CHAPTER FOURTEEN
Promotion – Introduction to Integrated Marketing Communications

When we finish this lecture you should

1. Know the advantages and disadvantages of the promotion methods a marketing manager can use in strategy planning.
2. Understand the integrated marketing communications concept and why most firms use a blend of different promotion methods.
3. Understand the importance of promotion objectives.
4. Know how the communication process affects promotion planning.
5. Know how direct-response promotion is helping marketers develop more targeted promotion blends.

6. Understand how customer-initiated interactive communication is different.
7. Know how typical promotion plans are blended to get an extra push from middlemen and help from customers in pulling products through the channel.
8. Understand how promotion blends typically vary over the adoption curve and product life cycle.
9. Understand how to determine how much to spend on promotion efforts.

Promotion and Marketing Strategy Planning (Exhibit 14-1)

Several Promotion Methods Are Available

- Personal Selling
- Mass Selling
  - Advertising
  - Publicity
  - Sales Promotion

When we finish this lecture you should

CH 14: Promotion Intro. To Integrated Marketing Communications
CH 15: Personal Selling and Customer Service
CH 16: Advertising & Sales Promotion
Promotion methods
Managing promotion
Effective communication
Blending promotion

Marketing Strategy Planning Process
Sales Promotion Tries to Spark Immediate Interest
(Exhibit 14-2)

<table>
<thead>
<tr>
<th>Aimed at final consumers or users</th>
<th>Aimed at middlemen</th>
<th>Aimed at company’s own sales force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contests</td>
<td>Price deals</td>
<td>Contests</td>
</tr>
<tr>
<td>Coupons</td>
<td>Promotions</td>
<td>Bonus contests</td>
</tr>
<tr>
<td>Trade shows</td>
<td>Sales contests</td>
<td>Meetings</td>
</tr>
<tr>
<td>Point-of-purchase materials</td>
<td>Calendars</td>
<td>Portfolios</td>
</tr>
<tr>
<td>Banners and streamers</td>
<td>Gifts</td>
<td>Displays</td>
</tr>
<tr>
<td>Frequent buyer programs</td>
<td>Trade shows</td>
<td>Sales aids</td>
</tr>
<tr>
<td>Sponsored events</td>
<td>Meetings</td>
<td>Training materials</td>
</tr>
<tr>
<td></td>
<td>Catalogs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Merchandising aids</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Videos</td>
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</tr>
</tbody>
</table>

Someone Must Plan, Integrate, and Manage the Promotion Blend

Integrated Marketing Communications

Sales Managers
Advertising Managers
Marketing Managers
Sales Promotion Managers

Which Method to Use Depends on Promotion Objectives

- Informing
- Persuading
- Reminding

Reminding May Be Enough

Promotion Objectives Relate to the Adoption Process and AIDA Mode (Exhibit 14-3)

<table>
<thead>
<tr>
<th>Promotion Objectives</th>
<th>Adoption Process</th>
<th>AIDA Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informing</td>
<td>Awareness</td>
<td>Attention</td>
</tr>
<tr>
<td></td>
<td>Interest</td>
<td>Interest</td>
</tr>
<tr>
<td>Persuading</td>
<td>Evaluation</td>
<td>Desire</td>
</tr>
<tr>
<td></td>
<td>Trial</td>
<td></td>
</tr>
<tr>
<td>Reminding</td>
<td>Decision</td>
<td>Action</td>
</tr>
<tr>
<td></td>
<td>Confirmation</td>
<td></td>
</tr>
</tbody>
</table>

Basic Marketing – Chapter 14
Handout 14-2
Interactive Exercise: AIDA

Promotion Requires Effective Communication
(Exhibit 14-4)

Encoding & Decoding Depend on a Common Frame of Reference
(Exhibit 14-5)

Encoding and Decoding

The Message Channel and Noise Are Important Too
(Exhibit 14-4)

Integrated Direct-Response Promotion Is Very Targeted

More Than Direct Mail
Target Directly With a Database
Ethical Concerns
The Customer May Initiate the Communication Process (Exhibit 14-6)

Ron Popeil has been a pioneer in the use of direct-response television "infomercials." Over the years his infomercials have promoted many products, including the Showtime Rotisserie Barbecue, a food dehydrating machine, and the world-famous "Veg-O-Matic." The chief advantage of the infomercial is that it provides plenty of time to describe and demonstrate a product's benefits in detail.

The choice of the infomercial is related mainly to the ________ element of the communication process.

A. message channel  
B. encoding  
C. decoding  
D. feedback  
E. noise

Checking your knowledge

How Typical Promotion Plans Are Blended and Integrated (Exhibit 14-7)

Other Promotional Elements of Pushing

Pulling – Demand Pulls the Product through the Channel (Exhibit 14-7)

An Example of Pulling

Basic Marketing – Chapter 14
Handout 14-4
Fido, Inc. is a producer of dog food and is getting ready to introduce a new brand. The firm's marketing research department learns that a competitor is planning to launch another brand about two weeks after Fido's launch. Fido's marketing department quickly mails a set of dated coupons to several thousand consumers in a purchased database of dog owners, encouraging them to ask for the new Fido brand in their favorite store and to stock up on the new brand using the coupons. This is an example of:

A. pulling.
B. noise.
C. pushing.
D. encoding.
E. decoding.

### Appeal for Innovators

Because life is too short to waste time. Wouldn't it be nice if your refrigerator could do your shopping on the Internet?

### Stimulating Adoption of an Image

Nature of Competition Requires Different Promotion

It ain't hot at all once the callouses build up on your tongue.
You now

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Key Terms

- Promotion
- Personal selling
- Mass selling
- Advertising
- Publicity
- Sales promotion
- Sales managers
- Advertising managers
- Public relations
- Sales promotion managers
- Integrated marketing communications
- AIDA model
- Communication process
- Source
- Receiver
- Noise
- Encoding
- Decoding
- Message channel
- Pushing

Key Terms

- Pulling
- Adoption curve
- Innovators
- Early adopters
- Early majority
- Late majority
- Laggards
- Nonadopters
- Primary demand
- Selective demand
- Task method