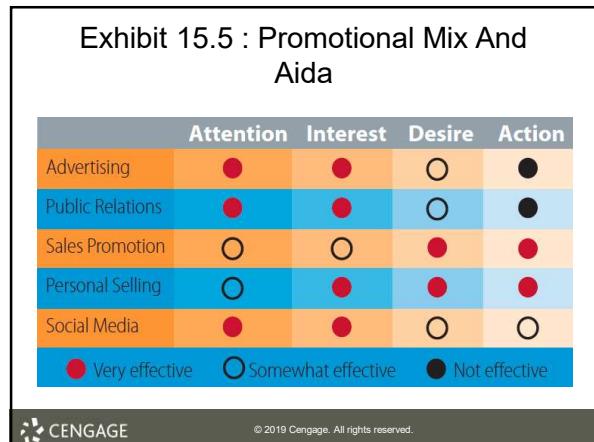
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AIDA and the Promotional Mix

- Salespeople are more effective at creating customer interest for merchandise or a service and at creating desire.
- Public relations' greatest impact is as a method of gaining attention for a company, good, or service.
- Social media are a strong way to gain attention and interest in a brand, particularly if content goes viral.



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Learning Object 6: Integrated Marketing Communications



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Learning Object 7: Factors Affecting the Promotional Mix



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Factors Affecting the Choice of Promotional Mix

- Nature of the product
- Stage in product life cycle (PLC)
- Target market characteristics
- Type of buying decision
- Available funds
- Push or pull strategy



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Nature of the Product

- A product can be classified as either a business product or a consumer product
 - Business products are often custom-tailored to the buyer's specifications
 - Often not suited to mass promotion
 - Producers rely more heavily on personal selling
- Consumer products generally are not custom-made
- Do not require the selling efforts of a company representative
- Consumer goods are promoted mainly through advertising to create familiarity



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Stages in the Product Life Cycle

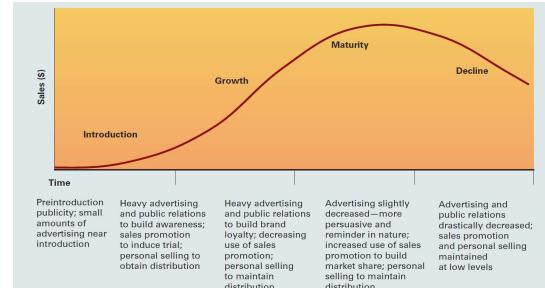
The basic goal of promotion is to inform the target audience that the product is available.

- When the product reaches the *growth stage* of the life cycle, the promotion blend may shift.
- As the product reaches the *maturity stage* of its life cycle, competition becomes fiercer, and thus persuasive and reminder advertising are emphasized more strongly.
- All promotion, especially advertising, is reduced as the product enters the *decline stage*.



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Exhibit 15.6 : Product Life Cycle and the Promotional Mix



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Target Market Characteristics

More advertising and sales promotion and less personal selling are required for a target market characterized by:

- Widely scattered potential customers
- Highly informed buyers
- Brand loyal repeat purchases



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Type of Buying Decision

A routine decision or a complex decision:

- For *routine consumer* decisions, the most effective promotion calls attention to the brand advertising, and sales promotion, are the productive promotion tools.
- *Complex consumers* decisions rely on large amounts of information to help them reach a purchase decision. Personal selling is effective in helping these consumers decide.
- If the decision is neither routine nor complex, advertising and public relations help establish awareness for the good or service.



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Type of Business Decisions and Promotional Mix

Business decisions	Promotional mix
Routine	Advertising and sales promotion
Neither routine nor complex	Advertising and public relations
Complex	Personal selling and print advertisements



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Available Funds

- Permit firms to optimize their return on promotion dollars while minimizing the cost per contact

– Cost per contact:

- High for personal selling, public relations, and sales promotions
- Low for national advertising since it reaches a large number of people



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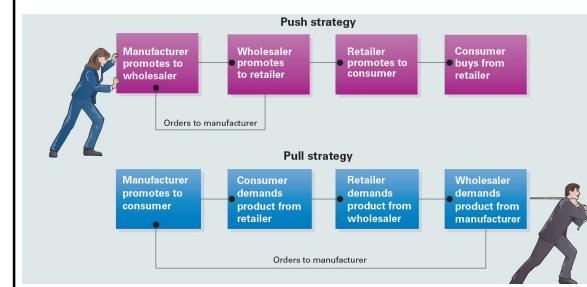
Push and Pull Strategies

- Manufacturers use aggressive personal selling and trade advertising to convince a wholesaler or a retailer to carry and sell their merchandise. This approach is known as a *push strategy*.
- At the other extreme is a *pull strategy*, which stimulates consumer demand to obtain product distribution. Manufacturer using a pull strategy focuses its promotional efforts on end consumers or opinion leaders.

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Exhibit 15.7 : Push Strategy Versus Pull Strategy



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Key Terms (1 of 3)

- Promotion
- Promotional strategy
- Competitive advantage
- Communication
- Interpersonal communication
- Mass communication
- Sender
- Encoding
- Channel
- Noise

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Key Terms (2 of 3)

- Receiver
- Decoding
- Feedback
- Promotional mix
- Advertising
- Public relations
- Publicity
- Sales promotion
- Personal selling
- Paid media

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Key Terms (3 of 3)

- Earned media
- Owned media
- AIDA concept
- Integrated marketing communications (IMC)
- Push strategy
- Pull strategy