

Chapter 16 Marketing Communications

MKTG9
Lamb, Hair, and McDaniel



LEARNING OUTCOMES

- 16-1 Discuss the role of promotion in the marketing mix
- 16-2 Describe the communication process
- 16-3 Explain the goals and tasks of promotion
- 16-4 Discuss the elements of the promotional mix

LEARNING OUTCOMES

- 16-5 Discuss the AIDA concept and its relationship to the promotional mix
- 16-6 Discuss the concept of integrated marketing communications
- 16-7 Describe the factors that affect the promotional mix

16-1

The Role of Promotion in the Marketing Mix

**Discuss the role of
promotion in the
marketing mix**

The Role of Promotion

Promotional Strategy

A plan for the optimal use of the elements of promotion:

- ◆ Advertising
- ◆ Public Relations
- ◆ Personal Selling
- ◆ Sales Promotion
- ◆ Social Media

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16.1 Role of Promotion in the Marketing Mix



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Competitive Advantage



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16-2

Marketing Communication

Describe the communication process

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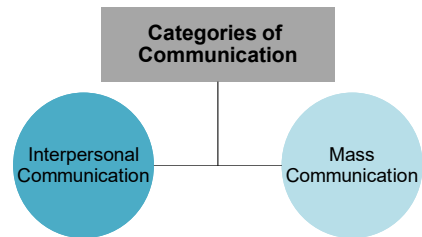
Communication

The process by which meanings are exchanged or shared through a common set of symbols.

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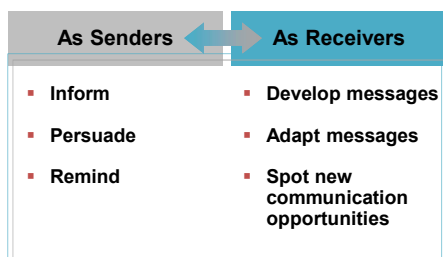
Marketing Communication



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Marketing Communication



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The Sender and Encoding

Sender

The originator of the message in the communication process.

Encoding

The conversion of a sender's ideas and thoughts into a message.

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The Channel and Noise

Channel

A medium of communication used to transmit a message.

Noise

Anything that interferes with, distorts, or slows down the transmission of information.

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The Receiver and Decoding

Receiver

The person who decodes the message in the communication process.

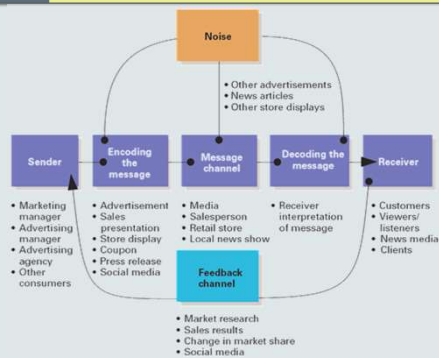
Decoding

The interpretation of the message transmitted by the sender.

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16.2 Communication Process



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Communication and the Internet

Traditional advertising model:

- Impersonal
- Numbers driven
- Unquantifiable consumer behavior

Internet and social media advertising:

- Personal
- Direct communication
- Feedback driven
- Highly visible communication

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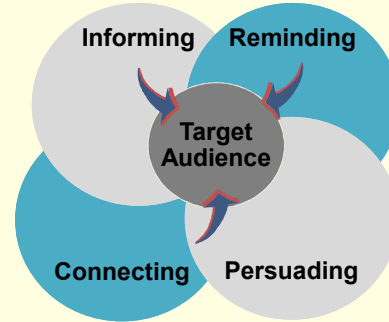
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16-3 The Goals of Promotion

Explain the goals and tasks of promotion

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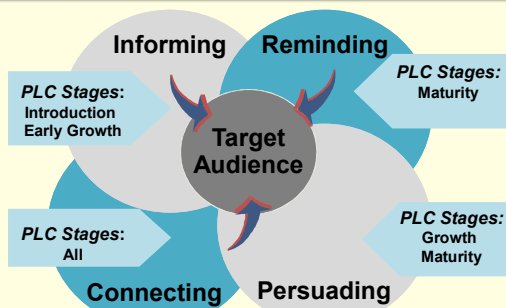
Goals and Tasks of Promotion



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Goals and Tasks of Promotion



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Goals and Tasks of Promotion

Informative Promotion

- Increase awareness
- Explain how product works
- Suggest new uses
- Build company image

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Goals and Tasks of Promotion

Persuasive Promotion

- Encourage brand switching
- Change customers' perceptions of product attributes
- Influence immediate buying decision
- Persuade customers to call

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Goals and Tasks of Promotion

Reminder Promotion

- Remind customers that product may be needed
- Remind customers where to buy product
- Maintain customer awareness

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Goals and Tasks of Promotion

Connect Promotion

- Form relationships through social media
- Encourage transparent information exchange
- Customers become brand advocates

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16-4

The Promotional Mix

Discuss the elements of the promotional mix

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The Promotional Mix

A combination of promotion tools used to reach the target market and fulfill the organization's overall goals. The promotional mix includes:

- ◆ Advertising
- ◆ Public Relations
- ◆ Sales Promotion
- ◆ Personal Selling
- ◆ Social Media

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Advertising

Most commonly distributed by traditional media, though increasingly through non-traditional media, such as Web sites, e-mail, blogs, and interactive video kiosks in malls and supermarkets.

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Advertising Media

Traditional Advertising Media

- ◆ Television
- ◆ Radio
- ◆ Newspapers
- ◆ Magazines
- ◆ Pay-per-click advertising
- ◆ Banner advertising
- ◆ Direct mail
- ◆ Billboards
- ◆ Transit advertising

New Advertising Media

- ◆ Web sites
- ◆ E-mail
- ◆ Blogs
- ◆ Videos
- ◆ Interactive games

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Advertising

Advantages

- ◆ Reach large number of people
- ◆ Low cost per contact
- ◆ Can be micro-targeted

Disadvantages

- ◆ Total cost is high
- ◆ National reach is expensive for small companies

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Public Relations

Evaluates public attitudes, identifies areas within the organization that public may be interested in, and executes a program to earn public understanding.

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The Function of Public Relations

- Maintain a positive image
- Educate the public about the company's objectives
- Introduce new products
- Support the sales effort
- Generate favorable publicity

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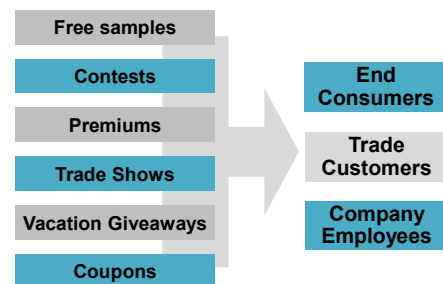
Sales Promotion

Marketing activities—other than personal selling, advertising, and public relations—that stimulate consumer buying and dealer effectiveness.

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Sales Promotion



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Personal Selling

Planned presentation to one or more prospective buyers for the purpose of making a sale.

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Personal Selling

Traditional Selling

Attempts to persuade the buyer into a specific point of view; creates a win-lose outcome.

Relationship Selling

Long-term relationships; creates a win-win outcome.

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Social Media

Promotion tools used to facilitate conversations among people online.

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The Communication Process and the Promotional Mix

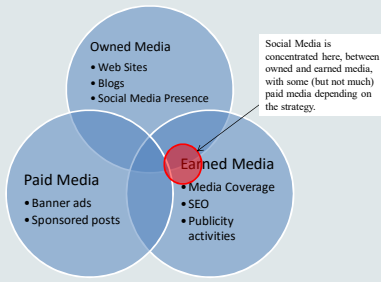
Shift from one-way communication to customer-controlled, customized, many-to-many communication.

- Consumer-generated content
- Paid media
- Earned media
- Owned Media

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16.3 Digital Media Types



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16.4 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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16-5

Promotional Goals and the AIDA Concept

Discuss the AIDA concept and its relationship to the promotional mix

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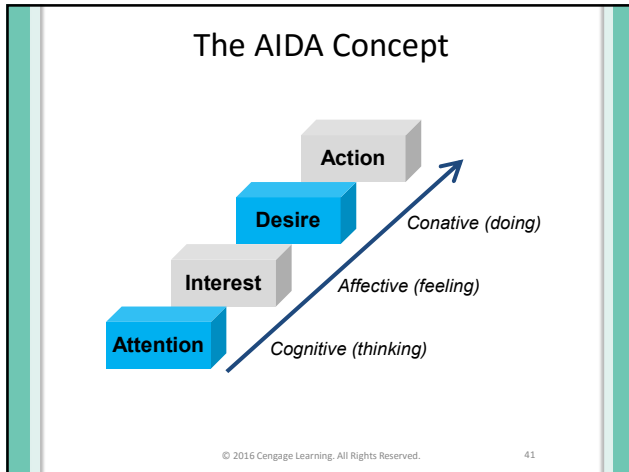
The AIDA Concept

Attention
Interest
Desire
Action

Model that outlines the process for achieving promotional goals in terms of stages of consumer involvement with the message.

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16.5 The Promotional Mix and AIDA

	Attention	Interest	Desire	Action
Advertising	●	●	○	●
Public Relations	●	●	○	●
Sales Promotion	○	○	●	●
Personal Selling	○	●	●	●
Social Media	●	●	○	○

● Very Effective ○ Somewhat Effective ● Not Effective

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16-6

Integrated Marketing Communications

Discuss the concept of integrated marketing communications

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Integrated Marketing Communications

The careful coordination of all promotional messages to assure the consistency of messages at every contact point where a company meets the consumer.

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IMC Popularity Growth

- Proliferation of thousands of media choices.
- Fragmentation of the mass market.
- Slash of advertising spending in favor of promotional techniques that generate immediate response.

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16-7

Factors Affecting the Promotional Mix

Describe the factors that affect the promotional mix

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Factors Affecting the Choice of Promotional Mix

Nature of the product

Stage in PLC

Target market characteristics

Type of buying decision

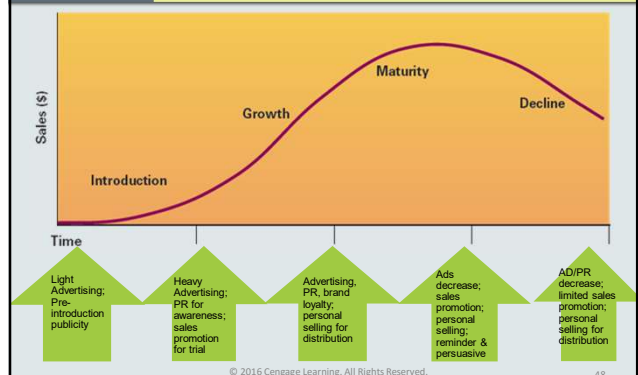
Promotion funds

Push or pull strategy

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16.6 Product Life Cycle and the Promotional Mix



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Target Market Characteristics

Advertising	◆ Widely scattered market
Sales Promotion	◆ Highly informed buyers
Less Personal Selling	◆ Brand-loyal repeat purchasers

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Type of Buying Decision

Routine	Advertising
	Sales Promotion
Neither Routine nor Complex	Advertising
	Public Relations
Complex	Personal Selling
	Print Advertising

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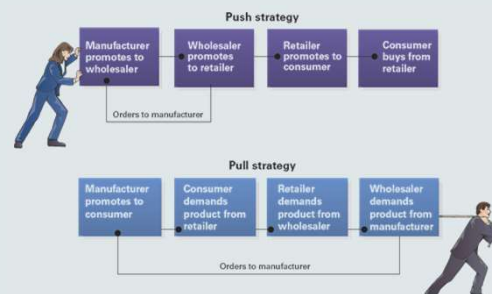
Available Funds

- ◆ Trade-offs with funds available
- ◆ Number of people in target market
- ◆ Quality of communication needed
- ◆ Relative costs of promotional elements

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16.7 Push Strategy versus Pull Strategy



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Chapter 16 Video

Pepe's Pizzeria

Pepe's Pizzeria is a popular restaurant located in Connecticut. The CEO discusses the thought process behind their marketing strategy, how promotions work for Pepe's and the general location strategy that comes into play when opening new locations.

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