

MKTG3307 Notes

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Topic 1: The Role of Promotion in the Marketing Mix

Promotion

Informs, persuades, and reminds potential buyers of a product in order to influence an opinion or elicit a response

Promotional strategy: Plan for the optimal use of the elements of promotion.

Types:

- Advertising
- Public relations
- Personal selling
- Sales promotion
- Social media

Competitive Advantage

One or more unique aspects of an organization that cause target consumers to patronize that firm rather than competitors. Can compete on:

- High product quality
- Rapid delivery
- Low prices
- Excellent service
- Unique features

Marketing Communication - Communication

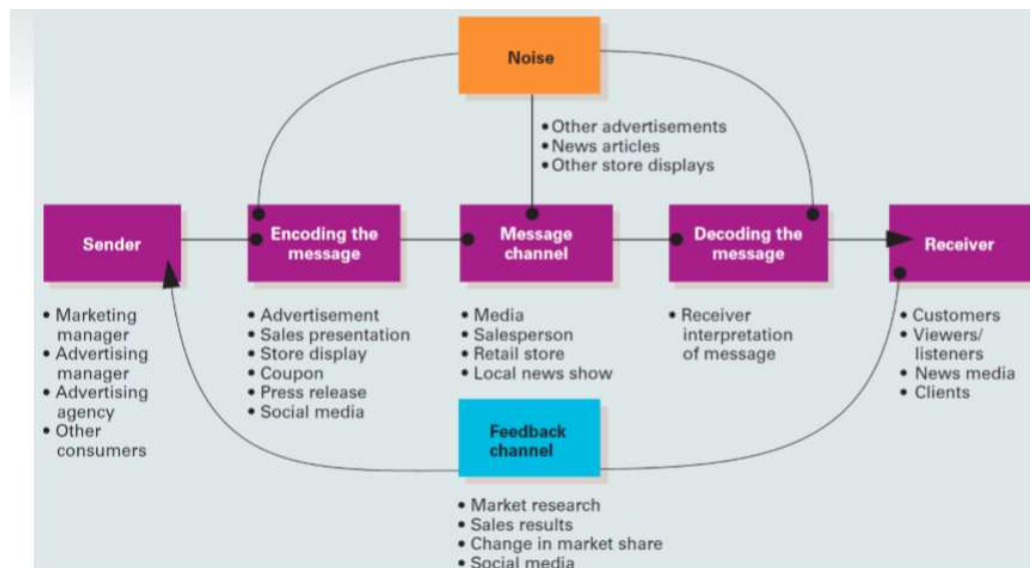
Process by which meanings are exchanged or shared through a common set of symbols

- **Interpersonal communication**
 - Direct, face-to-face communication between two or more people
 - Example - Salesperson speaking directly with a customer
 - i.e. Harvey Norman – always has sales representative to talk to you (2-way communication)
- **Mass communication**
 - Communication of a concept or message to large audiences through a mass medium

The Communication Process:

Marketers can be senders and receivers of messages

- **Senders** - Inform, persuade, and remind the target market to take actions favourable to purchase of product
- **Receivers** - Develop and adapt messages and spot new communication opportunities



Impact of Social Media and Internet on Communication Model

- Consumers are able to become senders as opposed to only brands being senders
- Feedback is primarily shown as impersonal and numbers driven
 - Customers use social media platforms to comment publicly on marketing efforts
 - Platforms enable marketers to personalize the feedback channel through direct communication

Tasks of Promotion

- **Informative** promotion -Converts an existing need into a want or stimulates interest in a new product
- **Persuasive** promotion -Stimulates a purchase or an action
- **Reminder** promotion -Keeps the product and brand in the public's mind
- **Connect** promotion -Forms relationships with customers through social media

Advertising

The Value of History for Understanding Modern Integrated Brand Promotion

- Advertising remains a paid attempt to persuade.
- Traditional advertising and media are still used by advertisers.
- Technology has changed the way people shop, gather information, attend events, and purchase.
- Social media and other forms of digital media are game-changers in industry, yet we need foundations of the brand to serve it justice.
- It is a good idea to understand a brand's history before working on it as an account.

The Rise of Advertising

- The rise of capitalism.
 - Competition for resources, stimulating demand for goods and services.
- The Industrial Revolution: Increase in mass-produced goods that required stimulation of demand.
 - *Principle of limited liability*: Restricts an investor's risk in a business venture to only his or her shares in a corporation (personal assets aren't at risk)
- The emergence of modern branding.
 - **Branding**: Developing brand names to be focused and identified by the consumers.
- Rise of modern mass media.
 - Mass media are supported by advertising.
 - Media vehicles sell audiences to make money.

The Eras of Advertising

- **Pre-industrialization era (pre-1800):**
 - Printed advertisements appeared in news books.
 - Advertisements were dominated by simple announcements by skilled labourers.
 - Features: printed, dailies (printed daily), heavy copy, regulations.
- **The era of industrialization (1800-1875):**
 - Circulation of the dailies.
 - New opportunities due to the railroads and growing urban centres.
 - No laws or regulations to restrict advertisers.
- **The P. T. Barnum era (1875 to 1918):**
 - Advertising was based on consumer culture.
 - Consumer culture: Way of life centered on consumption.
 - Advertising became a full-fledged industry.
 - Brands were preferred to unmarked commodities.

- Pure Food and Drug Act: Required manufacturers to list the active ingredients of their products on their labels.
- Social and cultural changes opened up opportunities for advertisers.
- **The 1920s (1918-1929):**
 - Advertising found respectability, fame, and glamour.
 - Consumers were instructed how to be modern and avoid the pitfalls of this age.
 - Chain of needs: Needs lead to products that lead to new needs, which is remedied by new products that further lead to newer needs and so on.
 - Women became primary target.
 - Role of science and technology began to play.
 - During the 1920s, an important advertising logic is that good times always come with side effects, and then a product to remedy the side effect.
- **The depression era (1929-1941):**
 - The Great Depression changed people's way of thinking about many things.
 - Advertisers responded by adopting a tough, no-frills advertising style.
 - Radio emerged as a new medium.
 - Wheeler-Lea Amendments to the Federal Trade Commission Act -Declared deceptive acts of commerce to be against the law.
- **World War II and the 1950s (1942 to 1960):**
 - Advertised brands were linked with patriotism.
 - Economy and consumption improved.
 - Consumers feared being manipulated by modern science, technology, and subliminal advertising.
 - Subliminal advertising: Subconscious advertising, which influenced consumers to buy things they did not need or want.
 - During the war, advertisers encouraged woman to work outside the home. The advertisers served the interests of government and promoted itself.
 - Ads from the 1950's reflected consumers' fascination with scientific discoveries i.e. IBM ad for new computer – "getting your answers at electric speed!"
- **Peace, love, and the creative revolution (1960 to 1972):**
 - Ads started to take on the themes, the language, and the look of the 1960s.
 - Women and other minorities were portrayed in submissive roles.
 - Characterized by the creatives.
 - Advertising became a symbol of consumption itself.
 - I.e. Pepsi created a generation and traded on the discovery of the vast youth market. Pepsi claimed youth as its own i.e. "Now it's Pepsi for those who think young".
- **The 1970s (1973-1980):**
 - Women and minorities adopt new roles.
 - Self-indulgence was encouraged.
 - Action for Children's Television: Lobbied the government to limit the amount and content of advertising directed at children.
 - Federal Trade Commission (FTC) and National Advertising Review Board: Demanded higher standards of honesty and disclosure from the advertising industry.
 - Growth in communications technology.
 - E.g. Burger King "Have it your way" – foreshadowed the coming trend of customization and featured people of colour in their ads.
 - I.e. Coca-Cola "It's the real thing. Coke." Claiming authenticity is tried and true branding, particularly when it is at the centre of cultural conversations and social disruption.
- **The designer era (1980 to 1992):**
 - Consumption was promoted conservatively.
 - Television advertising was influenced by the rapid cut editing style of MTV.

- **The e-revolution begins (1993 to 2000):**

- Rise of Internet advertising and e-brand promotions Advertisers started demanding results.
 - Interactive media: Allow direct measurement of ad exposure and impact.
- Centres of advertising power moved west.
- Including brand communities i.e. The HOG – The Harley Davison Owners Group – is one of the best examples of a brand community.

Consumer Access, Connections, Branded Entertainment, and the Great Recession (2000 to Present)

- Dot-com bubble burst.
 - Lack of a good Web advertising revenue model.
- Web 2.0: Uses pull strategy. Integration of media.
 - One medium creates brand awareness.
 - Another medium pulls consumers.
 - Another medium engages the consumers.
- Consumers have easier access to information.
- Consumer-generated content (CGC): Consumers can co-create brand messages and brands.
 - Also called post-advertising age.
- Great Recession of 2008–2010:
 - Led to ad budget cuts.
 - Advertisers invested more in branded entertainment and non-traditional advertising and brand promotion.
- E-business: Selling to business customers via the Internet to send messages and close sales.
- Social networking sites enhanced e-commerce through brand communities and personal identity projects.

Branded Entertainment

- Blending of advertising and integrated brand promotion with entertainment.
- Product placement: Placement of brands within films or television programs.

Topic 2 Marketing Communication Strategy Based on Brand Evaluation

Branding

Brand

- Name, term, symbol, design, or combination that identifies a seller's products and differentiates them from competitors' products
- **Brand name:** Part of a brand that can be spoken, including letters, words, and numbers
- **Brand mark:** Elements of a brand that cannot be spoken

Benefits of Branding

- Benefits when a product line contraction occurs
- Product identification
- Brand equity: Value of a company or brand name
- Global brand: Brand that obtains at least one-third of its earnings from outside its home country
- Brand loyalty: Consistent preference for one brand over all others
- New-product sales and repeat sales

Individual Brands versus Family Brands

- **Individual branding**
 - Using different brand names for different products
- **Family branding**
 - Marketing several different products under the same brand name