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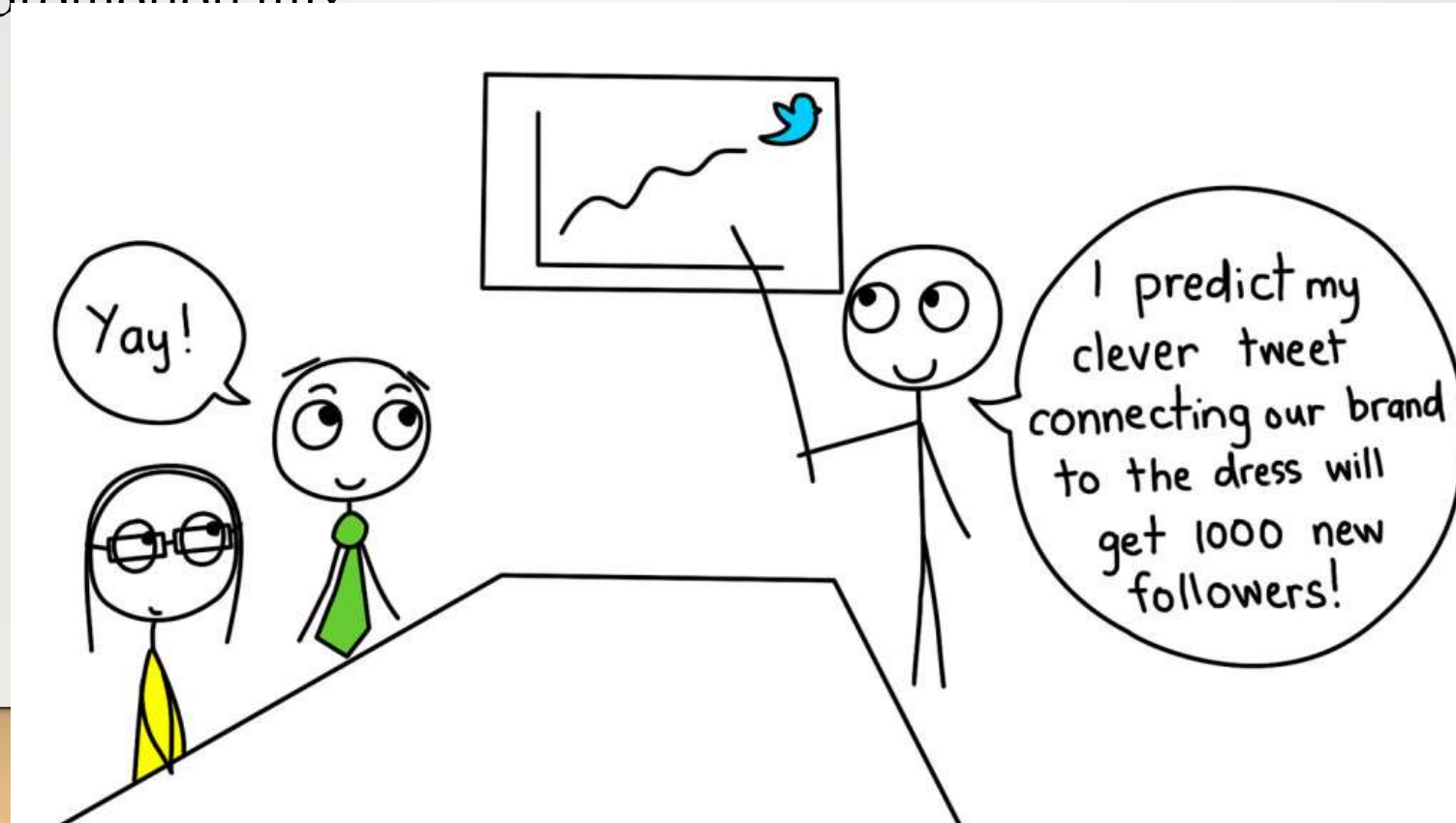
E-Content BBA402- Marketing Management

Lecture 28- Promotion

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The Promotion Mix

There are many different marketing communication methods that can be used in the promotion mix



THE PROMOTION MIX:

MARKETING COMMUNICATION METHODS



Channel Structures

While channels can be very complex, there is a set of channel structures that can be identified in most transactions:

- Direct channel
- Retail channel
- Wholesale channel
- Agent channel

Key Message Should:

- Express the main idea you want people to understand and remember about your offering
- Resonate with the audience you are targeting
- Articulate clearly and concisely what you need to communicate about



Traits of Good Key Messages:

- Concise
- Simple
- Strategic
- Convincing
- Relevant
- Memorable
- Tailored



MESSAGING FRAMEWORK





Refine Your Message

- Alignment
- Hearts and Minds
- Strategy
- Differentiation
- Tone
- Clarity
- Inspiration

Example: HighFive's Messaging

- Brand Promise: Video conferencing you can actually love
- Positioning Statement: Highfive is the first video conferencing product designed to connect every employee and every conference room in your entire company
- Target Audience: 1, C-level Executive (influencer); 2, Director of IT (buyer); and 3, End-user (user)
- Mission: Our mission is to make every conversation face-to-face
- Tone of Voice: Empowering, progressive, human, and cheeky

Example continued: High Five Elevator Pitch

- Elevator Pitch: High five is video conferencing you can actually love. We believe teams work best face-to-face. That's why we designed the first video conferencing product designed to connect every person and room in an organization. Highfive provides an all-in-one video conferencing hardware device that plugs into any TV screen, turning any ordinary meeting room into a video room. Highfive also provides cloud apps, which allow employees and guests to simply click a link from any laptop or mobile device and instantly connect face-to-face with anyone, anywhere. The hardware device costs the same as a high-end iPad and the cloud apps are free. We think video shouldn't be a boardroom luxury. It should be available everywhere.

- Brand Pillars

Example continued: HighFive Brand Pillars

- Easy

- **Headline benefits:** Highfive is beautifully simple video conferencing you can start or join with a single click.
- **Supporting examples:** Join calls from your calendar, SMS, or email by clicking a URL, hand off video calls from your personal device to a meeting room TV with a swipe or click—no remote control needed. 5-minute plug and play setup.

- Everywhere

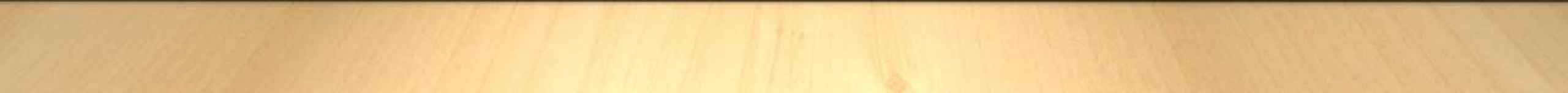
- **Headline Benefits:** Twenty conference rooms for the price of one Cisco or Polycom system.
- **Supporting Examples:** Comparable systems cost, about 15 thousand per room. At the price of an iPad, Highfive can be deployed in every room. Free apps let people stay connected at their desks or on the go.

- Enterprise

- **Headline Benefits:** Built for businesses, not social networking.
- **Supporting Examples:** Must sign up with work email address, domain-based security model, enterprise reliability and security built by the same people that built Google Apps for Business.



Standard Marketing Campaign Planning Steps:

- Determine the target market
 - Determine purpose and objectives for the IMC campaign
 - Set S.M.A.R.T. goals
 - Define the message
 - Select marketing communications methods and tools
 - Determine the promotional mix: which tools to use, when, and how much
 - Execute the campaign
 - Measure results and refine approach, as needed
- 

The AIDA Model

- A represents attention or awareness, and the ability to attract the attention of the consumers
- I is interest and points to the ability to raise the interest of consumers by focusing on and demonstrating advantages and benefits (instead of focusing on features, as in traditional advertising)
- D represents desire. The advertisement convinces consumers that they want and desire the product or service because it will satisfy their needs
- A is action. Consumers are led to take action by purchasing the product or service

Campaign Objectives: AIDA Model

AIDA Model Stages	Typical Campaign Objectives
Awareness: Build awareness to motivate further action	Develop brand awareness and recognition Increase traffic to physical or virtual stores, Web sites, or other channels Remind customers about a brand, product, service or category
Interest: Generate interest by informing about benefits; shaping perceptions	Differentiate a product , stressing benefits and features not available from competitors Provide more information about the product or the service because information may be correlated with greater likelihood of purchase Increase demand for a specific product or a product category; generate enough interest to research further
Desire: Create desire; move from “liking” to “wanting”	Build brand equity by increasing customer perceptions of quality, desirability, and other brand attributes Stimulate trial , an important step in building new brands and rejuvenating stagnant brands Change or influence customer beliefs and attitudes about a brand, product, or category, ideally creating an emotional connection
Action: Take action toward purchasing	Reduce purchase risk to make prospective customers feel more comfortable buying a new or unfamiliar product or brand Encourage repeat purchases in the effort to increase usage and brand loyalty Increase sales and/or market share , with the goal of broadening reach within a time period, product category, or segment

Push Strategy

A push strategy places the product in front of the customer, to make sure the consumer is aware of the existence of the product

- Push strategies also create incentives for retailers to stock products and put them in front of the customer.
- Point-of-sale displays that make a product highly visible to consumers
- Retailer incentives to stock and sell products, such as discounted bulk pricing

Pull Strategy

- A pull strategy stimulates demand and motivates customers to actively seek out a specific product.
- Aimed primarily at the end users, rather than retailers or other middle players in the value chain
- Pull strategies can be particularly successful for strong, visible brands with which consumers already have some familiarity
- Examples:
 - Mass-media advertising and promotion of a product
 - Marketing communications with existing customers to make them aware of new products that will fill a specific need
 - Referrals and word-of-mouth recommendations from existing customers

Engagement Strategies

CAMPAIGN STRATEGIES

- Corresponding Well-suited IMC Tactics, Tools


1. INTERACT
2. ENGAGE
3. EMBRACE
4. INFLUENCE
5. CONVINCe
6. EDUCATE
7. INSPIRE
8. NURTURE

1. Social media, events, guerilla marketing efforts
2. Word-of-mouth recommendations, viral sharing, social media
3. Brand community, social media, events, sales, promotions, viral sharing
4. Public relations, thought leadership activities, personal selling
5. Case studies, testimonials, comparisons, free trials, samples
6. Advertising, thought leadership activities, public relations, website and other content making
7. Testimonials, guerilla marketing, events, advertising, case studies
8. Email marketing, content marketing, personal selling.



SMART Goals

- Specific: target a specific area for improvement
- Measurable: quantify or at least suggest an indicator of progress
- Assignable: specify who will do it
- Realistic: state what results can realistically be achieved, given available resources
- Time-related: specify when the result(s) can be achieved



Call to Action

Each touch point should include a call to action aligned with the campaign strategy and goals.

Considerations in Selecting Marketing Communication Methods

- Budget: What is the budget for the marketing campaign, and what resources are available to execute it?
- Timing: Some IMC methods and tactics require a longer lead time than others
- Audience: Effective IMC methods meet audiences where they are
- Existing assets and organizational strength

Advertising

- Advertising is any paid form of communication from an identified sponsor or source that draws attention to ideas, goods, services or the sponsor itself
- Advertising has three primary objectives: to inform, to persuade, and to remind



Public Relations

Public relations (PR) is the process of maintaining a favorable image and building beneficial relationships between an organization and the public communities, groups, and people it serves

Unlike advertising, public relations does not pay for attention and publicity.



Public Relations Techniques

PUBLIC RELATIONS TECHNIQUE

2. INFLUENCER / ANALYST RELATIONS
3. PUBLICATIONS AND THOUGHT LEADERSHIP
4. EVENTS
5. SPONSORSHIPS
6. AWARD PROGRAMS
7. CRISIS MANAGEMENT

• Corresponding Role and Description

1. Generate positive news coverage about the organization, its products, services, people, and activities
2. Maintain strong, beneficial relationships with individuals who are thought leaders for a market or segment
3. Provide information about the organization, showcase its expertise and competitive advantages
4. Engage with a community to present information and an interactive “live” experience with a product, service, organization or brand
5. Raise the profile of an organization by affiliating it with specific causes or activities
6. Generate recognition for excellence within the organization and/or among customers
7. Manage perceptions and contain concerns in the face of an emergency situation

Personal Selling

Personal selling uses in-person interaction to sell products and services. This type of communication is carried out by sales representatives, who are the personal connection between a buyer and a company or a company's products or services.





Sales Promotion

Consumer Sales Promotions

Coupons

Sweepstakes or contests

Premiums

Rebates

Samples

Loyalty programs

Point-of-purchase displays

B2B Sales Promotions

Trade shows and conventions

Sales contests

Trade and advertising allowances

Product demonstrations

Training

Free merchandise

Push money



Digital Marketing

Digital marketing is an umbrella term for using a digital tools to promote and market products, services, organizations and brands. Email and mobile marketing overlaps with direct marketing. Other essential tools in the digital marketing tool kit: Web sites, content marketing and search-engine optimization (SEO), and social media marketing.

Direct Marketing

- Direct marketing activities bypass intermediaries and communicate directly with the individual consumer. Direct marketing can be a powerful tool for anticipating and predicting customer needs and behaviors. Over time, as companies use consumer data to understand their target audiences and market dynamics, they can develop more effective campaigns and offers. Among the leading disadvantages of direct marketing is the concern about privacy and information security.



Direct Marketing (continued)

- Direct marketing activities bypass intermediaries and communicate directly with the individual consumer
- Direct marketing can be a powerful tool for anticipating and predicting customer needs and behaviors
- Over time, as companies use consumer data to understand their target audiences and market dynamics, they can develop more effective campaigns and offers
- The disadvantage of direct marketing are concerns about privacy and information security

Social Media Marketing

1. Social media marketing is the use of online applications, networks, blogs, wikis, and other collaborative media for communicating brand messaging, conducting marketing, public relations, and lead generation
2. The three main objectives are:
3. Creating buzz
4. Fostering community
5. Facilitating two-way communication

Social Media Tools

- **Blogs:** Long- or short-form medium for communicating with audiences
- **YouTube:** Video-hosting social media site
- **Twitter:** Short-form (140 character) “microblogging” medium that is intended for text and image sharing
- **Facebook:** Long-form (up to 2,000 characters per post) medium for sharing text, images, videos, and other multimedia content
- **Instagram:** Image-based social network that is intended as a visual medium. Does not have capabilities to drive click-through rate (CTR) because posts offer no link option

Social Media Tools (continued)

- **Google+:** Long-form medium for sharing text, images, videos, and other multimedia content
- **Pinterest:** Medium for sharing photos and visual content categorized by theme
- **LinkedIn:** Long- or short-form medium for sharing text, images, videos, and other multimedia content targeted to the business community



Guerrilla Marketing

Guerrilla marketing is a relatively new marketing strategy that relies on unconventional, often low-cost tactics to create awareness of and goodwill toward a brand, product, service, or even a company

Guerilla Marketing Tactics

- **Graffiti:** Graffiti marketing, a subset of guerrilla marketing, turns walls, alleys, and streets into larger-than-life canvases for marketing activity.
- **Stencil graffiti:** Use of stencils to create repeated works of graffiti, with the stencils enabling the project team to rapidly recreate the same work in multiple locations. Stencils tend to be smaller-scale and simpler than classic graffiti art.
- **Undercover, or stealth marketing:** Use of marketers or paid actors to go “undercover” among peers to engage unsuspecting people in a marketing activity of some sort. For example, attractive actors are paid to strike up conversations, rave about a new mobile device, and then ask people to take a photo using the device, so that they get hands-on experience with the product in question.

Guerilla Marketing Tactics (Continued)

- **Stickers:** Inventive use of stickers as a temporary medium for creating an image, posing an illusion, or conveying a message
- **Flash mobs:** A group of people organized to perform an action at a predetermined place and time; usually they blend in with bystanders initially and then join the “mob” activity at the designated moment, as in the Do Re Mi video, above.
- **Publicity stunts:** Extraordinary feats to attract the attention of the general public, as well as media
- **Treasure hunts:** Staging an activity or event that appears real, but in fact is a fake, for the purposes of drawing attention and making a statement
- **Sham events:** Staging an activity or event that appears real, but in fact is a fake, for the purposes of drawing attention and making a statement

Tools of Marketing and AIDA Stages

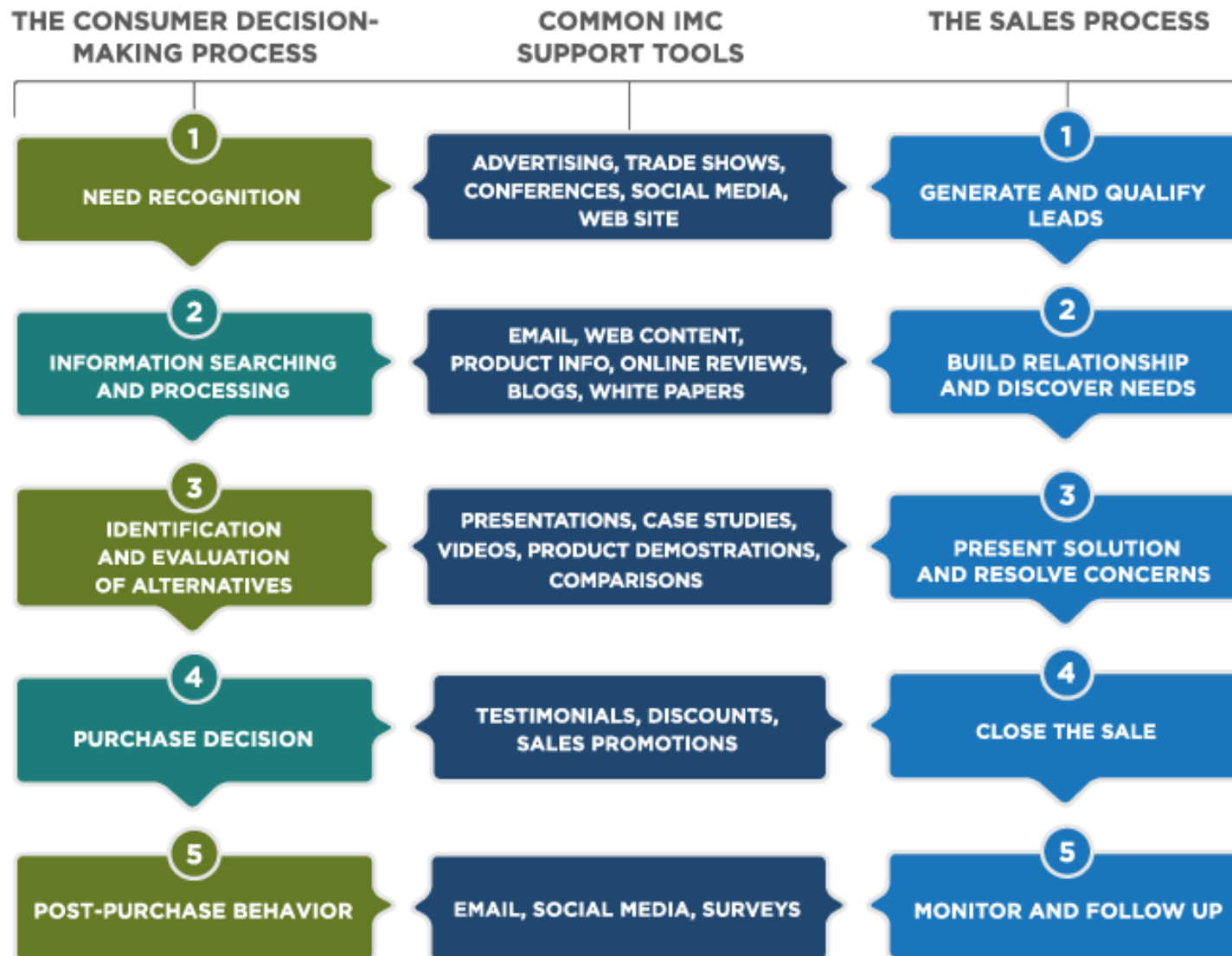
- Advertising is particularly well-suited to awareness-building
- Public relations activities often focus on generate interest, educating prospective customers and sharing stories that create desire for a product or brand. Similarly, experiential events can create memorable opportunities to interact with product, brands and people.
- Personal selling typically focuses at the later stages of the model, solidifying desire and stimulating action
- Tools for any stage of AIDA: Sales promotions, Direct marketing, Digital marketing, Guerrilla marketing

The Sales Process

PARALLEL PROCESSES: BUYING AND SELLING



IMC SUPPORT FOR THE SALES PROCESS



Goals of CRM Systems

1. capture new leads and move them through the sales process
2. support and manage relationships with current customers to maximize their lifetime value to the company
3. boost productivity and lower the overall costs of marketing, sales, and account management



The Power of CRM

CRM systems are transformational for marketing communication because they allow marketers to use customer data to personalize their interactions to fit the unique needs of individuals

Key Performance Indicators

- A KPI is something measurable that indicates the progress an organization is making toward its business objectives
- They can be determined for each level of the organization: company, department, team, campaign, marketing tactic
- Must be aligned to business objectives

Monitoring KPIs: KPI Dashboard Example





Some Examples of Business Objectives and Related KPIs

1. Market Share

- Market share in category
- Relative market share (share relative to largest competitors)

2. Lead Generation

- Number of qualified leads
- Cost per lead (by source/platform)
- Traffic source breakdown

3. Build Brand

- Brand awareness
- Brand equity
- Price premium
- Brand valuation
- Share of voice: mentions of your brand/mentions of others
- Brand community membership



Campaign Plan Components

1. Promotional mix
2. Resource and budget requirements
3. Timing
4. Ownership
5. Measurement

Example: Promotional Mix Budget Template

- Promotional Mix Elements
 - 10% Direct Marketing: email campaigns – \$500 Allocated
 - 10% Digital marketing: Web-site messaging update; contest pages, social media – \$500 Allocated
 - 25% Advertising: sidewalk sandwich boards, localized digital ads in Facebook – \$1,250 Allocated
 - 45% Sales promotion: coupons, create-a-flavor contest, sidewalk samples, in-store posters – \$2,250 Allocated
 - 10%: Public relations: press releases – \$500 Allocated
 - **Total Budget Allocated – \$5,000**

Item	Purpose	Cost Estimate
Email-campaign template	Direct marketing: professional design for standard email template for use in multiple campaigns	\$500
Web-site contest pages, internal ads	Digital marketing: professional design for Web pages and forms for create-a-flavor contest, sidewalk tasting events, internal site “ads” for contest	\$500
Ad design work	Advertising: designer work for sandwich boards, online ads	\$250
Facebook ads	Facebook ads targeting local areas	\$650
Sandwich boards	Advertising: three sandwich boards for display outside shops	\$350
Coupons, contest fliers, in-store posters	Sales promotion: design and production to match other campaign-related materials	\$400
Coupon value	Sales promotion: estimated cost of redeemed coupons	\$350
Sidewalk sample cost-of-goods	Sales promotion: cost of ingredients, materials, extra labor for executing sidewalk tasting events	\$1,500
Press releases	PR firm assistance with press release writing, local distribution	\$500
Internal labor	Employee labor to execute campaign	25% FTE
Total	All costs excluding employee labor	\$5,000

Example: Budget-Detail Template List

Item, purpose, and cost estimate

- Email-campaign template: Direct marketing: professional design for standard email template for use in multiple campaigns: Estimated Cost \$500
- Web-site contest pages, internal ads: Digital marketing: professional design for Web pages and forms for create-a-flavor contest, sidewalk tasting events, internal site “ads” for contest: Estimated Cost \$500
- Ad design work: Advertising: designer work for sandwich boards, online ads: Estimated Cost \$250
- Facebook ads: Facebook ads targeting local areas: Estimated Cost \$650
- Sandwich boards: Advertising: three sandwich boards for display outside shops: Estimated Cost \$350

Example: Budget-Detail Template List (continued)

Item, purpose, and cost estimate

- Coupons, contest fliers, in-store posters: Sales promotion: design and production to match other campaign-related materials: Estimated Cost \$400
- Coupon value: Sales promotion: estimated cost of redeemed coupons: Estimated Cost \$350
- Sidewalk sample cost-of-goods: Sales promotion: cost of ingredients, materials, extra labor for executing sidewalk tasting events: Estimated Cost \$1,500
- Press releases: PR firm assistance with press release writing, local distribution: Estimated Cost \$500
- Internal labor: Employee labor to execute campaign: Estimated Cost 25% FTE
- **Total: All costs excluding employee labor \$5,000**

Timing	Activity Type	Brief Description	Audience	Owner
3 March	Designer creative brief	Draft a creative brief outlining all campaign elements we want designer to complete	Designer	Martina Hagen
28 March	Design work complete	Approve email template, Web-site updates, digital ads, sandwich boards, posters, coupons, fliers	Local public, families, foodies	Designer with Martina
5 April	Production of print materials	Complete production of posters, sandwich boards, coupons, fliers	Local public, families, foodies	Martina Hagen
6 April	Employee briefing	Conduct campaign-information sessions with employees; share campaign materials, go through frequently asked questions	Employees	Martina Hagen with store managers
7 April	Campaign launch: in-store	Prepare in-store display for campaign: posters, fliers, coupons, contest information	Store customer	Store managers
7 April	Campaign launch: digital	Activate and test website updates and campaign pages/forms; send targeted campaign email messages about contest and sidewalk tasting events	Store "friends" email list; purchased residential email list	Martina Hagen

Example: Campaign Action Plan Template List

Timing, Activity Type, Brief Description, Audience and Owner

- March 3, Designer creative brief: Draft a creative brief outlining all campaign elements we want designer to complete: Audience is Designer, Owner is Martina Hagen
- March 28, Design work complete: Approve email template, Web-site updates, digital ads, sandwich boards, posters, coupons, fliers: Audience, Local public, families, foodies: Owner Designer with Martina
- April 5, Production of print materials: Complete production of posters, sandwich boards, coupons, fliers: Audience, Local public, families, foodies: Owner Martina Hagen
- April 6, Employee Briefing: Conduct campaign-information sessions with employees; share campaign materials, go through frequently asked questions: Audience is employees: Owner is Martina Hagen with store managers

Anticipate Risks and Threats

- People: Can you count on key individuals?
- Technology: Will technology work effectively?
- Funding: Is there enough money to support the campaign? How can the campaign stay on budget?
- Innovation: Anything new and untested represents risk
- Competition: How might competitors gain advantages over, attack, or undermine your business?
- Economy: What if an economic downturn creates uncertainty and lower spending?
- Communication: How can you inform stakeholders and coordinate the campaign?
- “Acts of God”: What will you do in case of a natural disaster?
- Weaknesses from organization’s SWOT Analysis

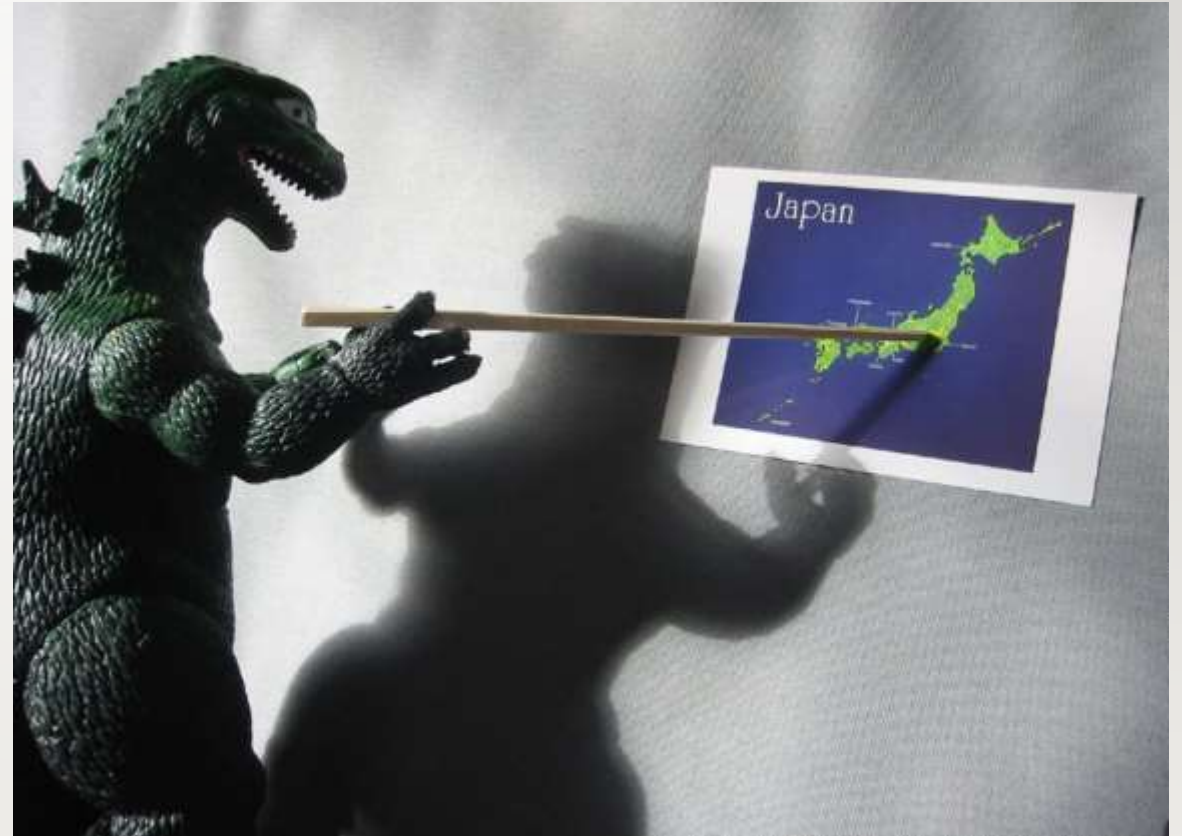
Create Contingency Plans

- Which threats are significant?
- Create contingency plans for anything that is of particular concern



Practice Question

Why is it important to make a plan for a marketing campaign?



Quick Review

- What is integrated marketing communication (IMC) how does it connect to the organization's marketing strategy?
- How do organizations develop effective messaging for marketing communications?
- What factors should you consider when selecting marketing communication methods to execute the strategy?
- What are common methods of marketing communication, their advantages and disadvantages?
- How do IMC tools support the sales process?
- How are Customer Relationship Management (CRM) systems used for marketing communication purposes?
- What common tools and approaches are used to measure marketing communication effectiveness?
- How do marketers create a marketing campaign and budget using multiple IMC tools to execute a marketing strategy?