

# Review of Lectures

- **Fundamentals of Marketing**
  - Definition of marketing
  - Marketing goals
  - Marketing process
- **Marketing Management**
  - Building Profitable Customer Relationships
  - Marketing Challenges into the Next Century
  - Social Criticisms of Marketing

# Review of Lectures

- **Marketing Environment**
  - The Company's Microenvironment
  - Company's Internal Environment
  - Company's Macroenvironment
  - Responding to the Marketing Environment
- **Market Segmentation**
  - What is positioning??
  - Factors affecting customers 'buying behavior
  - Critically review the journal article
- **Product**
  - What is a Product?
  - Product Classifications
  - New product development process
  - Product Life-Cycle
  - New-Product Pricing Strategies
  - Price-Adjustment Strategies

# Review of Lectures

- **Creating Competitive Advantage**
  - What is Competitive Advantage??
  - Steps in Analyzing Competitors
  - Types of Competitors
  - Direct vs. Indirect Competition
  - The Key to Competitive Advantage
  - Steps in Customer Value Analysis
- **Pricing**
  - What is price?
  - Factors to Consider when Setting Prices
  - General Pricing Approaches

# **Chapter 07**

# **Promotion**

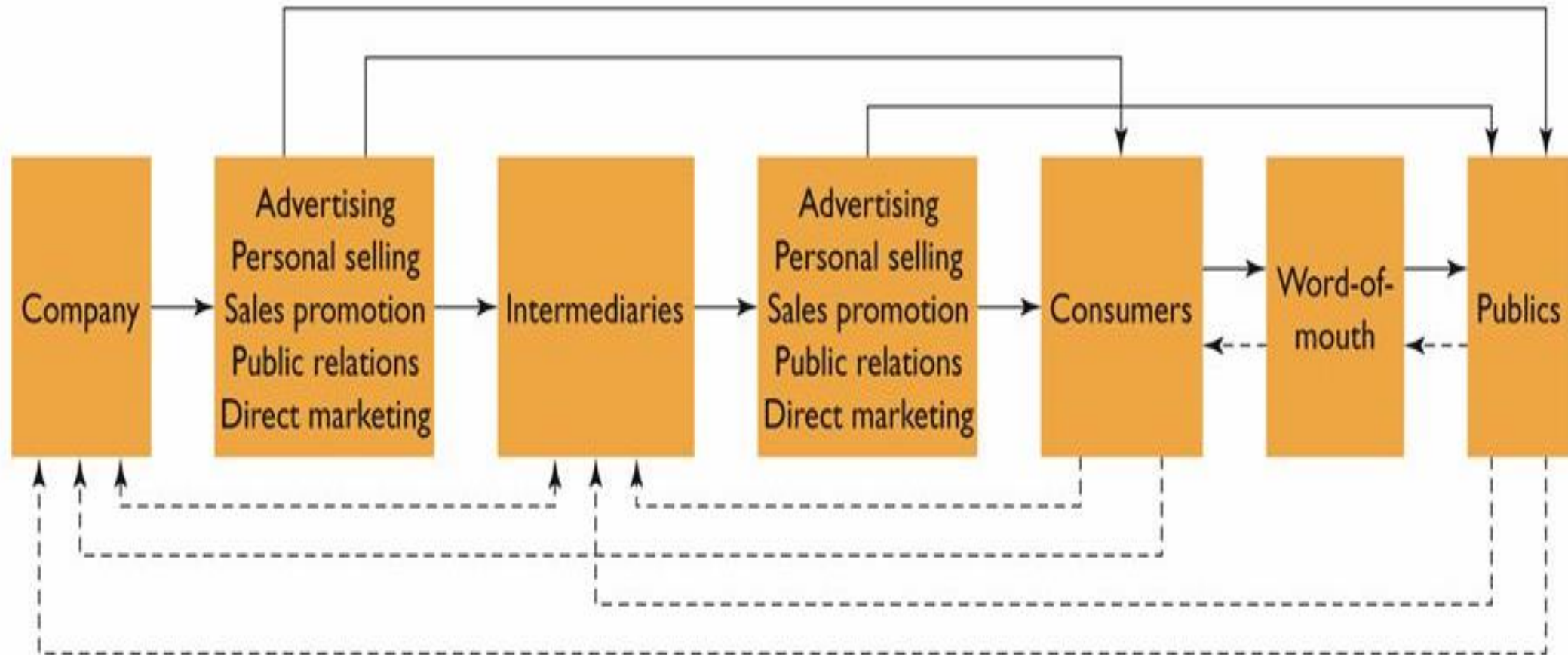
# Importance of Promotion

- Modern marketing calls for more than just developing a good product, pricing it attractively, and making it available to target customers.
- Companies must also *communicate* with their customers, and what they communicate should not be left to chance.
- To communicate well, companies often hire:
  - advertising agencies to develop effective ads,
  - sales promotion specialists to design sales-incentive programs,
  - direct-marketing specialists to develop databases and interact with customers and prospects by mail and telephone, and
  - public relations firms to develop corporate images

# What is Promotion Mix??

- It is a company's total marketing communications mix which consists of the following:
  - *Advertising* — Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
  - *Personal selling* — Oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales and building customer relationships.
  - *Sales promotion* — Short-term incentives to encourage the purchase or sale of a product or service.
  - *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

# The Marketing Communication System



# Steps in Developing Effective Communication

- *Identifying the Target Audience*

- A marketing communicator starts with a clear target audience in mind. The audience may be potential buyers or current users, those who make the buying decision or those who influence it.
- The target audience will heavily affect the communicator's decisions on '*what* will be said, *how* it will be said, *when* it will be said, *where* it will be said and who will say it.

- *Determining the Communication Objectives*

- Once the target audience has been defined, the marketing communicator must decide what response is sought. Of course, in many cases, the final response is *purchase*. But purchase is the result of a long process of consumer decision making.
- The marketing communicator needs to know where the target audience now stands and to what state it needs to be moved. To do this, he or she must determine whether or not the customer is ready to buy.



# Steps in Developing Effective Communication

- *Designing a Message*
  - Having defined the desired audience response, the communicator turns to developing an effective message. Ideally, the message should get *Attention*, hold interest, arouse *Desire* and obtain *Action*.
  - In putting the message together, the marketing communicator must decide what to say (*message content*) and how to say it (*message structure and format*).
- *Selecting the Message Source*
  - Messages delivered by highly credible sources are more persuasive. Pharmaceutical firms want doctors to tell about their products' benefits because doctors rank high on expertise in their field, so they have high credibility.
  - Many food companies promote to doctors, dentists and other healthcare experts to motivate these professionals to recommend their products to patients.

# Steps in Developing Effective Communication

- *Choosing Media*

- Personal communication channels

- It refers to two or more people communicate directly with each other. They might communicate face to face, over the telephone, through the mail or even through an internet 'chat'.

- Non-personal communication channels

- It denotes the media that carry messages without personal contact or feedback.
    - They include major media, atmospheres and events. Important media consists of print media (newspapers, magazines, direct mail); broadcast media (radio, television); and display media (billboards, signs, posters).

# Steps in Developing Effective Communication

- *Collecting Feedback*

- After sending the message, the communicator must research its effect on the target audience.
- This involves asking the target audience members whether they remember the message, how many times they saw it, what points they recall, how they felt about the message, and their past and present attitudes towards the product and company.
- The communicator would also like to measure behavior resulting in the message - how many people bought a product, talked to others about it or visited the store.

# Steps in Developing Effective Communication

**Identify the target audience**



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graph TD; A[Identify the target audience] --> B[Determine the communication objectives]; B --> C[Design the message]; C --> D[Choose the media to send the message]; D --> E[Select message source and collect feedback];
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The diagram is a vertical flowchart with five steps. Each step is contained within a rectangular box with rounded corners. The boxes are arranged in a descending staircase pattern from top-left to bottom-right. The first box is orange, the second is a lighter orange, the third is a reddish-brown, the fourth is a darker brown, and the fifth is grey. Downward-pointing arrows connect the bottom-right corner of one box to the top-right corner of the next box below it.

**Determine the communication objectives**

**Design the message**

**Choose the media to send the message**

**Select message source and collect feedback**

# Buyer Readiness Stages

