# Survey of Advertising

## November 28, 2012

* **Role of Personal Selling in IMC**
  + **What is it?**
    - Interpersonal communication process by which a seller ascertains and then satisfies the needs of a buyer, to the mutual, long-term benefit of both parties
  + Communication functions of sales representatives
    - Gathering information for company
    - Providing information to customers
    - Fulfilling customer orders
    - Building client relationships
* **Types of Direct Marketing**
  + **Personal** 
    - Advantages
      * Most persuasive
      * Best way to establish a relationship
      * Interactive
    - Drawbacks
      * Labor intensive
      * Cost
      * Reputation
      * Easy to ruin a relationship
  + Telemarketing
    - Advantages
      * Cost
      * Customer acceptance
      * Interactive
    - Drawbacks
      * Roughly the same as personal selling
* **Role of Sales Promotion in IMC**
  + **Value-added tool to accelerate product’s movement from producer to consumer**
  + **Examples**
    - Rebates, coupons, sweepstakes or contest, special pricing, sponsorships, and freebies
  + **Positive effects on brand volume**
  + **Negative effect on brand value**
  + **Negative Impact of Excessive Promotions**
    - Consumers get used to discounts and are unwilling to buy at the original price.
      * Forces the brand to drop prices
    - Lowers the brand value in consumers minds
    - Low brand value results in lower volume of sales
    - 60% (Trade & Promotion) + 40% (Advertising)
      * Promotion at the expense of advertising hurts profits
  + Snapple used sales promotion and product positioning to advertise its mango madness flavor
* **Sales Promotion: Push Strategies**
  + **Pushing the product from the manufacturer to the retailer to the consumer**
  + Producer (Marketing Communications) -> Resellers (Marketing Communications) -> End Users
  + **Functions:**
    - Secure cooperation of retailers
    - Geared towards retailers
    - Gain shelf space
    - Protect product against competition
    - E.g. Trade promotions (sales promotions aimed at retailers)
  + Types of Trade Promotions
    - Slotting allowances – Picking the shelf that would be used
    - Display allowances – self explanatory
    - Buyback allowances – buys back their old stuff, so the shelf space is gone so they can put their new product back in.
    - Dealer premiums and contests – Motivate the retailers to sell their product faster. If you sell X shoes we’ll give you X amount of money. This is a flat amount
    - Push money or spiffs – Providing commission to the actual sales person. Commission based.
    - Co-op advertising – Retailer and manufacturer make the advertising together. Primarily in automotive industry.
    - Meetings/conventions – Self explanatory
* **Sales Promotion: Pull Strategies**
  + **End User (Requests Products) -> Resellers (Requests Products) -> Producer which markets the product towards the end user**
  + **Functions**
    - Attract customers and increase product demand
    - Geared towards consumers
    - E.g. Advertising and sales promotion
  + **Types of Sales Promotions**
    - P-O-P Materials
      * Point of purchase materials. Displays that are put near a cashier. Candy, coke, pepsi, etc
    - Refunds and Rebates
    - Coupons
    - Premiums
      * When you get a free gift or a low price
    - Sampling
      * Dunkin donuts example. Come by the galleria to try the new dunkin donuts coffee
    - Contests/Sweepstakes