



Reading Assignment

Chapter 13:

Promotion-Introduction to Integrated Marketing Communications

Chapter 14:

Personal Selling and Customer Service

Chapter 15:

Advertising, Publicity, and Sales Promotion

Suggested Reading

See information below.

Course Learning Outcomes for Unit VI

Upon completion of this unit, students should be able to:

1. Discuss the importance of determining value proposition to the consumer.
 - 1.1 Relate the importance of the value proposition to competitive advantage with respect to the promotional strategies of a company.

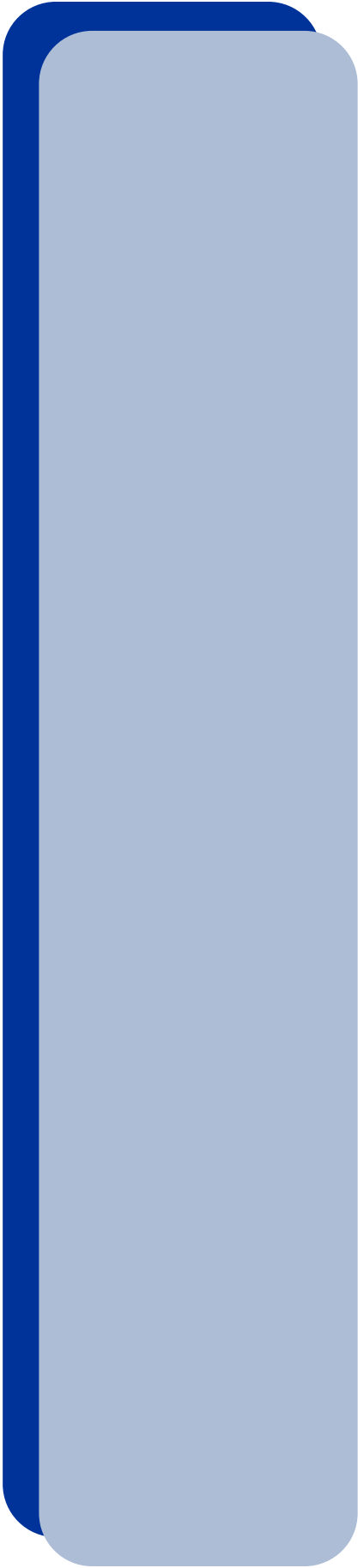
4. Explain how the marketing mix is used to reach the target market.
 - 4.1 Analyze whether a company maintains a competitive advantage in reaching its target market with respect to its promotional strategies.

10. Compare and contrast various factors that influence promotional strategies.
 - 10.1 Explain how a company uses mass communication (advertising and publicity), personal selling, and sales promotions as elements within its promotional strategies.

Unit Lesson

In this unit, we will discuss the promotional strategies of an organization. Many times students will enter this course thinking that marketing is promotion. The reality of it is that promotion is a part of marketing, but as we have already learned, it is not exclusively promotion. Perreault, Cannon, and McCarthy (2015) define *promotion* as the communication of information between the seller and potential buyer or others in the channel in order to influence their attitudes and/or behavior. Integrated marketing communications (IMC) involves coordinating and blending the promotional efforts of an organization in order to provide consistent communication throughout. The idea is to create this consistent and memorable message with all the elements of communication complimenting each other. While this may seem like a relatively simple task, particularly with a small business, ensuring this consistent message on the part of everyone within the organization can be challenging. Maintaining an effective system of IMC within the organization sets it up for a consistent brand image leading to the increased possibility of brand equity within the target market.

Each element of the IMC plays a significant role in developing this preferred brand equity within an organization. Personal selling involves the direct, spoken communication between sellers and potential customers. The art of a good salesperson suggests that they are able to listen to the needs of the consumers. Providing the advantages and disadvantages of their product with the idea of serving the customer is one of the most effective traits of a good salesperson. Salespeople are employed to provide the customer with information, not only about their products but also about the competitors and the industry as a whole. The advantages of employing a salesforce is that they are able to re-direct their marketing efforts based upon the reaction of the consumer. This provides the ability to better influence and serve the needs of that consumer. The largest disadvantage is that personal selling teams are the most costly for an organization. The cost of employing and training an individual is significant. At the end of the day, customers want to understand their purchase and feel like they have made a *good* purchase. Salespeople are in a unique



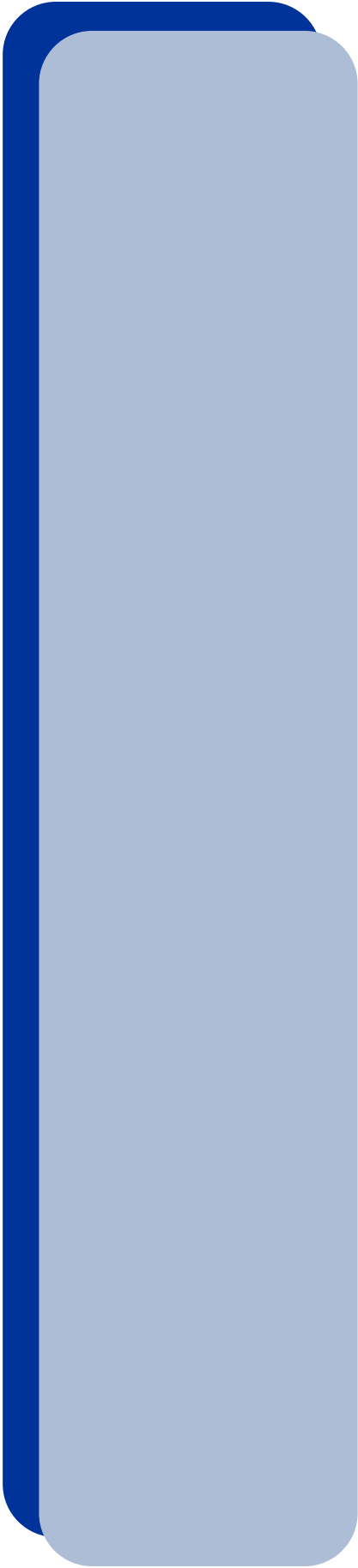
position to provide this service. Beyond the initial purchase, ensuring a solid line of customer service for issues and concerns, as well as an available and knowledgeable technical support team, is crucial to maintaining repeat business.

Mass selling is the communication of information to large groups of potential customers. This includes advertising, which involves any paid form of communication, and publicity, which is any non-paid form of communication. Paid communications involve a variety of modes, including television commercials, and radio spots. Non-paid forms of communication might include a newspaper article about a new product offering by the company. This involves television/cable, direct mail, internet, newspapers, magazines, radio, outdoor/cinema and yellow pages/directories. While there is some degree of targeting based upon time of day, the overall ability to target a certain segment of the population is less than many other means of promotion. Another popular form of advertising is that of contracting for commercials on the National Football League (NFL) Super Bowl Sunday. This event is viewed live and experienced by most of the country at the same time. Because of this, a commercial presence on this broadcast has a great significance and impact for a brand. The costs for advertising with a 30-second spot for this day have been near \$4 million dollars just for the insertion rates. This does not include the costs associated with producing the advertisement. In spite of this, companies believe that Super Bowl advertising is one of the best deals out there. Besides the audience size, viewers also have developed an interest in the commercials. Companies know this and are bringing out the biggest and best with respect to entertainment value. Consumers actually anticipate the commercials to the point of looking for certain company's commercials. Examples of this might include the Budweiser Clydesdales or the E-trade babies. Chatter around the commercials extends well beyond Super Bowl Sunday because YouTube provides a significant second life for these commercials.

Sales promotion refers to everything else beyond the advertising, publicity, and personal selling. This could involve contests, coupons, loyalty plans, pens, t-shirts, trade shows, sponsorships, and samples. These can be aimed at final consumers, wholesalers/retailers, or even the company's own sales force. As these items tend to be less costly than some of the other promotional alternatives, small businesses use these quite frequently. Additionally, companies tend to use these to encourage sales in a mature market.

With the use of each of these elements of the promotional mix, the marketer needs to be cognizant of the rate of adoption of the consumer. Perreault et al. (2015) discuss an adoption curve that demonstrates when certain groups accept ideas. The list below describes the adoption curve tool:

- **Innovators:** This group represents only 3-5% of the population. They are the first to adopt, are risk takers and tend to be young and well-educated. These are the individuals you see camped outside of a store when a new product is coming out the next day.
- **Early Adopters:** This group represents about 10-15% of the population. They tend to be opinion leaders and have a significant amount of contact with the salesperson. These are the individuals that provide for a significant amount of word-of-mouth advertising for the company.
- **Early Majority:** These individuals represent about 34% of the population. These consumers avoid risk and want to ensure that the product is of quality before they make the purchase. These people conduct significant research from a variety of sources before making the purchase.
- **Late Majority:** These individuals account for about 16% of the population and tend to be very cautious about their purchases. They tend to be older and maintain their established buying patterns more than other groups.
- **Laggards or Non-adopters:** These individuals represent 5-16% of the population. These consumers prefer to do things the way they always have and do not adopt new ideas.



In looking at these adoption curve groups, it is notable that the early majority and late majority groups represent about 68% of the entire population. Although marketers need to re-construct their promotional campaigns in reaching each of these groups, these two groups do represent the majority. While the innovators might only need to receive a new product announcement, early adopters need significant salesforce interaction. The early and late majority groups need significant levels of information through a variety of different promotional venues in order to be influenced. Realizing that the laggards probably will not be influenced, marketing dollars might not be well-spent here. Another interesting fact is that consumers could fall into different adoption groups for different product types. For instance, a consumer could be an innovator when it comes to the newest technology while being in the early majority when it comes to clothing, and even in the late majority when it comes to household appliances. Think about where you might fall with respect to your personal purchasing habits with different product types.

In summary, promotion is the communication of product/service attributes to the consumer. The promotional elements include mass selling (advertising and publicity), personal selling, and sales promotions. IMC involves the integration and coordinating of all these promotional elements within a company to project a consistent image of the company and brand.

References

Perreault, W., Jr., Cannon, J., & McCarthy, J. (2015). *Essentials of marketing: A marketing strategy planning approach* (14th ed.). New York, NY: McGraw-Hill.

Suggested Reading

Click [here](#) to access a PowerPoint presentation of the Chapter 13 material.
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Click [here](#) to access a PowerPoint presentation of the Chapter 14 material.
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