

PR

tight deadlines considerably compared independent geographical management small
 reputation opinion digital well services such evaluation promotion attitudes
 salaries market well services it relations can work people but agencies pressure
 under vary affairs research in-house to or with sector from as agencies within pressure
 tend consultancies it relations can work people but agencies pressure
 innovative on
 location specialism roles in this industry companies full-service personalised
 depending financial which exciting salary are of higher direct public fast planning
 Senior be development business involves not-for-profit professional For
 includes products positions
 having junior products meet stressful varied highly
 creative

Marketing Communications

Olujimi Kayode

Olujimi Kayode

Marketing Communications



Marketing Communications

1st edition

© 2014 Olujimi Kayode & bookboon.com

ISBN 978-87-403-0674-3

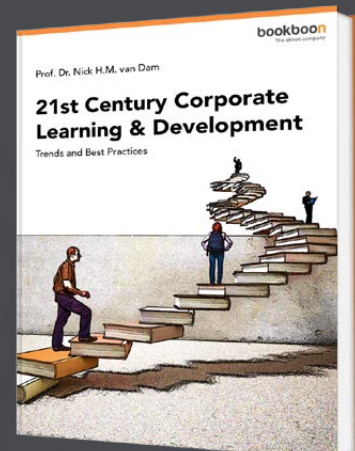
Contents

	Contents	6
1	Fundamentals Of Communication In Marketing	9
2	Consumer Behaviour And Marketing Communication	42
3	Promotion Planning And Techniques	70
4	Advertising Techniques	98
5	Organization And Management Of Advertising Agencies And Advertising Departments	114
6	Advertising Media	139
7	Advertising Research	164

Free eBook on Learning & Development

By the Chief Learning Officer of McKinsey

[Download Now](#)



8	Sales Promotion And Publicity	195
9	Personified Promotion	231
10	Direct Marketing	270
11	Public Relations	283



www.sylvania.com

We do not reinvent
the wheel we reinvent
light.

Fascinating lighting offers an infinite spectrum of possibilities: Innovative technologies and new markets provide both opportunities and challenges. An environment in which your expertise is in high demand. Enjoy the supportive working atmosphere within our global group and benefit from international career paths. Implement sustainable ideas in close cooperation with other specialists and contribute to influencing our future. Come and join us in reinventing light every day.

Light is OSRAM

**OSRAM
SYLVANIA** 

Contents

1. FUNDAMENTALS OF MARKETING COMMUNICATIONS

Marketing communications defined; Nature of information; Consumer information processing model; Basic model of communication process; Framework for analyzing marketing communication process; Language and conception – as elements of communication Sign and Symbol – component of communication; Language and marketing communications; Hierarchy of communications effects; Marketing communications mix; Dyadic communication; Mass communication; Word-of-mouth communication; Group communications; Group communication and marketing strategy; The role of Public Relations in marketing communications; Functions of Public Relations in marketing; Integrated Marketing Communications (IMC).

2. CONSUMER BEHAVIOUR AND MARKETING COMMUNICATIONS

Consumer driven communication strategy; The diffusion process; Types of communication sources; Factors influencing adoption; Group of pre-dispositional factors; Adopter categories; Purchase decision process; Hierarchy of needs; Wants buying motives; The self-concept Perception Attitudes; Learning Cognitive dissonance; Cultural elements in communication; Social influences on promotion; Hereditary family status; Reference groups; Significance of roles in promotion; Life styles; Effect of social conditioning.

3. PROMOTION PLANNING AND TECHNIQUES

Promotional planning and strategy; Component elements of promotional plans; Promotion target determination ranking techniques; Market segmentation; Product or Brand positioning technique; Procedures for selecting target markets; Hierarchy of objectives; Strategic approach to promotion; Planning by time periods; Guidelines for an effective promotion plans; Organizing promotion activities.

4. ADVERTISING TECHNIQUES

The concept of advertising; Advertising defined; Strength and weaknesses of advertising; Investing in a brand; Evaluating an advertisable product; Product positioning; Essential factors in preparing print advertisement; Radio and television production; Copy styles; Creative appeals in advertising copy; Organizing an advertising agency; Selecting an advertising agency Briefing the selected agency; Functions of agencies; Method of agency compensation; Advertising budget; Media mix planning; International promotion and advertising.

5. ADVERTISING MEDIA

Advertising message transmission; Print media – newspapers/magazines Broadcast media – radio and television; Available transmission facilities on radio; Network advertising on radio and television; National spot advertising on radio and television; Local advertising; Spot announcements; Time classification in Day parts on radio and television; Available transmission facilities on television; Electronic media – Internet advertising and World Wide Web (www).

6. ADVERTISING RESEARCH

Research process; Research problem; Research design; Primary data collection methods; Data sources for advertising research; Types of data for advertising research; Sources of secondary data; Other sources of syndicated advertising data; Types of advertising research; Media research; Media vehicle distribution; Media vehicle audience; Copy testing; Pre-testing procedures; Post-testing procedures; Deciding when to use advertising research.

7. OUTDOOR, TRANSIT AND CORPORATE ADVERTISING

Features of outdoor advertising; Outdoor advertising; Transit advertising; Spectacular point-of-purchase advertising; the outdoor advertising media; Corporate or institutional advertising; Image building; Types of corporate advertising; Measuring the effectiveness of corporate advertising; Industrial products promotion campaign.

8. SALES PROMOTION AND PUBLICITY

Sales promotion defined; Forms of sales promotion; Objectives of sales promotion; Below the line advertising; Advertising specialties; Roles of packaging in sales promotion; Resellers promotional support; Developing the sales promotion programme; Merchandising, Exhibitions and trade fairs publicity; Types of communication tools for publicity; Handling negative publicity; Product publicity; Criteria for good publicity release.

9. PERSONIFIED PROMOTION

Personal selling; Personal selling communication process; Peddler and professional salesperson characteristic differences; Skill component needed by a professional salesperson; Fundamentals of sales management; Selling process and stages; The uniqueness of personal selling; Recruitment system; Sales force training; Sales quotas; Sales territory; Sales force management motivation mix; Compensation plan; Evaluation of sales force performance; Categories of personal selling jobs; Determining sales force size; Developing personal selling strategies.

10. DIRECT MARKETING

Direct marketing process; Common channels for direct marketing; Direct response marketing; Catalogue marketing; Telemarketing; Direct marketing through television, print and radio; Kiosk marketing; Automatic vending machine; Online direct marketing channel; Advantages and disadvantages of direct mail; Contents of direct mail package through post; Electronic consumables used by direct marketers; Benefits of direct marketing; Ethical problems in using direct marketing.

11. PUBLIC RELATIONS

Definitions of public relations; History of public relations; Public relations media; Using public relations consultancy service; In-house public relations department; The public relations opinion survey; Evaluation of public relations programmes; Code of ethics.

1 Fundamentals Of Communication In Marketing

MARKETING COMMUNICATION has been defined as the sharing of information, concepts, and meanings about products, services and the organization that sell them, by the source and receiver.

A more elaborate definition is: Marketing Communication is targeted interaction with customers and prospects using one or more media, such as direct mail, newspapers and magazines, television, radio, billboards, telemarketing, and the Internet.

Marketing communications is essentially a part of the marketing mix. The marketing mix defines the 4Ps of marketing, price, place, product and promotion, and Promotion is what marketing communications is all about.

Subsisting within the marketing mix is another, the promotion mix which simply refers to the blend of advertising, selling, public relations and sales promotion. A commonality shared by all elements of the promotional mix is that their function is to communicate.

Before a product is positioned in the mind of a buyer, awareness must first be created through the promotion mix to such extent that the buyer develops positive attitudes about the product or service and the selling firm that may result in a sale being made.

From the marketing point of view, communication or the promotion mix can achieve the following functions:

- **INFORMATION:** especially during the product's introductory stage, when it is newly introduced into the market, and the company is trying to establish primary demand.
- **PERSUASION:** once primary demand has been established, commercial communication can emphasize persuasion in the struggle for brand supremacy. Selective demand for the branded product of a seller may be built through brand names, emotional appeals, repetition, package identification and similar devices. This is done usually at the growth stage in a product life cycle.
- **COMBINED PROMOTIONAL INFORMATION AND PERSUASION:** sellers combine information and persuasion in their promotion message, attempting to expand both primary and selective demands at the same time. This, usually occurs when the product is in the maturity or declining stages of their life cycle.

(Stanley, 1977; Belch and Belch, 1986)

There are three necessary elements for effective communication

- **SOURCE:** such as an organization selling products
- **MESSAGE:** such as information, signs and symbols
- **RECEIVER:** such as consumers and the company's publics

All these three are established in marketing communication.

Market communication, that is, messages flow between the firm which is its source and four main groups of receivers:

1. Consumers
2. Various sales supporting personnel such as wholesalers, retailers and other middlemen in the marketing system
3. Other members of the distribution channels and the marketing system not directly under the control of the selling firm, such as advertising agencies, sales agents and others
4. Material and resource suppliers such as financial and governmental agencies.

Feedback must be present for any meaningful analysis of market communication and its effectiveness. The conclusive market feedback is the knowledge of completed sales as a result of messages. Feedback may also be made through market survey. Feedback information obtained through sales and marketing research is utilized by management to assist in the appraisal of the transmitted messages' results to guide product and sales strategy. It is, as well, to revise communication contents, channels of transmission and forms of communication.

The modern company manages a complex marketing communications system, the firm uses its communication mix of advertising, sales promotion, publicity and personal selling to disseminate marketing and corporate information, to its distribution channel members, consumers and other various publics.

The nature of information communicated to these various groups, goes a long way in making the positive impact that will build corporate goodwill for the company, its products and employees. Researchers have discovered that information has a peculiar nature, with various essential elements to make a targeted impact on its recipients.

(Warshaw and Kinnear, 1983)

NATURE OF INFORMATION

INFORMATION has been defined as consisting of all facts, estimates, predictions and generalized relationships that affect a decision-maker's perception of the nature and extent of the uncertainties associated with a given consumer problem or opportunity.

- **ACTS:** the simplest kind of information is an event or a condition that is directly observed or believed by the individual to be an accurate representation of an event, including internal events such as feelings or emotions.
- **ESTIMATES:** these are based on inferences which can be logical or statistical. An individual prefers to have facts but frequently uses estimates, due to time and cost constraints.
- **PREDICTIONS:** these are beliefs about what will exist in the future.
- **GENERALISED RELATIONSHIPS:** to obtain estimates and predictions, particularly for complex problems, specific facts, concerning specific situations, must be related to each other (cause and effect) and generalized to other similar situations and facts.

INFORMATION PROCESSING: is a series of activities by which stimuli or messages are transformed into information and stored as experience. The processing of information is actively influenced by various external sociological factors and internal psychological or physiological factors that have tendencies to modify, shape or change consumer behaviour.



Discover the truth at www.deloitte.ca/careers

Deloitte.

© Deloitte & Touche LLP and affiliated entities.



Click on the ad to read more

Marketing communication disseminates information about products and their marketers to a target market segment; such information is processed by consumers and feedback manifest in their behaviours toward the message, product or the marketing organization.

CONSUMER INFORMATION PROCESSING MODEL

A consumer processes message or stimuli received, transforms them into information in the brain and stores in memory. Information processing model has four major steps:

1. **EXPOSURE:** occurs when a stimulus or message comes within the range of the individual's sensory receptor nerves.
2. **ATTENTION:** occurs when the stimulus or message activates one or more sensory receptor nerves and the resulting sensations go to the brain for processing.
3. **INTERPRETATION:** is the assignment of meaning to sensations. It is a process whereby stimuli or messages are placed into existing categories of meaning.
4. **MEMORY:** stimuli or messages are transformed into information and transferred through a short-term active component into a long-term storage component. Memory plays a critical role in guiding the perception process, while perception consists of three elements, namely: exposure, attention and interpretation.

Marketing communication aimed at influencing consumer purchase behaviour is transformed in the individual's memory into information and the process of transformation is largely affected by perception, past experiences and other behavioural factors. Information stored in the individual's memory are capable of modifying, reshaping and influencing consumer behaviour.

MARKETING IMPLICATION OF INFORMATION

Exposure of consumers to information is crucial and important; marketers should develop specific strategies to enhance the probability that consumers will be exposed to their corporate and product information. There are three ways to implement this plan:

1. Facilitate intentional exposure
2. Maximize accidental exposure
3. Exposure maintenance

FACILITATE INTENTIONAL EXPOSURE: in the case where consumers' exposure to marketing information is the result of intentional search, marketers should facilitate intentional exposure by making appropriate marketing information available when and where the consumers need it. For instance, to increase sales, International Business Machines Corporation (IBM) trains its retail salespeople to answer consumers' technical questions on the spot so that they don't have to wait while the salesperson looks up the answer. Consumers' search for information should be made as easy as possible. This requires that marketers anticipate consumers' needs for information and devise strategies to meet those needs. For example, some lumber companies cater for the novice do-it-yourself market, by providing in-store seminars on various building techniques such as, how to build a masonry wall, or install a regular door.

MAXIMISE ACCIDENTAL EXPOSURE: marketers should endeavour to place both corporate and product information in environmental setting that maximizes accidental exposure to the appropriate target groups of consumers. For instance, the average person looks at a phone booth for about 14 seconds or more, he or she has enough time to see a message placed at the phone booth. Certain types of retail outlets such as convenience stores, ice cream shops and fast food restaurants located in high traffic positions, intersections, and downtown are prime spots.

A company that adopts and uses a saturation or intensive distribution strategy can easily maximize the chances of accidental exposure.

Most media strategies are intended to maximize accidental exposure to a firm's advertisements. Media planners must carefully select a mix of media such as magazines, billboards, radio and television programming, that maximizes the chances of exposing the target segment to the company's advertisements. Solving this complex problem is crucial to the success of the company's communication strategy in order to have maximum exposure and make beneficial impact on the consumers. Exposure is controlled by using a highly selective distribution strategy. Marketers' most important functions of a company's distribution strategy is to create the appropriate level of exposure for its product and corporate information.

EXPOSURE MAINTENANCE: once exposure has begun, other marketing strategies are intended to maintain exposure level. Television advertisements must generate enough attention and interest so that the consumer will maintain exposure for 30 seconds or more. One tactic is to use distinctive sounds in television commercials. Another is to provide support services in addition to core product or service offered by the marketing firm.

Designing and implementing successful marketing strategies; whether price, product, promotion or distribution strategies, require that marketers consider all aspects associated with these three processes of information dissemination – maximizing and maintaining exposure to the target segment of consumers to the firm's marketing information. Capturing and maintaining the attention of the target consumers. Influencing the target consumers to comprehend the firm's marketing information at the appropriate level of depth and elaboration.

BASIC MODEL OF COMMUNICATION PROCESS

Communication is the process by which one person or an organization conveys meaning from one person to another or from one organization to its publics. Communication is a social process for exchanging information and establishing understanding between two or more parties. Communication is initiated by the sender or source, who creates a message designed to elicit a specific response from the receiver, the message is interpreted according to the receiver's perception and understanding, feedback, in form of action, is then returned to the source.

The process of communication consists of:

1. **SOURCE:** the person or organization that intends to share information, idea or attitude.
2. **MESSAGE:** contains the encoded information to be shared and it is the physical form that can be experienced, seen, heard, felt and understood by the receiver. It is the set of symbols that the source transmits.
3. **ENCODING:** when the source translates the idea, the information, or the emotion into a message form, the source is involved in using encoding skills.
4. **TRANSMISSION:** is the process through which the message-carrying symbols are sent, usually using a channel to the receiver.
5. **DECODING PROCESS:** involves the receipt and translation or interpretation of the information by the receiver.

SIMPLY CLEVER

ŠKODA



We will turn your CV into
an opportunity of a lifetime



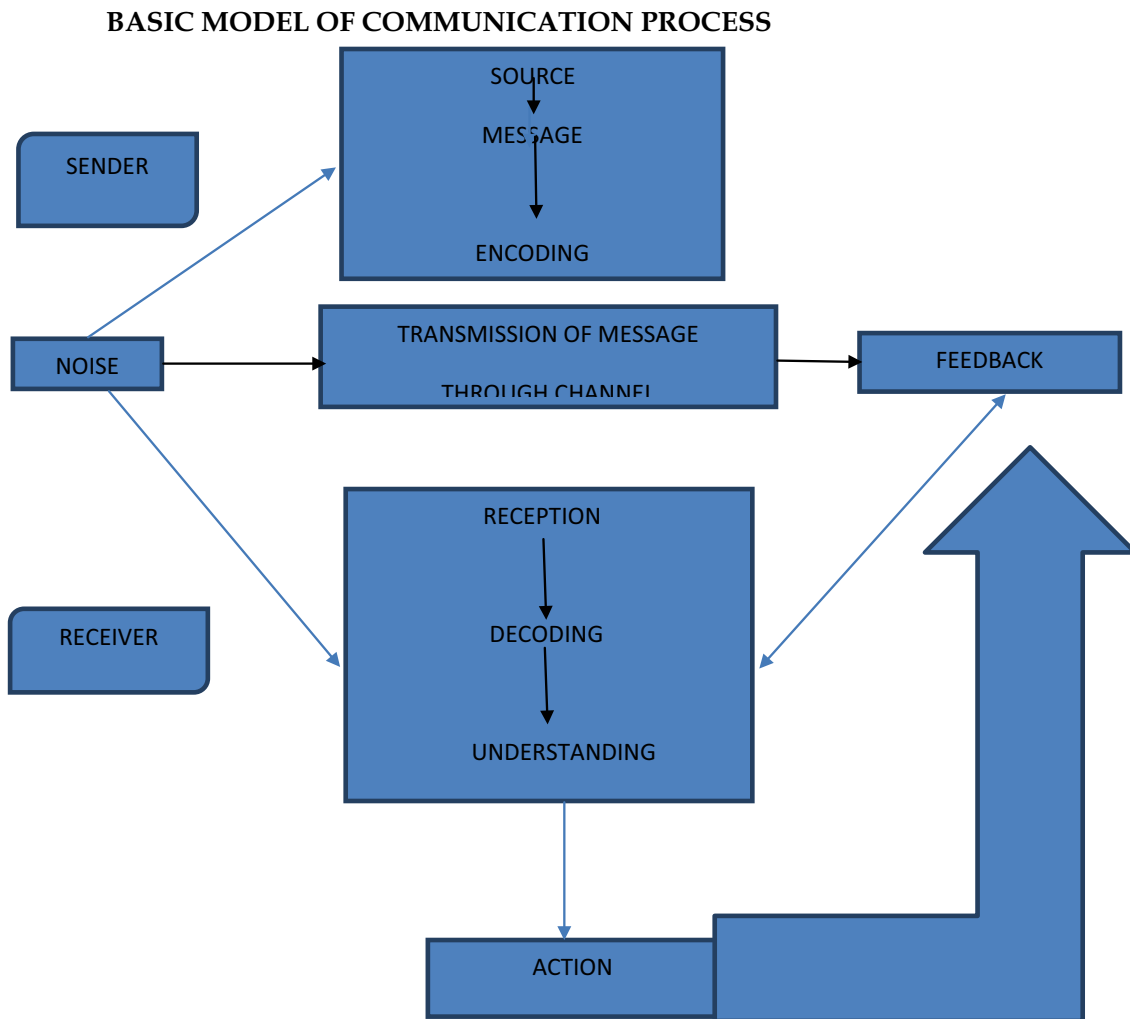
Do you like cars? Would you like to be a part of a successful brand?
We will appreciate and reward both your enthusiasm and talent.
Send us your CV. You will be surprised where it can take you.

Send us your CV on
www.employerforlife.com



Click on the ad to read more

6. **RECEIVER:** the person or group of individuals the message is intended to reach.
7. **FEEDBACK:** reaction to the message as transmitted to the source. This reaction may be verbal, non-verbal, positive or negative, immediate or delayed or purchase action.
8. **NOISE:** consists of factors that distort communication between the source and receiver. Noise includes barriers to communication such as:
 - Differences in perception, or the way persons select, organize and interpret information.
 - Lack of recognition for the product or organization.
 - Information overload, too much information supplied by the source, may result in receiver's confusion of the message.
 - Disorganized sales presentation.
 - Distractions occurring as a result of competitors' messages.
 - Poor and inaccurate message reception.
 - Emotional factors, such as worries, illness and so forth.
 - Language problems.
 - Screening and information filtering or selective perception.
 - Distrust occurring from poor credibility of the source.
 - Wrong timing of message delivery.
 - Physical noisy or confined environment.
 - Poor message presentation occurring from faulty encoding and use of ambiguous symbols.
 - Transmission may be interrupted by static activity in the channel.
 - Decoding may be faulty because the wrong meaning may be attached to words and other symbols.
 - Fear of possible consequences of the change a message will cause.
 - Understanding can be obstructed by prejudices.
 - Selling pressure; a pushy, arrogant selling style can quickly cause the prospect to erect a communication barrier. (Stanley, 1977 and Kelley, 1972)



FRAMEWORK FOR ANALYSING MARKETING COMMUNICATION PROCESS

Based on the model of communication process, a framework can be deduced for analyzing and experiencing the process of marketing communication as follows:

SOURCE

- 1) In promotion, it is usually an organization selling goods, services, or ideas – such as manufacturer, retailer or non-profit organization that constitutes the source.
- 2) The source originates the message, decides its contents and ensures the message transmits the intended meaning to the receiver.
- 3) The source must be credible or believable to the receiver, this is determined through the corporate image designed or otherwise by public relations programmes, utilizing publicity and institutional advertising, all of which add up to building a good company reputation.
- 4) The channel of transmission is important to the source since the receiver can credit the message to the channel – like newspaper, radio station or television station. The receiver may accept message coming through this channels as news or helpful information.

MESSAGE

- 1) The source determines the content of the message, though the message may be created by another organization such as advertising agency or public relations agency.
- 2) Contents input from the source are product features, key copy phrases, photographs and other messages.
- 3) The source may delegate the creation of the message to an advertising agency.
- 4) The source normally partakes in preliminary message planning and reserves the right to approve the final advertisements – that is, the messages, before they appear in the media.
- 5) The final responsibility for the correctness and fitness of its commercial messages rests with the company that is, the source of the message.



The advertisement features a central image of a smiling teacher leaning over a laptop to assist two young children, a boy and a girl. To the right, there are two smaller circular images: one showing three children looking at a book together, and another showing children working at computers in a classroom. The background is a vibrant yellow and orange swirl design. In the top left corner, there is a logo for 'e-learning for kids' consisting of a grid of colorful squares.

- The number 1 MOOC for Primary Education
- Free Digital Learning for Children 5-12
- 15 Million Children Reached

About e-Learning for Kids Established in 2004, e-Learning for Kids is a global nonprofit foundation dedicated to fun and free learning on the Internet for children ages 5 - 12 with courses in math, science, language arts, computers, health and environmental skills. Since 2005, more than 15 million children in over 190 countries have benefitted from eLessons provided by EFK! An all-volunteer staff consists of education and e-learning experts and business professionals from around the world committed to making difference. eLearning for Kids is actively seeking funding, volunteers, sponsors and courseware developers; get involved! For more information, please visit www.e-learningforkids.org.



ENCODING

- 1) Encoding is the process of putting the information and/or persuasive aspects of the communication into message form.
- 2) Signs, symbols and language that have common meanings to both the source and the receiver must be selected.
 - * *A sign is a signal portraying something that has been experienced.*
 - A symbol is composed of signs that collectively have taken on a separate meaning, while language is the vehicle for communication.*
- 3) The signs and symbols have common referents in the perceptual fields of both the receiver and source, the receiver of a message will perceive the same meaning attached to sign, symbols and the language used.

TRANSMISSION

- 1) Transmission is the carrying of the message from the source to the receiver.
- 2) It is accomplished through channels of transmission such as
 - HUMAN VOICE: personal selling and word of mouth
 - PRINT AND BROADCAST MEDIA: advertising and publicity, newspaper and magazine
 - COMBINATION OF CHANNELS – SALES PROMOTION
 - ELECTRONIC MEDIA: internet and World Wide Web,
- 3) Transmission often involves more than one channel that is, Primary and Secondary Channels. For instance, the print media use the WRITTEN WORDS as a primary transmission channel, the PLACEMENT OF THE ADVERTISEMENT in the publication, size and style of type, use of white space, colour and so on, are important secondary channels.

Secondary channel skillfully used are of tremendous aid in getting the intended meaning of the message across to receivers.

NOISE

Noise refers to any distracting factors that can interfere with the reception of the message and its intended meaning. There are two types.

EXTERNAL NOISE: Outside factors competing for the receiver's attention e.g. other advertisements, extraneous conversation or disruptive noises from the environment.

INTERNAL NOISE: The internal state of the receiver like worries, illness, discomfort. Both External and Internal noises can conflict with proper reception of the message and alter or negative its intended meaning. The noise can occur from three stages – source, transmission and receiver.

RECEIVER

- 1) Reception takes place when the receiver perceives the message and it comes into figure in his or her perceptual field.
- 2) The message must reach the receivers' receptors – eyes, ears, nose and so on.
- 3) Receivers pick and choose from various messages sent to them through the use of selective exposure, selective perception, and selective retention.
- 4) The message is screened through the receiver's existing beliefs, opinions and attitudes that is the receiver's cognitive structure.
- 5) If the message is contradictory to the receivers' cognitive structure, it may be rejected, be distorted to fit the cognitive structure.

DECODING

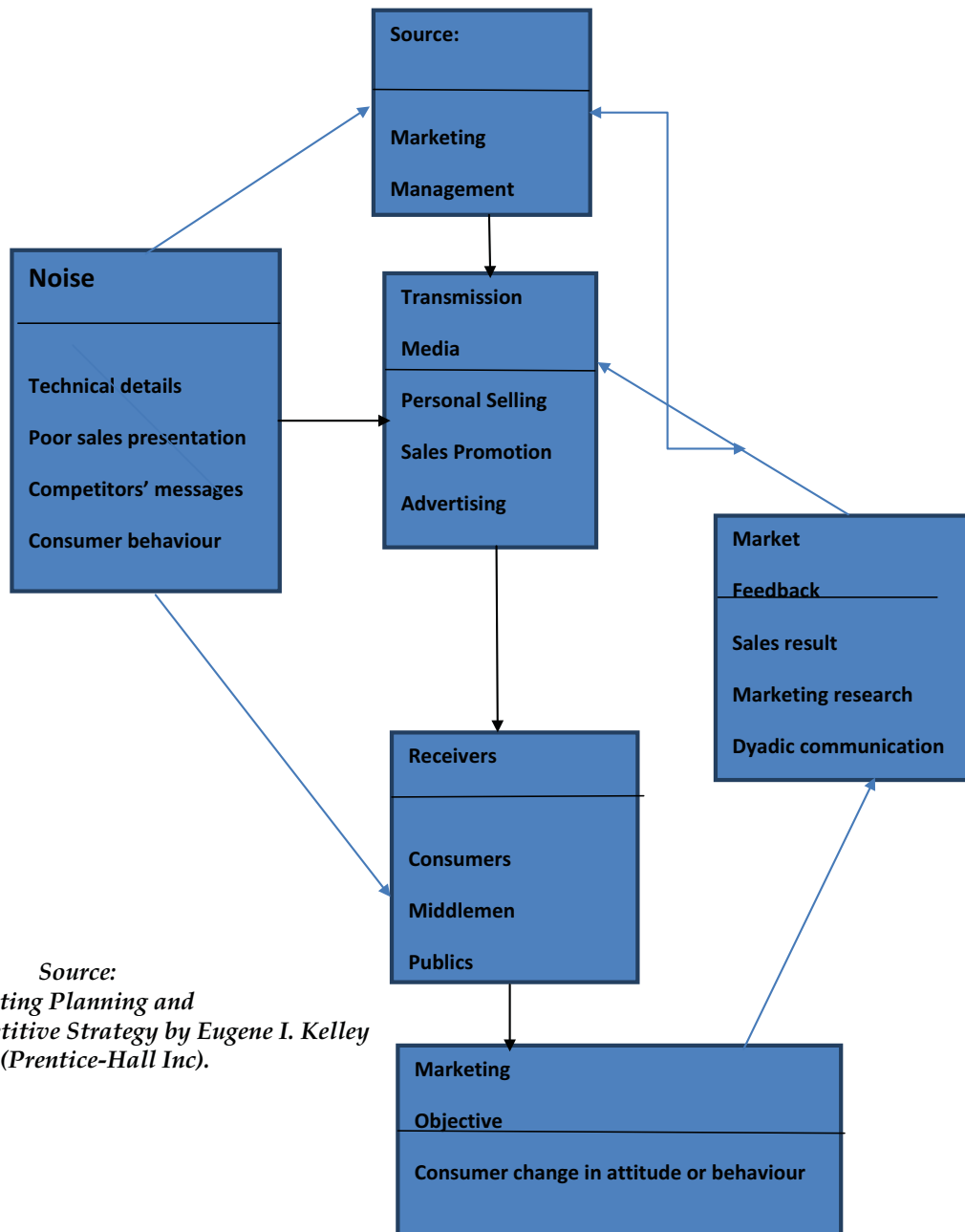
- 1) Decoding is the way the receiver attaches meanings to the signs, symbols and language received in the message.
- 2) The decoded messages are filtered through the receiver's perceptual field and assigned meanings.
- 3) Message content, as interpreted by the receiver, must closely match the intended meaning of the source otherwise faulty communication occurs.
- 4) Words used in the message must carry both denotative and connotative meanings which are the same to the source and receiver.
DENOTATIVE MEANING: Common dictionary meaning **CONNOTATIVE OR SECONDARY MEANING:** emotional meaning.
- 5) The receiver and source must have common backgrounds of experience and associate signs, symbols and language with the same referents and feelings.
- 6) Signs, symbols and language take on meanings from the culture in which they are used. The source and receiver must have messages sent and received based on the same cultural background to achieve effective decoding and understanding.

FEEDBACK

- 1) Feedback is the return message from the receiver to the source.
- 2) Direct feedback may be a nod of the head, a question or a frown as in the case of personal selling.
- 3) Indirect feedback can be an answer to a survey question as in mass communication.
- 4) In both direct and indirect feedbacks, the receiver's response indicates, whether or not, the message and its intended meaning were received.
- 5) Personal selling is the most efficient of all promotional tools, because of the face-to-face form of communication, which enables direct feedback from the receiver; the salesman can adjust his presentation to suit various selling situations.

- 6) Indirect feedbacks or the feedback from mass communication is much less efficient, slower, more difficult to obtain. It can be secured through research techniques like surveys, experiments or electronic devices. It takes the form of averages like percentage of television sets tuned to a particular station, or percentage of readers of a magazine who have seen a particular advertisement. Some sellers use sales results as feedback from promotional message. It is not the best practice, since promotion is not the only factor responsible for high sales. (Stanley, 1977 and Kelley, 1972)

MODEL OF MARKETING COMMUNICATION PROCESS



Source:
Marketing Planning and Competitive Strategy by Eugene I. Kelley (1972) (Prentice-Hall Inc).

LANGUAGE AND CONCEPTION AS ELEMENTS OF COMMUNICATION

LANGUAGE is defined as a formalized system of communication that uses words, sounds, written symbols and non-verbal signs which the majority of a particular community will readily understand.

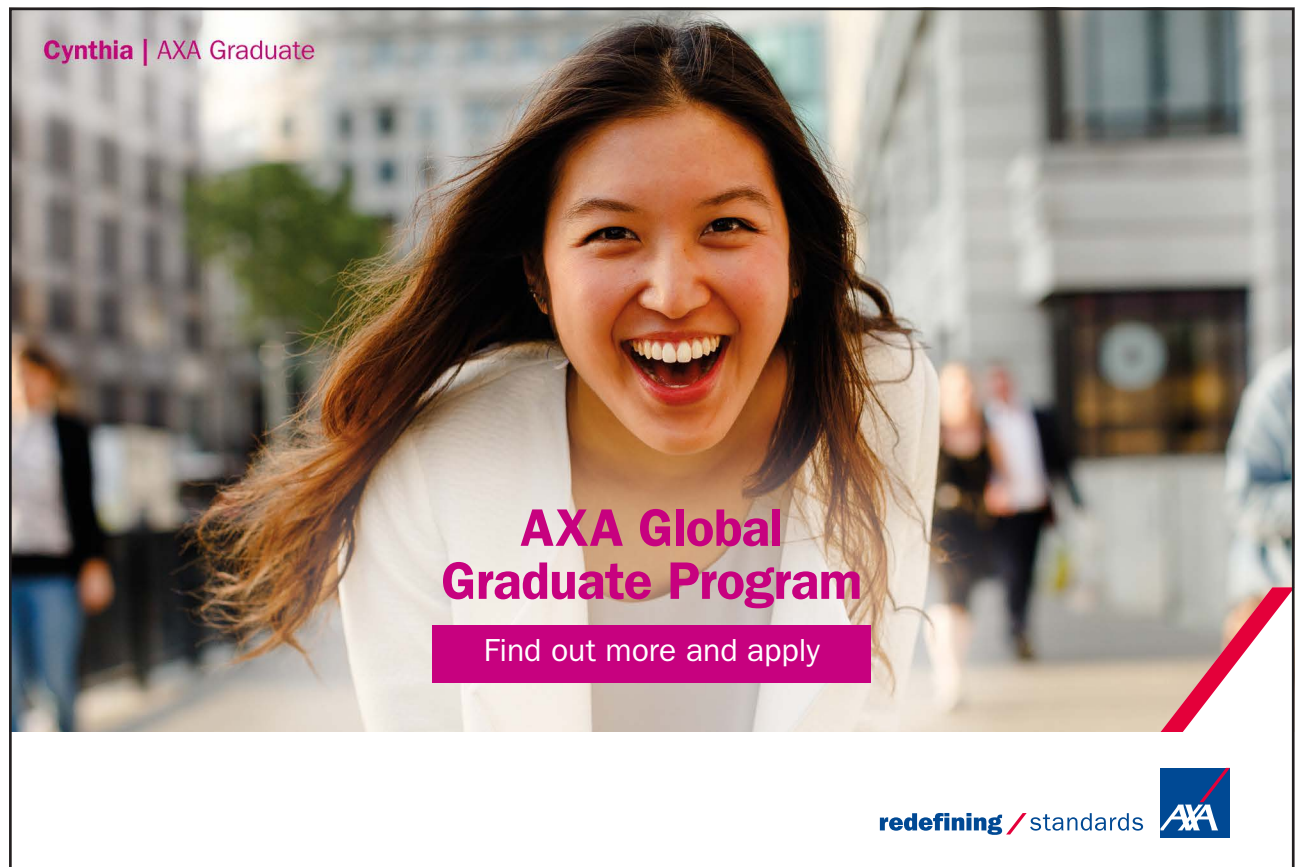
The consumer's ability to communicate has opened many opportunities for an individual to learn new information; the vehicle for this communication is language. Much of people's behaviour is seen through language, it is a form of human behaviour. Grammar is the linguistic description of a language and it contains the rules of how a language works.

There are three major components of grammar, such as:

- **PHONOLOGY:** the study of the sounds of language.
- **SYNTAX:** the study of the relationship between groups of words and how they are strung together in a meaningful order.
- **SEMANTICS:** the study of meaning of words and sentences as components of language

SIGN AND SYMBOL AS COMPONENTS OF COMMUNICATION

SIGN: a sign is a signal or printed mark with meaning portraying something that has been experienced; it can be used for communication between a sender and the receiver. For example, as it is used in sign language for the deaf and dumb.



Cynthia | AXA Graduate

AXA Global Graduate Program

Find out more and apply

redefining / standards AXA

SYMBOL: is a thing that represents or stands for another, usually something concrete or material, representing an idea or emotion. For example, the colour Red representing danger or the crossed “N” represents Naira – N, it stands as the symbol of Nigerian currency. A symbol is composed of signs that collectively, have taken on a separate meaning. Another example of a symbol used for marketing communication is the Guinness corporate logo, which is a sign denoting the structure of a harp, a musical instrument. The same sign has been used as corporate logo for many years around the world, thus it now carries a connotative meaning representing Guinness corporate and product images.

Conception is the act of developing a concept, an idea or notion. Concepts are ways of classifying events and objects which help bring order to people’s live and help them organise their thinking.

CONCEPT DEFINED: *Concept is a classification of general objects or ideas of a particular quality, which separated them apart from others on the basis of some common feature or concrete applications, given a name and treated as an entity.*

The cognitive process of learning encompasses all mental activities of humans as they attempt to solve problem or cope with situations. It involves learning ideas, concepts, attitudes and facts that contribute to our ability to reason, solve problems and learn relationships without direct experience or reinforcement.

LANGUAGE AND MARKETING COMMUNICATION

Marketers formulate concepts which are developed into products; languages are used to communicate and promote the features, attributes and benefits of these concepts or products to target consumers for a process of learning to occur. The learning process is capable of influencing consumer behaviour toward the concept, product or the organization that formulates the concept. Learning enhances experience.

Language is the most remarkable of human creations, because through language, we share experiences, formulate values, exchange ideas, transmit knowledge and sustain culture. It is a vital process to thinking and it helps to create our sense of reality by giving meaning to events or concepts. Words used in coding languages have two kinds of meanings such as denotative and connotative.

DENOTATIVE MEANING: is the precise, literal and objective meaning of words. It simply describes whatever a word refers to, for example a dictionary definition of words.

CONNOTATIVE MEANING: is more variable, figurative, and subjective meaning of words. It is whatever the word suggests or implies, these include all the feelings, associations and emotions that a word touches off in different people. For example, the word “school” can connote personal development to a person, while it connotes frustration, discipline and boring homework assignments to another.

DEVELOPING EFFECTIVE COMMUNICATION LANGUAGE

Marketers must develop effective communication language that will make the presentation of their products and messages understandable to target audience. An effective communication language should have such characteristics as:

- Language accuracy
- Language distinctiveness
- Vividness
- Appropriate usage

LANGUAGE ACCURACY: using language accurately is vital to effective communication; words should carry meanings that are understandable and the same to the sender and receiver of communication.

LANGUAGE DISTINCTIVENESS: language should be used clearly to allow target audience to grasp its meaning immediately by applying familiar words and symbols.

VIVIDNESS OF LANGUAGE: language should be used vividly to bring pictures or life to words. This is done through imagery or the creation of word pictures, or creating rhythm of language by the arrangements of related words.

APPROPRIATE USAGE: language must be used appropriately, by adapting it to a particular target audience, applying a unique language style and words that fit the need of sender's target audience.

COMMUNICATION THROUGH VERBAL LANGUAGE

Language is a significant part of culture and the human lifestyle, it makes communication possible. Verbal language is largely used for communication through the application of spoken words, advertisements, imagery, pictures and written materials. Language differences may occur from one culture to another, such variation can often necessitate marketing communication strategy modification to make communication effective, so that desired learning process can occur to the target market.

COMMUNICATION THROUGH NON-VERBAL LANGUAGE

Non-verbal language, such as body language includes movement, appearance, dress, facial expressions, gestures, posture, use of silence, use of touch, timing, distance between speakers and listeners, physical surroundings, tone and rhythm of speech. Certain body language can phrase a message, for example a smile can send a lot of meanings to the target prospect during a sales presentation.

Common non-verbal languages of communication that are important and interesting to marketers include:

- **LANGUAGE OF TIME:** its application has different meanings in various cultures. For example, the so called “African Time”, applied to meetings in Nigeria is usually accommodated. Elsewhere, it may be costly for a marketer to operate with such tendency.
- **LANGUAGE OF SPACE:** it usually has its own special meaning particularly during conversations or sales presentation.
- **LANGUAGE OF THINGS:** for example a culture that is materialistic may emphasize hard work and acquisition of material possessions in their lifestyle, such a culture may likely be sophisticated, thus marketing communication to its group must be sophisticated in nature to be effective.
- **LANGUAGE OF AGREEMENT:** a legalistic culture tends to be specific and explicit in terms of agreement, making legal contracts common and indispensable.
- **LANGUAGE OF FRIENDSHIP:** is displayed with the unique characteristic by which friends are made from one culture to the other. This element may be very useful in personal selling, publicity and public relations.
- **LANGUAGE OF NEGOTIATION:** styles of negotiation vary greatly between cultural values. Some value bargaining or haggling, while others will argue or use aggressive persuasive tactics. This factor may be important in personal selling.

I joined MITAS because
I wanted **real responsibility**

The Graduate Programme
for Engineers and Geoscientists
www.discovermitas.com





Month 16
I was a construction supervisor in the North Sea advising and helping foremen solve problems

Real work
International opportunities
Three work placements





- **LANGUAGE OF RELIGION:** religion affects people in various ways because it prescribes proper behaviour, including work and consumption habits. The inherent difficulty in separating religious activities from business activities makes it necessary for a marketer to understand the logic of a particular religious rule. For example, the Islamic economic system is greatly influenced by the Shariah. Free enterprise marketing may suffer some limitations in this environment, because a firm may not be able to use some marketing communication strategies, particularly the types involving women, such as appointing a female salesperson or using a female model for advertisements.
- **LANGUAGE OF SUPERSTITION:** superstitious beliefs play a critical role in explaining personal and business behaviours in all culture.
- **LANGUAGE OF COLOUR:** colours have meaning and preferences for particular colours are determined by culture. Because of custom and taboo, some colours are viewed negatively. A colour deemed positive and acceptable in one culture can be inappropriate in another, this can be a crucial factor in product packaging and presentation.
- **LANGUAGE OF GIFTS:** cultural attitudes concerning the presentation of gifts vary greatly because of varying perceptions of gifts and their appropriateness. Good intentions can turn into surprises and even embarrassment when particular gifts violate cultural beliefs. This factor may play an important role in sales promotions, because most of sales promotion activities occur by way of corporate gifts.

HIERARCHY OF COMMUNICATION EFFECTS

All communicators have objectives in mind when they encode and transmit messages. In marketing communication, the source may wish the receiver to buy, try, or recommend the products to his friends. The receiver, in responding to the source's message, may want some changes made in the product, a lower price, credit terms or other things that will adapt the source's offering more to the receiver's needs.

Hierarchy of Communication Effects is a series of steps leading to an ultimate objective, for instance, the decision-making process involved in buying.

***THE ADOPTION PROCESS** is the mental process through which a person passes from his first hearing of an innovation to his final adoption or rejection of it.*

This process which was developed by Everett M. Rogers has five stages:

- 1) **AWARENESS:** the person is exposed to the innovation but does not have complete information about the innovation. He is not yet motivated to seek more information. Mass media make a great impact at this stage.
- 2) **INTEREST:** the person becomes interested in the innovation and looks for more information about it. Mass media are economically used to provide the information that is actively sought.

- 3) **EVALUATION:** the person tries to judge the utility in terms of his present and anticipated future situation, if he believes the advantages surpasses the disadvantages; a decision is made to try the innovation. Person-to-person communication is most effective in influencing evaluation of the innovation at this stage. To reduce risk, the person may seek information from peers, neighbours, and friends personal selling is very effective in this situation because it provides the much needed reinforcement at the evaluation stage.
- 4) **TRIAL:** the person uses the innovation on a small scale, to determine its suitability for his own situation and to reduce perceived risk. If innovation proves to have utility to the user, he will consider possible complete adoption. At this stage, neighbours, friends, dealers and salesmen are very important influences.
- 5) **ADOPTION:** the person makes the decision to continue full use of the innovation, since he has experienced a favourable situation during the trial stage.

MARKETING COMMUNICATION MIX

There are four major components of marketing communication mix:

- 1) **ADVERTISING:** any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
- 2) **SALES PROMOTION:** short-term incentives to encourage purchase or sale of a product or service.
- 3) **PUBLICITY:** non-personal stimulation of demand for a product, service, or business unit by planning commercially significant news about it in a published medium or obtaining favourable presentation of it on radio, television or stage that is not paid for by the sponsor.
- 4) **PERSONAL SELLING:** oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales.

DYADIC COMMUNICATION

Communication involves at least two parties one source and receiver that is a DYAD. A dyad consists of two persons interacting face-to-face as one unit, both participants in a dyad act alternately as senders and receivers – encoding and decoding message from each other. Feedback from one, is a message for the other.

Dyadic behaviour is social behaviour, each person in a dyadic situation influences the other's behaviour. There are two main types of dyadic communication:

- 1) **WORD-OF-MOUTH COMMUNICATION:** in a non-commercial situation.
- 2) **PERSONAL SELLING**

MASS COMMUNICATION

Mass communication is indirect communication. The sender and receiver are not face-to-face. One message is created for many receivers, who differ from one another in various ways; the message is transmitted to numerous receivers at the same time. Communication targets must be predetermined, this enables the source to encode a message that will have common meanings to the audience and present it through channels of transmission (media vehicles) that reach the desired receivers.

The main advantage of mass communication is that it is an economical way to reach mass audiences. But it has these problems:

- 1) **ONE-WAY COMMUNICATION:** feedback is both difficult and delayed.
- 2) **REACH:** a small part of the total potential audience is reached.
- 3) **LARGE NUMBER OF COMPETING MESSAGES:** lots of messages compete for the receiver's attention daily, thus making absorption difficult.
- 4) **SCREENING BY SELECTIVE PROCESSES:** people tend to expose themselves to mass communication that are compatible with their existing attitudes, beliefs and opinions while avoiding those that are not.
- 5) **PERCEPTION OF MORE THAN INTENDED:** audiences may understand and interpret more than the source intended from a mass communication.

ie business school

93%
OF MIM STUDENTS ARE
WORKING IN THEIR SECTOR 3 MONTHS
FOLLOWING GRADUATION

MASTER IN MANAGEMENT

- STUDY IN THE CENTER OF MADRID AND TAKE ADVANTAGE OF THE UNIQUE OPPORTUNITIES THAT THE CAPITAL OF SPAIN OFFERS
- PROPEL YOUR EDUCATION BY EARNING A DOUBLE DEGREE THAT BEST SUITS YOUR PROFESSIONAL GOALS
- STUDY A SEMESTER ABROAD AND BECOME A GLOBAL CITIZEN WITH THE BEYOND BORDERS EXPERIENCE

Length: 10 MONTHS
Av. Experience: 1 YEAR
Language: ENGLISH / SPANISH
Format: FULL-TIME
Intakes: SEPT / FEB

5 SPECIALIZATIONS
PERSONALIZE YOUR PROGRAM

#10 WORLDWIDE
MASTER IN MANAGEMENT
FINANCIAL TIMES

55 NATIONALITIES
IN CLASS

www.ie.edu/master-management | mim.admissions@ie.edu | [f](#) [t](#) [w](#) Follow us on IE MIM Experience

WORD-OF-MOUTH COMMUNICATION

Word-of-mouth communication is the process by which messages are passed within a group from member to member. A group is taken to be a network of linked dyads or pairs of senders and receivers linked to each other by one of the members of each dyad, the essential elements of word-of-mouth communication are identified.

Word-of-mouth is, most times, a critical factor in determining who buys what product or brand. The success of many products quite often depends on what people hear about them from other group members. If a member of a group is satisfied with a product, he may proceed to sell it to other members. Information about products that spreads through word-of-mouth are usually believable, comparable and often regarded as unbiased.

Word-of-mouth communication can help or hinder the acceptance of a product, the message travels quickly and it is reinforced by group opinion. Word-of-mouth is developed on a product, whether or not the promotion manager makes an effort to control such communication and it could be positive or negative.

FACTORS INFLUENCING THE EFFECTIVENESS OF WORD-OF-MOUTH COMMUNICATION

Word-of-mouth communication is more effective when certain factors are present:

- 1) **TYPE OF PRODUCT:** Where the product is expensive or brought infrequently, the buyer feels he needs more information that can be supplied by the mass media; he solicits the opinion of opinion leaders and previous purchasers of the product.
- 2) **NEWS VALUE OF THE PRODUCT:** Products with newsworthy features lend themselves more readily to word-of-mouth communication than those without such features.
- 3) **SOCIAL SIGNIFICANCE OF THE PRODUCT:** Some products are highly visible and tend to enhance the prestige of the user.
- 4) **PERCEIVED RISK IN BUYING THE PRODUCT:** If a product is regarded as a high risk in regard to its expected performance, a person is apt to seek the opinions of others in deciding whether or not to buy it.
- 5) **DECISION STAGE OF THE BUYER:** As a person moves from awareness of the product toward a decision about whether or not to adopt it, word-of-mouth communication becomes of increasing importance, especially in the evaluation stage of the adoption process; because negative information that is not available from commercial sources can be obtained at this stage.

DEVELOPING FAVOURABLE WORD-OF-MOUTH COMMUNICATION

The keys to developing favourable word-of-mouth communications are:

- 1) Identifying and contacting the opinion leaders for a product or service.
- 2) Furnish the opinion leaders with the needed information to generate favourable communication.
- 3) Measure the extent to which communication has been made to occur by other promotion tools, besides word-of-mouth.

GROUP COMMUNICATION

Consumers learn about new products, often from friends and other reference groups by two ways:

- Observing or participating with them as they use the product
- By seeking or receiving advice and information from the group they belong

Individuals who supply consumption-related information to others are referred to as opinion leaders.

OPINION LEADERSHIP

Information is the primary tool marketers use to influence consumer behaviour. While information is ultimately processed by an individual, in a substantial number of cases, one or more group members filter, interpret, or provide the information for the individual. The person who performs this task or role is an opinion leader. The process of one person receiving information from the mass media or other marketing sources and passing that information on to others is known as the TWO-STEP-FLOW of communication.

The two-step-flow explains some aspects of communication within groups but, often times, a multi-step-flow of communication usually occurs between the marketer, opinion leader and the target market or consumer.

The multi-step-flow involves opinion leaders for a particular product area who actively seek relevant information from the mass media as well as other sources. These opinion leaders process this information and transmit their interpretations to some members of their groups. These group members also receive some information from the mass media as well as from group members who are not opinion leaders. Non-opinion leaders often initiate requests for information and supply feedback to the opinion leaders.

SITUATIONS IN WHICH OPINION LEADERSHIP OCCUR

The exchange of advice and information between group members can occur in the following situations:

- 1) When one individual seeks information from another.
- 2) When one individual volunteers information.
- 3) As a by-product of normal group interaction.

ROLE OF OPINION LEADERS IN COMMUNICATION: Opinion leaders are persons who are members of primary groups and whose opinions tend to be sought out in one or more areas. Word-of-mouth communication is the way in which opinion leaders influence their followers who seek information and advice from them. Opinion leaders also furnish one another with information.



"I studied English for 16 years but...
...I finally learned to speak it in just six lessons"
Jane, Chinese architect

ENGLISH OUT THERE

Click to hear me talking before and after my unique course download

CHARACTERISTICS OF OPINION LEADERS

Roger developed a number of generalization about opinion leaders' characteristics:

- 1) Opinion leaders conform more closely to social system norms than the average member of a group.
- 2) There is little overlapping among the different types of opinion leaders. An opinion leader, in one subject area, is quite often not an opinion leader in another. Each member of a group may have some opinion leadership in a certain subject area.
- 3) Opinion leaders are more cosmopolitan than their followers. They are in contact with more sources outside their group than are opinion followers.
- 4) Opinion leaders use more impersonal, technically accurate, and cosmopolitan sources of information than do their followers. They are more exposed to mass media than the people they lead.
- 5) Opinion leaders must be accessible to their followers. They have more social participation than their followers.
- 6) Opinion leaders are not necessarily the power holders or the formal leaders in their communities.
- 7) Opinion leaders have higher social status than their followers.
- 8) Opinion leaders are more innovative than their followers.

GROUP COMMUNICATION AND MARKETING STRATEGY

The manner by which a new product is accepted, or spread through a market, is basically a group phenomenon. The importance of opinion leadership varies from product to product and from target market to target market. Thus, the initial step in using opinion leaders is to determine through research, experience, or logic, the role opinion leadership has in the situation under consideration.

Once this is done, marketing strategies can be devised to make use of opinion leadership in the promotion of the product. The process of using opinion leadership involves these steps:

1. **IDENTIFYING OPINION LEADERS:** Some techniques that can be used include sociometric, key informants, and self-designating questionnaires.
2. **MARKETING RESEARCH:** Since opinion leaders receive, interpret, and relay marketing messages to others, marketing research should focus on opinion leaders rather than representative samples in those product categories and groups in which opinion leaders play a critical role. Thus, product-use tests, pre-tests of advertising copy, and media preference studies should be conducted on samples of individuals likely to be opinion leaders.

3. **PRODUCT SAMPLING:** Sending a sample of a product to a group of potential consumers to an effective means of generating interpersonal communications concerning the product. Instead of using a random sampling, a marketer should attempt to send the product to a group of individuals likely to be opinion leaders.
4. **RETAILING/PERSONAL SELLING:** Numerous opportunities exist for retailers and sales personnel to use opinion leadership. For example, they can encourage their current customers to pass along information to potential new customers.
5. **ADVERTISING:** Advertising attempts to both stimulate and simulate opinion leadership. Stimulation involves themes designed to encourage current owners to talk about the product or prospective owners to ask current owners for their impressions. Before such a campaign is used, the firm needs to be certain that there is a high degree of satisfaction among existing owners. Simulating opinion leadership involves having an acknowledged opinion leader to demonstrate and endorse the product. It can also involve an apparent opinion leader recommending the product in a commercial advertisement.

Opinion leaders are product-category or activity-group specific. They tend to have greater product knowledge, more exposure to relevant media and more gregarious personalities than their followers. They tend to have similar demographics with their followers.

Marketers attempt to identify opinion leaders primarily through their media habits and social activities. Identified opinion leaders then can be used in marketing research, product sampling, retailing or personal selling and advertising. It is also possible to create opinion leaders. Groups, because of their interpersonal interaction and influence, greatly affect the diffusion of product innovations.

The adopter categories start from **innovators**, the first purchasers of any innovation. This category is followed over time, by early adopters, early majority, late majority and laggards. Each of these groups differs in the time of adoption of an innovation and in terms of personality, age, education and reference group membership.

These characteristics help marketers identify and appeal to different classes of adopters at different stages of a product innovation's diffusion.

THE ROLE OF PUBLIC RELATIONS IN MARKETING COMMUNICATION

Public relations is that aspect of communication which evaluates public attitudes, identifies the policies and procedures of a person or an organization with the public interests, and executes a programme of action to earn public understanding and acceptance. Its objective is to create mutual understanding and goodwill; it can as well be a supplemental form of communication useful to the effective implementation of marketing communication and marketing strategies.

Public relations is a communication function, thus it should be planned and executed to accomplish specific communication goals in the promotional campaign. Organizations have recognized that public relations complement marketing efforts, hence they create departments such as public affairs, public relations or corporate affairs to handle corporate marketing. The general methodology of organization or corporate marketing consists of four major steps:

1. Assessing the current image of the organization through a survey.
2. Determining a desirable image for the organization.
3. Developing a marketing plan for bringing about the desired image.
4. Apply public relations communication tools to implement plan of corporate marketing.

FUNCTIONS OF PUBLIC RELATIONS IN MARKETING

Public relations essentially performs various functions in marketing including these five major tasks:

1. **PRESS RELATIONS:** This function is aimed at placing newsworthy information in the news media to attract attention to a person, corporate image, product image or service.
2. **PROUDCT PUBLICITY:** Involves various efforts to publicise through the news media and other means, specific products and events related to the company's products or product image.

In the past 5 years we have drilled around

95,000 km

—that's more than **twice** around the world.

Who are we?
We are the world's leading provider of reservoir characterization, drilling, production, and processing technologies to the oil and gas industry.

Who are we looking for?
We offer countless opportunities in the following domains:

- **Operations**
- **Research, Engineering, and Manufacturing**
- **Geoscience and Petrotechnical**
- **Commercial and Business**

We're looking for high-energy, self-motivated graduates with vision and integrity to join our team.

What will you be?

careers.slb.com

Schlumberger

3. **CORPORATE COMMUNICATION:** This activity covers internal communication within the company and its employees. It also covers external communication affecting the company and the various publics existing within its environment.
4. **LOBBYING:** Refers to the effort to deal with legislators and government officials to defeat unwanted legislation and regulation or to promote wanted legislation and regulation.
5. **COUNSELLING:** Is the provision of general advice to the company about what is happening in the society and what the company might do in the way of changing its ways or improving its communication.

INTEGRATED MARKETING COMMUNICATION (IMC)

The focus of market-driven companies is on developing and sustaining relationships with their customers. This has led to a new emphasis on relationship marketing which involves creating, maintaining and enhancing long-term relationships with individual customers and other stakeholders for mutual benefit.

Many companies have recognized the need to integrate their various marketing communication efforts, such as media advertising, personal selling, direct marketing, sales promotion, public relations and publicity to achieve more effective marketing communication.

Marketers have started changing their pattern of managing promotional tool, instead of the usual separate management of promotional functions with different plans, management practices, budgets, different views of the market, different goals and objectives, they have recognized that the wide range of marketing and promotional tools must be coordinated to communicate effectively and present a consistent image to target markets.

THE EVOLUTION OF INTEGRATED MARKETING COMMUNICATION

During the 1980s, many companies came to see the need for more of a strategic integration of their promotional tools. Thus a movement toward the process of integrated marketing communication began, which involves coordinating the various promotional elements and other marketing activities that communicate with a firm's customers.

The process provides for synergy among the various promotional tools toward achieving common objectives. Researchers into this field found that integrated marketing communication requires firms to develop a total marketing communications strategy that recognizes how all firm's marketing activities, not just promotion communicate with its customers. Consumers' perceptions of a company and its various brands are created by a combination of the bundle of messages they receive or contacts they have made, including media advertisements, price, package design, direct marketing efforts, publicity, sales promotions, messages on the Internet, point-of-purchase displays and even type of store where a product is sold or service provided.

Integrated marketing communication seeks to have a company's entire marketing and promotional activities project a consistent unified image to the market place.

Integrated marketing communication is growing in importance for these reasons:

- It keeps marketers to understand the value of strategically integrating the various communication functions rather than having them operate separately
- By coordinating the firm's marketing communication efforts, companies can avoid duplication, take advantage of synergy among various communication tools, develop more efficient and effective marketing communication programmes.
- The move to integrated marketing communications by firms also reflects an adaptation by marketers to a changing environment, particularly with respect to consumers, technology and media. These are essential elements of message communication.
- There are changes in the way companies market their products and services. For example, the online marketing activities brought about by changes in computer and communication technologies.

***INTEGRATED MARKETING COMMUNICATION** is the strategic, two-way communication targeted to specific customers and their needs coordinated through a variety of media.*

Business or industrial marketers are more likely to capitalize on the power of integrated marketing communication than consumer marketers. Coordination is a powerful element of an integrated communication strategy. This is achieved with different departments responsible for different elements in the communication strategy within the firm. Such departments include advertising, direct response or direct mail, trade shows and exhibitions, in addition to events department.

A closer look at the definition explains each important element of the definition of integrated marketing communication as follows:

INTEGRATED MARKETING COMMUNICATION IS STRATEGIC: It is strategic in that the content and delivery of all messages are the result of an overall plan. The result is that messages across all communication channels work together to create the appropriate position and result in the right action. Delivery of messages is synchronized so that synergy can be reached. That is each element performs various tactical input aimed at achieving the same objective.

INTEGRATED MARKETING COMMUNICATION IS TWO-WAY: Integrated marketing communication is a two-way dialogue between the marketer and the target audience. Without feedback, marketers may never really know if anyone is listening. Feedback is shared within the organization for learning purposes so that the strategy can be adapted to fit customer's needs and provide value. While a single point of communication may be one-way, for example, an advertisement in a magazine, the point being made for IMC is that, any communication, such as an advertisement, should be part of, and reflect a dialogue with customers.

INTEGRATED MARKETING COMMUNICATION MEETS CUSTOMER'S NEEDS: Integrated marketing communication (IMC) meets the information needs of the buyer, results in the desired position, and secures the appropriate action at the right time. If IMC does not provide value to the buyer, then the buyer will not participate in the dialogue. IMC seeks the answer to the question concerning what the buyer wants or needs to know in order to make the next decision. That decision may be to visit the trade show booth, or to place an order, or to elevate the marketer to preferred account status. If IMC does not meet the information needs of the buyer, there would be reason for that buyer to interact with the marketing communication.

THE INTEGRATED MARKETING COMMUNICATION STRATEGIC PLANNING PROCESS

The integrated marketing communication strategic planning process includes the following steps:

1. **SETTING COMMUNICATION GOALS:** This involves setting of communication goals, based on identification of the firm's target audience, establishing the information requirements of the audience and the firm's determination of what the target audience should do with the marketing communication.
2. **DETERMINING ROLES OF EACH MEDIUM:** The marketer should determine the role each medium will play as input into the integrated marketing communication. This means the input of composite elements such as advertising, direct response, public relations, trade shows, telemarketing, personal selling and marketing research would be determined as part of the overall strategy.
3. **CREATING MESSAGES:** The marketer should create specific messages that will satisfy the buyers' need. The idea of an integrated marketing communication plan is that each message, delivered through each medium, will achieve tactical positioning and action goals that support strategic positioning and action goals. Using the advantages and disadvantages of each medium as a basis, an integrated strategic communication can be developed by the marketer to orchestrate the contribution of each medium.
4. **PLACING MESSAGES IN APPROPRIATE MEDIA:** The messages of each integrated element should be placed and exposed to the target audience through appropriate media in order to achieve effective reach and impact on the audience.
5. **MESSAGE RESULTS:** Results feeding back to the marketer from each medium should be measured to determine its effectiveness and the extent to which it has achieved the planned goal. These results will be used to modify the current plan or future plan.

6. **MAKE ADJUSTMENTS IN MESSAGES OR MEDIA:** Depending on the various results, feedback received for each message and media, appropriate adjustments can be made if there are variations between the achieved result and the planned desired result. On the other hand, if the results show achievement to be on course, thus achieving set goals there may be a need to effect a continuous maintenance efforts in order to keep all actions on the planned desired course.

TYPES OF COMMUNICATION STRATEGIES

Communication strategies can be classified on the basis of what the company is attempting to achieve. Thus, all communication strategies can be divided into either customer acquisition or customer relation strategy.

CUSTOMER RETENTION COMMUNICATION: Many industrial buyers of some products which have little strategic value may buy repeatedly from the same source simply because the costs of shopping around (particularly in terms of time) do not outweigh expected benefits. Customer retention communication will be important to marketers whose products or services fall within this category.

Excellent Economics and Business programmes at:



university of
 groningen



“The perfect start
 of a successful,
 international career.”

CLICK HERE
 to discover why both socially
 and academically the University
 of Groningen is one of the best
 places for a student to be

www.rug.nl/feb/education



Several communication mechanisms are used to achieve customer retention and growth objectives. These mechanisms take advantage of the customer's need to minimize costs associated with purchasing, in terms of both shopping behaviours and actual costs of processing purchases. Lowering costs raises the value. Several principles are at work in designing communication elements to achieve customer retention and growth (that is growth within current accounts) objectives. These principles include communicating proactively, making it easy for customer to communicate, and making company's response easy.

COMMUNICATING PROACTIVELY:

To avoid losing customers to competitors, marketers should communicate regularly and proactively with their customer base. Direct lines of communication between functional areas of the selling and buying firms should exist, thus building some form of partnership relationship as partnership encourages proactive communication.

Proactive communication strategies first identify every communication opportunity such as when invoices are sent, when a technician performs service or when a delivery is made. Then these opportunities are incorporated into the overall communication strategy. For example, a new catalogue may be included with the invoice, the technician leaves a customer satisfaction survey for the customer to complete and mail in, or the delivery person notices a competitive product and asks when the company began ordering that product. In each instance, a communication opportunity is seized and information is exchanged that can lead to additional selling opportunities.

MAKE IT EASY TO RESPOND: The marketer should empower its employees to be receiver of information from customers. When customer calls, the employee is given the responsibility for handling the customer's issue, even if the issue is outside that employee's usual area of responsibility. This means each employee of the marketing firm must have relevant and adequate knowledge about customer relations management.

Another important element in making it easy to respond is the creation of internal communication channels. For example, it is important to recognise that when the delivery person identifies a competitive in road into a customer, that vital information has to reach someone who can respond. The most obvious person to respond is the salesperson for the account, but the delivery person may not know who that salesperson is or he may be ignorant about the crucial nature of such information. Open and regularly used channels of communication between internal areas of the firm must exist for the company to learn and make use of that knowledge.

MAKE COMMUNICATION EASY: Many competitors exist in the marketplace ready to snatch your customer, it is important that business marketers make it easy for their customers to communicate. It is a fact that competitor's salespeople are always in your customers' offices, ready to sympathize with the least complaint. If you do not receive the complaint, you cannot respond to it, but your competitors will take advantage of such complaint at first hearing. Similarly, if a customer is ready to reorder, it may go to competitor.

Some of the methods that make communication easy are:

- Inbound telemarketing, by providing customers with many telephone numbers to call and then empowering the customer service department or representative so that complaints can be resolved immediately thus making it easy for customers to offer their concerns.
- Customers must also find it easy to order, through telephones, electronic data interchange or regular calls.
- Catalogues may also be used by an industrial marketer to make it easy for customers to order. This may be very useful to a firm that sells multi-products.

CUSTOMER ACQUISITION COMMUNICATION: Customer acquisition communication must follow the same principles of proactive communication, making communication easy and making it simple to respond. Customer acquisition communication must, in addition, convince the buyer to receive the communication because the link between the buyer and seller is going to be newly established. Unlike the customer retention situation which has a natural communication link already established.

THE ROLE OF PROMOTION

PROMOTION is the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and service or promote an idea.

Most of an organization's communication with the external environment takes place in a carefully planned and controlled promotional programme. The basic tools used to accomplish an organization's communication objectives with its external environment are usually referred to as the **promotional mix**. These tools include: advertising, direct marketing, sales promotion, publicity and public relations, plus personal selling. Each element of the promotional mix plays a distinctive role in an integrated marketing communication programme.

Five participants of integrated marketing communication process have been identified; each one plays a specific role in the process.

These participants are:

1. Advertiser
2. Advertising agency
3. Media organizations
4. Marketing communication specialist organizations
5. Collateral services

THE ADVERTISERS OR CLIENTS: These are the key participants in the process. They have the products, services or causes to be marketed and they provide the funds that pay for advertising and promotions. The advertisers also assume major responsibility for developing the marketing programme and making the final decisions regarding the advertising and promotional programme to be employed. The organization may perform most of these efforts itself, either through its own advertising department or by setting up an in-house agency. In Nigeria, their association is called Advertisers Association of Nigeria (ADVAN).

ADVERTISING AGENCY: This is an external firm that specializes in the creation, production and placement of the communication message and that may provide other services to facilitate the marketing and promotions process. Most advertising agencies are acting as partners with advertisers and assuming more responsibility for developing the marketing and promotional programmes. All agencies in Nigeria are operating under the ambit of Association of Advertising Agencies of Nigeria (AAAN).

MEDIA ORGANISATIONS: These are other major participants in the advertising and promotion process. The primary function of most media is to provide information or entertainment to their subscribers, viewers or readers. From the viewpoint of promotional planner, the purpose of the media is to provide an environment for the firm's marketing communications message. The media must have editorial or programme content that attracts consumers so advertisers and their agencies want to buy time or space with them. While the media perform many other functions that help advertisers understand their markets and their customers, a medium's primary objective is to sell itself as a way for companies to reach their target markets with their messages effectively.

SPECIALISED MARKETING COMMUNICATION SERVICES: These include direct marketing agencies, sales promotion agencies, interactive agencies and public relations firms. These organizations provide services in their area of expertise. A direct-response agency develops and implements direct marketing programmes, while sales promotion agencies develop promotional programmes such as contests, sweepstakes, premium offers or sampling. Interactive agencies are retained to develop websites for the Internet and help marketers as they move deeper into the field of interactive media. Public relations firms are used to generate and manage publicity for a company and its products and services, as well as to focus on its relationships and communications with its relevant publics.

COLLATERAL SERVICES: These firms provide a wide range of support functions used by advertisers, agencies, media organizations, and specialized marketing communication firms. These individuals and companies perform specialized functions that other participants use in planning and executing advertising, plus other promotional functions. They include marketing research companies, package design firms, consultants, media buying services, photographers, printers, video production houses and event marketing services companies.



**American online
LIGS University**
is currently enrolling in the
Interactive Online **BBA, MBA, MSc,
DBA and PhD** programs:

- ▶ enroll **by September 30th, 2014** and
- ▶ **save up to 16%** on the tuition!
- ▶ pay in 10 installments / 2 years
- ▶ Interactive **Online education**
- ▶ visit www.ligsuniversity.com to
find out more!

Note: LIGS University is not accredited by any nationally recognized accrediting agency listed by the US Secretary of Education. More info [here](#).



2 Consumer Behaviour And Marketing Communication

The whole essence of marketing communication is dependent on the marketer's good understanding of what makes the consumer or customer tick. This is also what makes the study of consumer behaviour imperative, not only for marketing communications, but also for all of marketing itself.

What then is consumer behaviour? Consumer behaviour has been defined as the dynamic interaction of affect and cognition, behaviour, and the environment by which human beings conduct the exchange aspects of their lives. (Hawkings, Roger and Coney, 1986)

In other words, consumer behaviour is all about how people behave when they live as consumers. Such a behaviour is of a complex nature that involves the way people think, feel, and act as consumers. It also includes all the things in their environment that influence their thoughts, feelings and actions.

It is important to understand that this definition shows that consumer behaviour is dynamic – it is constantly changing. Consumer behaviour also involves interactions of people's thoughts, feelings and actions, and it also involves exchanges between human beings, especially between buyers and sellers. (Peter and Olson, 1999)

Every marketing organization must endeavour to develop consumer-driven communication strategies. In order to develop successful marketing communication strategic plans, marketers must understand how markets are segmented and the differences in each market segment; such understanding is used in positioning and targeting promotion campaigns. Appropriate knowledge of consumer behaviour is therefore essential.

Knowledge of consumer behaviour provides the basis for many marketing communication strategies that can assist the marketer in product positioning, market segmentation, new product development, new market applications, global marketing and marketing mix decisions.

Many theories, models, and concepts have been borrowed from other fields and developed by marketing communications researchers in attempts to understand consumer behaviour and its implication for promotional strategies.

In many cases, these concepts and theories overlap and even compete with one another as useful frameworks for understanding consumer behaviour. However, no one theory, model or concept has been able to explain fully all the dynamics of consumer behaviour, therefore, there is as yet no one grand theory of consumer behaviour.

This means that consumer behaviour can only be analyzed and understood by looking at several concepts, models and theories, and a good approach may be to look at the various concepts in the light of both external and internal influences of the way consumers receive marketing communication.

Behavioural elements that can influence ways consumers receive promotional communication can be separated into two:

- **EXTERNAL INFLUENCES:** These include culture, values, demography, social stratification, group influence, family life cycle, other situational and environmental factors.
- **INTERNAL INFLUENCES:** Consist of various psychological factors that have been internalized by consumer as experience, beliefs and knowledge, through perception, learning, memory, motivation, personality, lifestyles, attitudes and self-image.

One of the concepts useful for understanding consumer behaviour and its implications for marketing communication is the diffusion process. (Engel, Blackwell and Miniard, 1990)

THE DIFFUSION PROCESS

This is defined as the spread of a new idea from its source of invention or creation to its ultimate users or adopters.

It is the communications flow about an innovation or new product which leads from the manufacturer to the individual consumer and how related influences are spread.

The diffusion process consists of four major elements.

1. An innovation.
2. Its communication from a source to recipients.
3. A social system in which the diffusion takes place, and
4. A period of time over which the diffusion is accomplished.

Innovations are ideas which an individual perceives as new. If a product has been in the market for several years, it will be new to a particular consumer when he first hears about it, sees, purchases, uses or consumes it. Thus the subjective perception of the individual consumer is crucial in determining whether a product is an innovation or not.

In marketing communication, there are always two human parties communicating with each other through the use of various media or channels of communication and this serves three purposes:

- It is the means for establishing and maintaining trading contact necessary to complete a transaction.
- It conveys persuasive message to both trading parties so that an exchange can be agreed upon.
- It provides feedback of results with respect to productivity, efficiency and effectiveness of marketing activities.

Each of these purposes is served by a particular type of communication, such as:

LOGISTICS COMMUNICATION: Conveys facts about availability of goods, prices and demands.

PERSUASIVE COMMUNICATON: Conveys motivating messages designed to bring transactions to a conclusion. An example is personal selling.

FEEDBACK COMMUNICATION: Relates to control information on marketing performance so that the organization receiving the message can adjust subsequent performance, this type of communication occurs in form of advertising/promotional research. [4]

DON'T EAT YELLOW SNOW

What will your advice be?

Some advice just states the obvious. But to give the kind of advice that's going to make a real difference to your clients you've got to listen critically, dig beneath the surface, challenge assumptions and be credible and confident enough to make suggestions right from day one. At Grant Thornton you've got to be ready to kick start a career right at the heart of business.

Sound like you? Here's our advice: visit GrantThornton.ca/careers/students

Scan here to learn more about a career with Grant Thornton.



 **Grant Thornton**
An instinct for growth™

© Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd

Promotional contacts between manufacturer and consumer can be termed controllable communication because the company decides on the advertising and other promotional campaign and determines the training of its salesmen.

A lot of uncontrollable communication is also going on in the diffusion process. Information exchange about the company's product that is beyond the firm's control can emanate from various advertising or promotion and sales personnel of competitors and middlemen, independent professional evaluation through laboratory tests, and the exchange of personal opinions among consumers. These sources of information about a product cannot be directly controlled by the manufacturer.

When mass media are used to transmit messages about a product, there is no direct contact between the creator of the message and the recipient. This is the reason why feedback is needed in the form of advertising research to measure the impact of the appeals used on consumer decision-making.

The influence resulting from personal conversations is very powerful. This is known as word-of-mouth advertising. Such personal influence comes through interpersonal communication involving direct face-to-face exchange between communicator, who is usually a delighted or satisfied consumer, and the receiver or potential consumer, which results in changed behaviour or attitudes on the part of the receiver.

This change in predisposition and behaviour takes place because the human mind has the unique ability to learn by and from communication. A person does not need own experience with an innovation – the person can learn a behaviour change according to other people's experiences or opinions, this is one reason why the understanding of the diffusion process is important in marketing communication. Consumers are not isolated individuals; they are members of social systems.

A social system is defined as a population of individuals who are different but interrelated, and are engaged in collective problem-solving behaviour.

A social system consists, in totality, of individual actors interacting with each other in a situation which has at least a physical or environmental aspect, actors who are motivated in terms of a tendency to the optimization of gratification and whose relation to their situations, including each other, is defined and mediated in terms of a system of culturally structured, shared symbols and language.

A social system is a group of persons who interact more or less frequently because they have something in common such as problems, activities, interests, place of birth and/or living, languages and so on.

From the diffusion process point of view, the members of a social system have at least one characteristic in common which makes them potential buyers or influencers for a company's product, such characteristics may be – same sex or interests, similar age or profession and so on.

Within any given social system, the individual consumer has a certain status and plays a specific role. A social role is a complex of behaviour expectations applied by a reference group to a position in a social system. The reference group within or outside the system utilizes sanctions of a positive or negative nature to ensure the individual's compliance with the expectations. Since the consumer lives at the intersection of several social systems, the consumer is faced with inter-role conflicts which he tries to resolve by weighing the rewards and punishments inherent in each role and choosing the path of least resistance or highest reward. The consumer also attempts to incorporate the norms and values of his various reference groups into his purchase decisions.

TYPES OF COMMUNICATION SOURCES

In the diffusion process, communication flows from a source to a recipient. There are four major types of communication sources:

1. **ADVOCATE IMPERSONAL SOURCE:** This type of source represents attempts to persuade prospective buyers through standardized messages. The mass media belong to this group of sources – radio, television, magazines and newspapers – all of which have in common large, anonymous audiences in non-commercial settings – that is, in their homes, on the streets, in cars and so on. The messages are usually general in nature and have to be repeated in order to build enough interest in the consumer to cause him to respond.
2. **ADVOCATE PERSONAL SOURCE:** Is a professional person who attempts to influence adoption of decisions in a direction that he feels is desirable, such as a salesperson trying to get a prospect to buy a certain product.
3. **INDEPENDENT IMPERSONAL SOURCE:** This source is usually from reports based on careful testing according to multiplicity of criteria in order to protect and inform consumer such as consumer reports and articles in newspapers and magazines, as well as government publications. The impact of this kind of information will depend upon the individual's personal involvement with certain brand or product category.
4. **INDEPENDENT PERSONAL SOURCE:** The Importance of this source of communication in the diffusion process cannot be overestimated; such sources are neighbours, friends, colleagues and relatives. Their advice and opinions are sought because they might have had prior experiences with the product or their acceptance of the new idea is important to the consumer.

FACTORS INFLUENCING ADOPTION PROCESS

In relation to the consumer, the following two groups of factors can influence the process of adoption:

- Group of Predispositional factors
- Group of Communication factors.

GROUP OF PREDISPOSITIONAL FACTORS

These groups of factors relate to the basic characteristic of an individual that are independent from the existence of an innovation. They are called predispositional factors because they reflect attitude and behaviour patterns prior to any exposure to an innovation.

The group of predispositional factors consists of five variables:

1. **VENTURE SOMENESS:** willingness to take risks in the purchase of new products, these risks are of a financial and social nature. Reference group influence can be strong with regards to product and brand choice in such product categories as cars, cigarettes and beer.
2. **SOCIAL INTEGRATION:** the degree of participation with other members of the community. A highly socially integrated person is very active in public life and is popular with his fellow citizens. Typical for such individuals are activities in political parties, religious organizations, community affairs, charitable organizations and other local clubs and communities. They are intensively involved in community life.
3. **COSMOPOLITENESS:** the degree to which an individual's orientation is external to a particular social system. A cosmopolite person receives a great deal of information from such sources as scientists, teachers, consultants, professional books and periodicals, travels and foreign sources. He is a contrast to a 'local' consumer whose main channels of information are of a local nature and whose mental horizon, interests and activities are markedly different from a cosmopolite.
4. **SOCIAL MOBILITY:** refers to the process by which individuals move from one position to another in society, positions, which by general consent, have been given specific hierarchical values. A study focusing on consumer mobility showed the following characteristics for highly mobile consumers in America. Some of these characteristics are also applicable in most of the West and the developing countries.
 - They travel more and change residence more often.
 - They show more movement through the occupational structure.
 - They are more likely to change their economic status.
 - They associate with a wider variety of people of different types.
 - They move through more educational levels and institutions.
 - They move through more intellectual influences.
 - They are more selective and variable in their politics.
 - In those various dimensions, they have moved a greater distance from their family of birth.

5. **PRIVILEGEDNESS:** this means an individual's financial standing relative to other community members. It refers precisely to a consumer's monetary position or net-worth within his particular social class. Each social class can be divided on the basis of income into three segments:

- i) **OVER PRIVILEGED:** persons who have met the basic expectations and standards of their group in housing, food, furnishing and clothing, they have quite a bit of money left over which is equivalent of discretionary income.
- ii) **AVERAGE:** persons having average standard of living.
- iii) **UNDER PRIVILEGED:** persons who are direct opposite to the over privileged.

These predispositional variables are complemented by a group of communication factors that relate to the exposure and response to the communication flow concerning an innovation or a product.

GROUP OF COMMUNICATION FACTORS

The group of communication factors includes:

- Communication flow exposure.
- Cognitive and affective learning.
- Opinion leadership.

.....Alcatel-Lucent 

www.alcatel-lucent.com/careers

What if you could build your future and create the future?

One generation's transformation is the next's status quo. In the near future, people may soon think it's strange that devices ever had to be "plugged in." To obtain that status, there needs to be "The Shift".

COGNITIVE LEARNING: has to do with thinking, understanding and interpreting things around us. It is the process by which an individual becomes consciously aware of a stimulus, by direct communication exposure.

AFFECTIVE LEARNING: has to do with feelings, emotions and moods, and takes place when the consumer begins to like a product stimulus after he has become consciously aware of it.

OPINION LEADERSHIP: can occur when:

1. One individual seeks information from another.
2. When one individual volunteers information.
3. As a by-product of normal group interaction.

ADOPTER CATEGORIES

Researchers have identified some categories of individuals, based on the relative time when they adopted a given innovation:

1. **INNOVATORS:** a venturesome group is the first to adopt an innovation. They are likely to be younger than later adopters, have a higher social status and be in a better financial position. Innovators tend to have broader, more cosmopolitan social relationships. They are likely to rely more on impersonal sources of information, including those external to their own social system, rather than sources from sales people or other word-of-mouth.
2. **EARLY ADOPTERS:** they tend to be a more integrated part of a local social system. This category includes more opinion leaders than any other adopter group. They are greatly respected in their social system. The agent of change who is seeking to speed up the diffusion of a given innovation will often try to work through the early adopters, because they are not too far ahead of others in their peer group. Sales people are probably used more by the early adopters than any other category.
3. **EARLY MAJORITY:** they tend to accept an innovation just before the average adopter in a social system. This group is a bit above average in social and economic measures. Its members rely quite a bit on advertisement, sales people and contact with early adopters. Business firms in this category are average-sized operations.
4. **LATE MAJORITY:** the late majority is a skeptical group. Usually, they adopt an innovation in response to an economic necessity or social pressure from their peers. They rely on their peers, late or early majority, as source of information. Advertising and personal selling are less effective with this group than in word-of-mouth.

5. **LAGGARDS:** this is a tradition-bound group; members are the last to adopt an innovation. Their point of reference is what was done in the past. Laggards are suspicious of innovations and innovators. By the time laggards adopt something new, it may have been discarded by the innovator group in favour of a new idea. Laggards are usually older individuals at the low end of the social and economic scales.
6. **NON-ADOPTERS:** are a group of individuals who may never adopt new innovation. They are habitually tied almost completely to traditional values and will resist any change in values or habits.

FACTORS INFLUENCING RATE OF INNOVATION DIFFUSION

1. The relative advantage of the new product as perceived by members of the social system.
2. The compatibility of the new product with the cultural norms of the social system.
3. The complexity or difficulty of understanding and using the new product.
4. The divisibility of the innovation, or the degree to which it can be tried on a limited basis.
5. The ease with which the results of the innovation can be communicated to others.



Join the best at
the Maastricht University
School of Business and
Economics!

Top master's programmes

- 33rd place Financial Times worldwide ranking: MSc International Business
- 1st place: MSc International Business
- 1st place: MSc Financial Economics
- 2nd place: MSc Management of Learning
- 2nd place: MSc Economics
- 2nd place: MSc Econometrics and Operations Research
- 2nd place: MSc Global Supply Chain Management and Change

Sources: Keuzegids Master ranking 2013; Elsevier 'Beste Studies' ranking 2012; Financial Times Global Masters in Management ranking 2012

Maastricht University is the best specialist university in the Netherlands (Elsevier)

Visit us and find out why we are the best!
Master's Open Day: 22 February 2014

www.mastersopenday.nl



Click on the ad to read more

PURCHASE DECISION PROCESS

All messages must be received before it can generate action. In order for a message to be received, it must penetrate the recipient's consciousness and be interpreted as meaningful. The purchase decision process depends on the following elements that are basic concepts behind human behaviour when a purchasing decision is to be taken:

A TARGET GROUP: a combination of various individuals – each has his own needs, wants, motives, attitudes and personality. These are basic concepts behind human behaviour when a purchasing decision is to be taken.

NEEDS

It is believed that needs are insatiable, once a need is satisfied, another need surfaces. Generally, people have both physiological and psychological needs.

PHYSIOLOGICAL NEEDS: are needs for food, clothing, shelter, things that are basic to life existence.

PSYCHOLOGICAL NEEDS: the need to distinguish individuals as members of a particular social group, to express their mastery, to attract the opposite sex, to protect them and their loved ones from dangers or risks.

Needs are different among people because of their lifestyles, incomes, social group and other factors. Needs may be at a conscious level – they are clearly recognized by the individual or needs can be at the unconscious level – thus it will require a stimulus from outside the mind to expose the needs. A need may exist in a latent state until activated by either internal or external forces or stimuli.

HIERARCHY OF NEEDS

Abraham Maslow has advanced a theory on the hierarchy of needs. He stated that human beings have a five set of basic needs. As each prior level of needs is at least partially satisfied, a consumer will move ahead to satisfy other sets of needs. These needs are classified from highest to lowest – physiological, safety, love, esteem and self-actualization needs – human satisfaction of these needs are done in that order as stated here:

1. *PHYSIOLOGICAL NEEDS:* these are biological needs such as food, water, sleep, shelter and others; they are the most important and powerful of all human needs.
2. *SAFETY NEEDS:* they are based on the need for physical safety and security, an emphasis is part by the individual on risk avoidance by preferring familiar products and avoiding unfamiliar products.

3. *LOVE NEEDS*: love, affection and belongingness. This need is satisfied by marriage, parenthood, belonging to an organization, at least partially.
4. *ESTEEM NEEDS*: the needs for such things as prestige, self-respect, esteem and status. The desire for achievement, independence, and self-confidence are part of this need.
5. *SELF-ACTUALISATION NEEDS*: the desire for self-fulfillment or becoming everything one is capable of becoming. Included are aesthetic satisfactions, knowledge acquisition and so on.

An essential point to note is that a consumer does not have to satisfy one class of needs completely before moving on to the other classes. (Kotler and Keller, 2013; Robertson, 1967; Everett, 1983)

WANTS

A consumer may discover that a product or service will satisfy a need he has and he puts up activities designed to reduce the inner tension that situation has created and a want for the product or service is thus established.

DRIVE

A drive may be defined as an activated (or unsatisfied) want. In order for a drive to commence, the want must be strong to start it – inducing activities.

All behaviours are stimulated by drive. These wants satisfying activities can be identified in a consumer by observation. For instance, a teenage girl who wants to attract the opposite sex will spend more time searching for and using the beauty accessories that make her feel more attractive or a person who wishes to improve her economic status may spend time studying to improve on her education.

Certain needs are latent in the subconscious state and must be exposed to the person's attention before he will attempt to satisfy them. Such wants are aroused by promotional activities like advertising, publicity, personal selling and sales promotions that suggest products or services that will satisfy these identified needs.

BUYING MOTIVES

The reason behind purchases made on particular goods or services is referred to as **BUYING MOTIVE**. It is the driving force behind buying behaviour; it may be based on physiological wants or psychological wants.

Buying motives may be **PRIMARY OR SELECTIVE, RATIONAL OR EMOTIONAL OR PATRONAGE MOTIVES**.

CLASSES OF BUYING MOTIVES

1. **PRIMARY MOTIVES:** Primary buying motives are those that induce a person to buy a general class of product or service. These motives are referred to as primary because they determine the general type of product that the consumer buys. For instance, if a housewife decides to own a food freezer because she wants to save shopping time or to save money currently lost to food spoilage. Similarly, consumers who decide to buy television sets, homes, washing machines, stores or any general class of product have primary buying motives.
2. **SELECTIVE MOTIVES:** Selective buying motives determine the particular BRAND of product or service that will be purchased within a general class. For instance, the housewife may decide to buy and she may make her decision on the basis of which brand she believes most dependable, performs best or attractive or of lowest price.
3. **RATIONAL MOTIVES:** These motives are those that involve some sort of deliberate reasoning process and that a person believes would be acceptable to other members of his social group. For instance, many commercial drivers buy low-rate vehicle insurance because they believe they enjoy the same degree of protection as if they buy a comprehensive insurance which costs a little more. The truth in this belief is irrelevant to them as long as they believe and think this reason will be accepted as a good one by their social group. These types of people are displaying rational motives.

Some rational buying motives could be displayed in the following ways:

- *HIGH QUALITY:* as in buying a home that is framed in the best of woods, show obvious touches of fine craftsmanship and has a brick or similar long-lasting exterior.
 - *LOW PRICE:* such as buying a television set at an amount lower than the price set on the article by most sellers in the area.
 - *LONG LIFE:* as in an automobile tyre that will go 40,000 kilometres before its utility runs out.
 - *PERFORMANCE:* as in ball point pen that won't skip or bleed under any circumstance.
 - *EASE OF USE:* such as in a screw driver with a magnetized tip to cling to the metal heads of screws. Most people will not run the risk to lose their esteem in their social group when they buy or where a purchase is made, they will rationalize their motives by providing buying reasons of a rational nature, even when the underlying reasons may be distinctly emotional.
4. **EMOTIONAL MOTIVES:** When a consumer makes a buying decision without careful analysis of the pros and cons prior to the buying decision, such a consumer is said to be driven by emotional motives. This means the consumer applied little or no deliberate thought in reaching the decision. An emotional motive may be below the level of consciousness, it may not be recognized by the consumer or sometimes he may fully recognize the motive operating, but be unwilling to admit it to others because the consumer feels it would not be accepted as a proper reason for buying by his social group.

Some categories of emotional motives are:

- *DESIRE TO BE DIFFERENT*: such as a man who builds an ultra-modern house in a remote village where traditional homes are predominant.
 - *DESIRE TO CONFORM*: such as a teenage boy who wants a black leather jacket because all his friends are wearing it.
 - *DESIRE TO ATTRACT THE OPPOSITE SEX*: such as a teenage girl who buys a new cosmetic or mini skirt in order to make her more attractive to the opposite sex.
 - *DESIRE FOR MASTERY*: like a man who buys a set of weight to build the body.
 - *DESIRE FOR PRESTIGE*: such as the person who buys the most expensive automobile he can afford, in order to impress his friends.
5. **COMBINATION OF MOTIVES**: A consumer may blend both rational and emotional buying motives during a particular purchase – such as in the purchase of tobacco or cigarettes.
 6. **PATRONAGE MOTIVES**: These are reasons why consumers make purchases of products or services from particular outlets.



Empowering People. Improving Business.

BI Norwegian Business School is one of Europe's largest business schools welcoming more than 20,000 students. Our programmes provide a stimulating and multi-cultural learning environment with an international outlook ultimately providing students with professional skills to meet the increasing needs of businesses.

BI offers four different two-year, full-time Master of Science (MSc) programmes that are taught entirely in English and have been designed to provide professional skills to meet the increasing need of businesses. The MSc programmes provide a stimulating and multi-cultural learning environment to give you the best platform to launch into your career.

- MSc in Business
- MSc in Financial Economics
- MSc in Strategic Marketing Management
- MSc in Leadership and Organisational Psychology

www.bi.edu/master

BI NORWEGIAN BUSINESS SCHOOL

EFMD
EQUIS
ACCREDITED

The following are some categories of patronage motives:

- Price
- Width and breadth of lines carried
- Convenience of location
- Reputation of the outlet
- Services offered, such as credit, delivery and others
- Outlet policies regarding customer's complaints and return of goods
- Friendship with the owner or a person working in the outlet
- Special inducements, such as price drawings or trading stamps

THE SELF-CONCEPT

Self-concept is the way a person sees himself or herself and how he or she believes others see him or her at a particular time. Four major self-concept components have been identified as follows:

1. *REAL SELF*: how a person really pictures himself in his own mind. The way a person actually is.
2. *SELF-IMAGE*: how a person would like to see himself.
3. *LOOKING GLASS OR SOCIAL SELF*: how a person thinks other people really see him.
4. *IDEAL SELF OR SELF-ACTUALISATION*: how a person would like other people to see him.

An individual's self-concept is the result of many environmental and psychological forces such as heredity, the environment, family, friends, social class, culture, and other factors like economic – the self-concept begins its formation in childhood and tends to stabilize as the individual matures. Individual tends to protect his/her self-concept; therefore, when an individual forms a self-concept, he resists pressures to change it; if it has to change, it is slowly done over time.

Consumers perceive products and services that they own or intend to own with a symbolic meaning in relation to themselves and others. These products and services are used to adjust themselves to the various self-concepts. (Kotler and Keller, 2013; Robertson, 1967; Everett, 1983)

RELATIONSHIP OF SELF-CONCEPT TO MARKETING COMMUNICATION

For promotional purposes, marketers should know that part of self -concept that affects their prospects.

Consumers use products and services to adjust the real self to the ideal self and the other real self to the other ideal self. In the process of purchasing particular products and services, consumers let others know what they are and what they intend to be.

All promotion efforts must clearly recognize the importance of the self-concept. Messages that protect and enhance the self-concepts of promotion targets are likely to be more effective than messages that threaten self-concepts. Threats may secure attentions but may never secure the essential purchase actions.

PERCEPTION

We interpret the world around us through perception. Sound, light, odours, tastes and pressures from the environment are received by our sensory receptors. Such as ears, eyes, nose, tongue and skin. These sensation or stimuli are perceived, shaped by previous learning, beliefs, values, attitudes – and organized into meaningful concepts. These perceptions, beliefs, values, attitudes and integrated to compose our COGNITIVE STRUCTURE.

PERCEPTION is defined as the reception of stimuli through the senses and the attachment of meaning to various stimuli received.

PERCEPTUAL FIELD consists of the individual's unique and personal field of awareness and this includes his total awareness – his physical and psychological self, his environment, his values, family, culture, social class, and everything that has affected the individual through learning or experience.

The portion of the perceptual field that is in focus at any time is referred to be in **FIGURE**, while those portions that are not in figure are said to be in **GROUND**. Various meanings attached to perceived objects, product or events is always the relationship of what is in figure to what is in ground of the individual's perceptual field. For instance, a young child may not be afraid of a snake as dangerous, if he has not seen and be taught the concept that snakes are dangerous – that is, the concept of snake is in ground of the child's perceptual field. An individual perceives only those things that make sense within the context of his cognitive structure.

SELECTIVE PERCEPTION – Perception is very selective, we see what we want to see, hear what we want to hear, smell what we want to smell or taste what we want to taste. We often modify or distort what we do not like to perceive to suit ourselves. Similarly, advertisement can be wrongfully perceived.

SELECTIVE DISTORTION – The consumer's perceptual process may also result in information alteration. This process frequently occurs when an individual receives information that is inconsistent with the person's beliefs, cultural values and attitudes.

SELECTIVE RETENTION – This process can also influence the consumer's perception. In this aspect, an individual may remember only information that supports their attitudes and beliefs; the person will deliberately allow unwanted information to decay away from the memory, thus perception of such stimuli may be distorted or completely forgotten.

CHARACTERISTICS OF SELECTIVE PERCEPTION

1. *CLOSURE*: this is the tendency of reporting an incomplete figure as complete.
2. *SIMILARITY*: objects or products that appear to an individual to be similar are perceived to belong together.
3. *PROXIMITY*: things located near each other tend to be perceived as belonging together.
4. *CONTEXT*: the setting of an object or product often determines how it will be perceived.

Advertisers try to get their messages on a programme that is in context with the products. For instance, a producer of exercise books may run their advertisement in a programme that focuses on education or intellectual development.

Other influencing factors on perception are:

- Large size, this can pull more attention than small size such as a full-page advertisement in a magazine can attract more attention than a quarter page.
- Loud sounds, bright colours and movement attract attention especially when their background is in contrast.
- Moving signs are perceived more easily than motionless signs – as can be noticed on a Neon Sign compared with a billboard.

Need help with your dissertation?

Get in-depth feedback & advice from experts in your topic area. Find out what you can do to improve the quality of your dissertation!

Get Help Now



Go to www.helpmyassignment.co.uk for more info



Helpmyassignment



Click on the ad to read more

ATTITUDES

Attitudes are individual's basic orientation for or against people and phenomena. These are factors that constitute the basic building blocks leading to buying behaviour. Attitudes are either negative or positive towards a person, object, product or idea.

Attitudes consist of three basic factors:

- *COGNITIVE*: this is the bundle of information and beliefs held by the individual.
- *AFFECTIVE*: this relates to feelings or emotional aspects of the attitude.
- *BEHAVIOURAL*: these are tendencies to behave in a certain way or readiness to respond.

These factors operate in a balanced and stable relationship to one another.

FUNCTIONS OF ATTITUDES

1. **ADJUSTMENT**: The individual attempts to maximize rewards and minimize punishments in his external environment.
2. **EGO-DEFENSIVE**: Attitudes may function as a defence mechanism to protect an individual self-image from feeling of inferiority, anxiety or unacceptable impulses.
3. **VALUE EXPRESSIVE**: An individual may derive satisfaction by expressing attitudes that reflect his beliefs and enhance his self-image.
4. **KNOWLEDGE**: Attitudes provide standards for evaluating and understanding individual's environment.

ATTITUDE CHANGE

An imbalance between factors affecting attitude dimensions of cognitive, affective and behavioural may result in an attitude change. Every individual attempts to maintain a balance between these factors.

Attitudes tend to be organized; a change in one affects the other dimensions. If an attitude changes, compensating changes must also take place in other attitudes, if one factor becomes inconsistent it will lead to a change in one of the attitudes components and bring about modification of the persuasive communication that caused the change or lead to rejection of the incoming message. A strong and well-entrenched attitude may be hard to change by promotional means. Attitude change may not necessarily lead to behaviour change.

FACTORS INFLUENCING CHANGEABILITY OF ATTITUDES

1. Attitude about a product or service is more subject to change through contradictory promotion messages when the existing mass of stored information about the product is small.
2. Attitudes that are closely related to the self-concept, important values or motives are the most resistant to change.
3. Attitudes that are highly interconnected with other attitudes in an attitude system resist change because a change in one attitude generally leads to a change in another.
4. Information advanced through promotion is more likely to be evaluated on its own merits and lead to attitude change when the person is open-minded and not closed-minded in his beliefs.

EFFECTING ATTITUDE CHANGE TOWARD A PRODUCT

These procedures could be followed to effect attitude change towards a product:

1. Provide new information to enlarge and change the cognitive dimension.
2. Attack the affective or emotional dimension of the attitude by associating the end state of change with the desirable consequence that results.
3. Induce the person to engage in attitude discrepant behaviour – something that contradicts his preferences. This may generate dissonance and lead to attitude change.

PROMOTIONAL APPROACH TO EFFECTING ATTITUDE CHANGE

These promotional strategies can be used by an advertiser to effect consumer attitude change:

1. Use a trustworthy and credible source.
2. Let the consumers draw their own conclusions.
3. Repeat the message to ensure reinforcement and avoid habituation. Habituation occurs when the ability of a message fails to attract attention as a result of excess repetition of such message.
4. Use two-way communications where possible, feedback analysis can reflect attitude change and its direction. This can be achieved using integrated marketing communication approach.

LEARNING

Learning is defined as changes in behaviour brought about by practice or experience. Categories of learning theories are:

1. **STIMULUS RESPONSE:** This theory stipulates that the individual can be conditioned to respond to certain stimuli in a particular way and that repetition of the response soon leads to a habitual response that is linked to the stimulus.
2. **GESTALT THEORY:** This learning theory states that one's perceptions and understanding of things should not be seen as a total process and not in terms of its parts such as size, shape or scent. The theory emphasizes the role of perception and understanding and minimizes the role of experience in learning situations.
3. **COGNITIVE THEORY:** The theory stipulates that the things an individual learns are cognitive structures, not just responses based upon previous experience or trial and error.
4. **MEMORY:** Is the ability to recall information, feelings and ideas. It is the evidence of learning. Positive or negative appeal can be recalled more quickly than neutral appeal.

COGNITIVE DISSONANCE

Cognitive dissonance is a form of post purchase anxiety; a consumer may suffer from the anxiety after purchasing a product.



Brain power

By 2020, wind could provide one-tenth of our planet's electricity needs. Already today, SKF's innovative know-how is crucial to running a large proportion of the world's wind turbines.

Up to 25 % of the generating costs relate to maintenance. These can be reduced dramatically thanks to our systems for on-line condition monitoring and automatic lubrication. We help make it more economical to create cleaner, cheaper energy out of thin air.

By sharing our experience, expertise, and creativity, industries can boost performance beyond expectations. Therefore we need the best employees who can meet this challenge!

The Power of Knowledge Engineering

Plug into The Power of Knowledge Engineering.
Visit us at www.skf.com/knowledge

SKF

Cognitive dissonance is caused by the lack of agreement among the buyers cognitions regarding the product purchased and the possible alternatives to buying that were avoided by the consumer's act of buying. What worries the consumer is the thought that his purchase decision may have been wrong. The higher the importance of the purchase decision and the greater the attractiveness of possible alternatives, the higher the concentration of the cognitive dissonance. Cognitive dissonance can be reduced by the seller having his salesmen congratulate buyers on the wisdom of their purchases, running advertisement directed at recent buyers to assure them they have taken a right purchase decision or packaging reassuring statements about the products in the information booklets or brochures that is delivered to the consumer with the product. [19].

CULTURAL ELEMENTS IN COMMUNICATION

CULTURE DEFINED: Culture has been defined as a distinctive way of life of a group of people, their complete design for living.

It is the man-made part of man's environment, the sum total of his knowledge, beliefs, art, morals, laws, customs and any other capabilities and habits he acquires as a member of a particular society.

Cultural attitudes and values of the whole society, affect the way we do things, see things, use things and judge things. The adjustment of man to his environment – biologically, psychologically and historically depends of his cultural existence, and every society has a culture. An individual is constantly influenced by:

- *CULTURE*: distinct national lifestyle.
- *SUB-CULTURE*: a segment of culture within the national culture which may be created by religion, ethnic or age.

Influences from social class, reference groups and family life style can affect the individual and can result into the creation of sub cultures within a culture.

A culture tends to lose its homogeneity and break down into sub-cultures as population increases. Sub-cultures develop to help the individual satisfy his needs for a more specific identity.

For easy analysis, culture may be divided into five main parts:

1. **MATERIAL CULTURE:** The society's material cultures are affected by technology and economic factors. A society that enjoys a high level of technology or/and economy will have culture different from another society with lower levels. For example, a culture that does not make motorized movements will not have a need for paved roads because they use camels and donkeys when travelling. Technology increases the level of material goods creation while economics is involved with the way in which productive factors are utilized in a society.

Marketing achieved its highest state of development in societies where an abundance of products and services needs to be distributed among large segments of the population.

2. **SOCIAL INSTITUTIONS:** The position of the family, social classes, age groups and of men and women usually varies by culture. Each social institution influences values, behaviour and lifestyles.
3. **BELIEF SYSTEMS:** The value systems of a society can be seriously affected by beliefs, especially religious beliefs. Belief systems have such effects on diverse areas as the people's outlook on life, their habits, the products they buy and the way they buy them, the movies they watch and the specific newspapers and magazines they read.
4. **AESTHETICS:** Art, folklore, music, drama and the dance are subject to cultural interpretation. Culture plays a role in determining the symbolic meanings of various methods of artistic expressions. Colours may carry different meaning to different cultures. Standard of beauty can vary with culture. The marketer should understand the aesthetics of a culture and reflect their understanding in product design, package and advertising.
5. **LANGUAGE:** Language differs as culture varies. Cultures attach clearly separate meanings to certain combination of words.

Words may carry meanings beyond their literal meanings in most cultures. This fact should be understood and reflected in making a promotion message.

CULTURAL INFLUENCE ON PROMOTION

The cultural systems consist of cultural moral instructions and norms which are used to interpret meanings and specify values.

Promotional information, products and services are evaluated based on these cultural norms. Promotion messages must use symbols that are meaningful to their target audience. The level of difficulty of language, appeals, meanings of words, colours, illustrations must be culturally acceptable to the target audience.

SOCIAL INFLUENCES ON PROMOTION

Each individual has his buying behaviour influenced by:

1. **HEREDITY:** The element which dictates what we eat, drink and breathe to stay alive.
2. **SOCIOLOGICAL ENVIRONMENT:** This explains why people buy certain type or brand of product, select their type of outlet or choose their consumption pattern.
3. **SOCIAL CLASS:** Is a group of people whose members are nearly alike in terms of some characteristics valued in their society and whose possession of that characteristic clearly differentiates them from other people.

The process of classifying members of a society into various social structures is called **SOCIAL STRATIFICATION**.

TURN TO THE EXPERTS FOR **SUBSCRIBE** CONSULTANCY

Subscribe is one of the leading companies in Europe when it comes to innovation and business development within subscription businesses.

We innovate new subscription business models or improve existing ones. We do business reviews of existing subscription businesses and we develop acquisition and retention strategies.

Learn more at [linkedin.com/company/subscribe](https://www.linkedin.com/company/subscribe) or contact
Managing Director Morten Suhr Hansen at mha@subscribe.dk

SUBSCRIBE - to the future



W. Lloyd Warner's system of social stratification is very popular and it is described as follows:

1. **UPPER-UPPER CLASS:** Consisting of locally prominent families with at least second or third generation wealth. Basic values are – living graciously, upholding family reputation, reflecting the excellence of one's breeding and displaying a sense of community responsibility.
2. **LOWER-UPPER CLASS:** This class consists of recently arrived and never quite accepted wealthy families such as city executive elite, proprietor of large business and newly well-to-do doctors, lawyers, architects and others. Their basic values are partly that of upper-upper pursuit of gracious living and the upper-middle class drives for success.
3. **UPPER-MIDDLE CLASS:** This class is made up of moderately successful professional men and women, owners of medium-sized businesses, corporate men at the management level and young people in their 20s–30s who are expected to arrive at this occupational status level by their middle or late 30s. Basic goals are career success, reflecting this success in home décor and social participation, cultivating charm and polish, and a broad range of interest – either civic or cultural.
4. **LOWER-MIDDLE CLASS:** Small business owners non- managerial office workers and highly paid blue-collar workers who are concerned with being accepted and respected in white-collar churches, clubs, neighbourhoods – these are the type of people in this class. Their major goal is respectability, and they live in neatly furnished, well- maintained homes in the town.
5. **UPPER-LOWER CLASS:** This class consists of semi-skilled production-line workers with the goals of enjoying life and living well from day-to-day. They try to be modern, keep step with the times and take advantage of progress to live more comfortably.
6. **LOWER-LOWER CLASS:** This class consists of unskilled workers, unassimilated ethnics, and the sporadically employed. Their purchasing power is very low. The group is characterized by apathy, fatalism and other various anti-social activities.

In various promotional efforts, advertisers should beware of the influence of social class membership on buying behaviour. The consumption patterns of a class operate as prestige symbols to identify class membership. Advertisements, appeals, copy, art and media may differ in selling the same product to different social classes. (Engel, Blackwell and Kollat, 1973)

HEREDITARY FAMILY STATUS

When an individual is born, he immediately inherits that family social status which he grows up with until he becomes an adult. He can improve the inherited family status through his own efforts. An individual's family plays a great role in the formation of his basic value and attitude. Family training at the childhood stage remains to affect the individual's tastes in relation to many purchases he makes.

A change in social strata does not immediately change the individual purchase behaviour because of effects from his inherited family status.

FAMILY LIFE CYCLE

The family life cycle can be classified into stages which conceptualize a family life cycle.

These stages are:

- | | |
|----------------------------|--|
| 1. THE BACHELOR STAGE: | Young single people. |
| 2. NEWLY MARRIED COUPLE: | Young, with no children. |
| 3. THE FULL NEST I: | Young married couple, with the youngest child under 6 years old. |
| 4. THE FULL NEST II: | Young married couples, with the youngest child 6 years and over. |
| 5. THE FULL NEST III: | Older married couples, with dependent children. |
| 6. THE EMPTY NEST: | Older married couples, with no children living with them. |
| 7. THE SOLITARY SURVIVORS: | Older single people. |

The stage of life cycle in which an individual is, has a great influence on his consumption pattern of various products. Advertisers should define their promotion targets in terms of the family life cycle where feasible, since all parts of a campaign should be targeted to attract the proper prospects.

REFERENCE GROUP

Reference Group: Is a group that a person accepts as a frame of reference for self-evaluation and attitude formation.

An individual can belong to such a group or aspire to belong. There are three identified types of reference group

- 1) Membership
- 2) Anticipatory
- 3) Dissociative.

- **MEMBERSHIP REFERENCE GROUP:** these are reference groups which a person automatically belongs because of such factors as birth, sex, race, income, marital status and age. Organization in which membership is held forms part of this group, such membership can be temporary or transitory.
- **ANTICIPATORY MEMBERSHIP REFERENCE GROUP:** It is a group which a person aspires to belong; even if he has not yet belonged to it, his wanting to belong will affect his behaviour and purchasing.
- **DISSOCIATIVE REFERENCE GROUP:** Individuals in this group are those to which a person does not want to belong or have anyone think that he might be a member. For instance, a man may use hair colouring to cover up his grey hair in order to dissociate himself from the middle-aged group.

Industrial buyers and wholesalers or retail buyers may also have reference groups such as commercial buyers or senior company executives.

FUNCTIONS OF REFERENCE GROUP

1. It can set and enforce group standards of belief and conduct.
2. It may establish various levels of trustworthiness for people trying to communicate with the group.
3. It can filter communication from outsiders to the group and thus create selective exposure for group members.
4. It provides social support for members' attitudes and values.

REFERENCE GROUP EFFECTS ON PRODUCT PURCHASES

Reference group can influence the purchase of a product, the choice of a brand or both – such influence can be positive or negative and it can manifest in terms of aspirations rather than current status. Reference group's influence can be very strong in the case of product purchase decisions for which a person's individual experience has little direct help.



"I studied English for 16 years but...
...I finally learned to speak it in just six lessons"
Jane, Chinese architect

ENGLISH OUT THERE

Click to hear me talking before and after my unique course download

Reference group influence is much less on small, inexpensive products but very high on large expensive purchases. To serve as a means of identification with a particular reference group, a product must be conspicuous enough so that it can be seen and identified by others – the product must also be socially visible. It must serve to differentiate him from the masses and identify him as a member of a particular group. As a product becomes more common, it loses its social visibility and it may not enjoy a high level of sales among the members of a particular group.

SIGNIFICANCE OF ROLES IN PROMOTION

ROLE DEFINED: A person's role is a pattern or types of behaviour which seems situationally appropriate to him in terms of the demands and expectations of those in his group.

There are two types of roles:

- *ASCRIBED ROLES*: those assigned mainly on the basis of biological and physiological factors for example age and sex role.
- *ACHIEVED ROLES*: these are roles assigned on the basis of social inheritance or expected position in society – such as in upper or lower income class and professional, white collar or blue collar worker.

Role in promotion is significant because an individual who belongs or aspires to belong to a particular group uses the symbols of that group to achieve role identification.

Advertisers build images for brands and supply role playing significance – for example, the masculine, happy ultimate successful image in **some beer** advertisement, the consumer buys this product to enhance their role – playing abilities within certain groups.

Individuals play different buying roles in the family according to the product or service to be purchased.

These roles can be categorized as:

1. *INFLUENCERS*: they inform, persuade or establish certain requirements to be met in the buying decision.
2. *DECIDERS*: have the final authority for making the buying decision.
3. *PURCHASER*: this role is usually assumed by the wife who is often just carrying out the wishes of the decider as regards the product to buy.
4. *USERS*: actually use or consume the product. They may or may not have influenced the buying decision directly, but they usually affect future buying decision, relating to same product.
5. *DISPOSERS*: this person performs the role of disposing of a product or discontinues the use of a service. For example, a father throws away a partially eaten meat pie or a mother stops a magazine subscription. The performer of such a role is capable of influencing repeat purchase of the disposed product or service.

These roles may be involved in different aspects of the purchase decision process and in consumption of the product or service that is bought. Thus, the advertiser must identify and provide information needed by each of the people who affect purchase of his product.

SOCIALISATION PROCESS

SOCIALISATION is the process by which individuals learn the rules of their society and establish their own values, attitudes and long-lasting personal characteristics.

Every individual is involved in this process from childhood; it is a continuous process which individuals are exposed to throughout a life time.

Socialization process plays major roles in conditioning the lifestyles of individuals, the household units provide the basic framework in which consumer socialization occurs. This involves the processes by which young people acquire skills, knowledge and attitudes relevant to their functioning as consumers in the market place.

LIFESTYLE: An individual's lifestyle is a function of inherent personal characteristics that have been shaped and formed through social interaction as the person moves through the life cycle.

A consumer's lifestyle is made up of the ways of living of an individual or group that distinguishes it from that of others. Consumers buy products that are developed and promoted to enhance their lifestyle.

Advertisers must use promotions that have taken into consideration the direction in which his market is facing and what lifestyles new economic or social environment may create.

EFFECTS OF SOCIAL CONDITIONING

Advertisers should be interested in the effects of social conditioning on the individual because conditioning process is continuous through the individual's life span. Social conditions that have effect on an individual include:

1. **HABIT:** this is an act that is repeated so often by an individual that it becomes automatic with such individual. For example, an individual may ask for coke anytime he wants to buy soft drink.
2. **CUSTOM:** customs are habits followed by great numbers of people. Examples are the custom of eating three meals a day and women painting lips and fingernails. Advertising, publicity, personal selling and sales promotion appear to work best when they promote products, services, ideas that relate with present habits and customs. Efforts to change habits or customs are much more expensive than attempts to reinforce existing ones.
3. **ATTITUDE:** attitudes are states of readiness to make value judgment in support of or against people, products, ideas or things. Attitudes range from positive to negative or from firmly entrenched to transitory. Consumers are more likely to buy products towards which they have a positive attitudes than those towards which their attitudes are negative.
4. **BELIEF:** beliefs are subjective concepts of truth. Individual's beliefs are based more on emotion than reason and may or may not agree with the facts.

A belief that is held by a large group of people can be helpful or injurious to the sales, promotion of a product or service.

5. **VALUE:** Values are desirable conditions or state of affairs. Individuals who belong to a particular group usually have some values in common and they tend to share these values.
6. **TABOO:** taboos are the powerful "do not", accepted and enforced by the members of a group. A taboo carries with it the implication that evil consequences will follow its violation. Various societies or groups have taboos regarding various things such as the use of a given colour, phrase or symbol. For example, colour for mourning in Iran is Blue – in Japan it is white, in Southern Nigeria it is Black, while purple is associated with death in Latin American countries. Advertisers must be careful in using these colours or symbols when promoting their products in such markets. (Stanley, 1977; Kotler, 1997; Hawkins, Roger and Coney, 1986)

3 Promotion Planning And Techniques

A company can devise an effective promotional programme by a systematic approach to promotional planning and strategy. This approach to planning involves six stages that are used to develop the firm's promotional strategy. In developing such promotional strategy, an effective usage of techniques, such as branding, market segmentation, and product positioning would be implemented. The six stages in promotional planning are as follows:

1. Situation analysis
2. Establishment of objectives
3. Determination of budget
4. Management of programme elements
5. Measurement of effectiveness
6. Evaluation and follow-up



What do you want to do?

No matter what you want out of your future career, an employer with a broad range of operations in a load of countries will always be the ticket. Working within the Volvo Group means more than 100,000 friends and colleagues in more than 185 countries all over the world. We offer graduates great career opportunities – check out the Career section at our web site www.volvogroup.com. We look forward to getting to know you!

VOLVO
AB Volvo (publ)
www.volvogroup.com

VOLVO TRUCKS | RENAULT TRUCKS | MACK TRUCKS | VOLVO BUSES | VOLVO CONSTRUCTION EQUIPMENT | VOLVO PENTA | VOLVO AERO | VOLVO IT
VOLVO FINANCIAL SERVICES | VOLVO 3P | VOLVO POWERTRAIN | VOLVO PARTS | VOLVO TECHNOLOGY | VOLVO LOGISTICS | BUSINESS AREA ASIA



Situation analysis: This stage involves making a sufficient analysis of demand, competition, legal consideration, human and financial resources of the company. The analysis of these factors should be done in ways that reflect their effects on the products or services to be promoted. Promotion objectives must not conflict with overall marketing objectives.

Establishment of Objectives: Objectives are set based on the situation analysis and the company's anticipations from the products or services to be introduced into the market or promoted.

Determination of Budget: Once objectives have been established, it is essential to determine a preliminary promotional budget. Tentative budget may initially be established and can be modified as the planning process proceeds.

Management of Programme Elements: Promotional communication resources available to the firm include:

- Advertising – print, electronic, outdoor, transit and corporate.
- Resellers – wholesalers and retailers.
- Personal selling – strategically pushing products to consumers.
- Sales promotion – packaging, price offers, samples and others.
- Supplemental communication support such as public relations.
- Publicity – non-personal communication through the media such as television, radio and newspapers.

These communication resources must be put into the promotional strategy, adequately balanced with the proper mix that ensures communication effectiveness. Coordinated management of various components of the promotion mix is essential to the effectiveness of the company's promotional strategy. Coordination management requires skillful use of the managerial talents. Decisions must be made regarding the necessity of using outside services such as advertising agencies, research suppliers and media buying services.

Measurement of Effectiveness: The overall effectiveness of the promotional programme should be measured. This requires measurement of communication performance such as brand name awareness, recall of major benefits, advertisement viewership and other elements in the promotional strategy.

Evaluation and Follow-up: Every effort should be made to assess the strength and weaknesses of the promotional plan with the objective of building up experience for use in future planning. (Warshaw and Kinnear, 1983)

COMPONENT ELEMENTS OF PROMOTIONAL PLANS

Promotional plans should specify which promotion elements are to be used and how company resources are to be allocated among the promotion mix. It determines the promotion mix and provides for the coordination of the elements of the mix with each other and the overall marketing strategy.

ADVERTISING PLAN: A firm's advertising plan should include the advertising target, objectives, strategy, appeal, copy theme, media schedule, budget and methods for measuring advertising results.

PUBLICITY PLAN: The publicity plan should include the publicity target, objectives, schedule of company products and events with news value, media possibilities, budget and means of measuring the results of publicity.

PERSONAL SELLING PLAN: This includes sales targets, objectives, strategies, major appeals, budget and methods of measuring personal selling results should be included in the personal selling plan.

SALES PROMOTION PLAN: It encompasses sales promotion targets, objectives, strategies, schedule of events. Budget and methods of measuring the results of sales promotion efforts are essential parts of the plan.

PROMOTION TARGET DETERMINATION

Market segmentation is the process of viewing a large heterogeneous market as a group of smaller, homogeneous markets brought about by differing product preferences among consumer groups.

The company can identify the group of consumers who are his most promising prospects and concentrate his promotional efforts on them. Instead of attempting to do a promotional mix, which is aimed at covering the entire market, a company can identify segments and direct its promotional effort at those targets. Promotional target markets are usually used for three basic reasons.

1. *ACHIEVEMENT OF SHORTER PRODUCTION RUN:* Production runs does not have to be long as the company will focus on the target market and this makes easy product adjustments. Products can be adapted to identified targets.
2. *MARKETING COST PRODUCTION:* Cost-reducing techniques in the marketing process, such as self-service retailing have made it possible for manufacturers to offer a wider variety of products to get finer adjustment of product features to the needs and wants of target groups.
3. *CUSTOMERS SATISFACTION:* A rising level of discretionary buying power and its more widespread distributions have made customers more choice-conscious. Consumers are able to spend more money in order to get products that satisfy their personal desires.

BRANDING TECHNIQUES

Managers have the opportunity to develop strategic orientation for top management decision making by devising an effective brand strategy for promotional functions. The process of branding a product is done for these purposes:

1. To create identification and brand awareness.
2. To guarantee a certain level of quality, quantity and consumer satisfaction.
3. To help with product promotion
4. To enable strategic positioning of product for effective competition.

A BRAND – Is a name, term, symbol or special design or some combination of these elements that is intended to identify the goods or services of one seller or a group of sellers.

A brand differentiates one seller's product or service from those of competitors. A brand name consists of words, letters and or numbers that can be vocalized. A brand mark is the part of the brand that appears in form of a symbol, design or distinctive colouring or lettering.

TRADE MARK – Is a brand that has been given a legal protection by the originator.

gaieteye[®]
Challenge the way we run

**EXPERIENCE THE POWER OF
FULL ENGAGEMENT...**

**RUN FASTER.
RUN LONGER..
RUN EASIER...**

**READ MORE & PRE-ORDER TODAY
WWW.GAITEYE.COM**

A trademark, by definition, must meet three fundamental requirements to be legally protectable:

1. It must consist of a device, symbol, name, word or any of these combinations that has been found registrable by law as a valid mark.
2. A mark must be adopted and used by a manufacturer or a merchant.
3. The mark must identify and distinguish goods sold or manufactured by one individual from those of another.

HIERARCHY OF REGISTRABLE TRADEMARKS

A basic requirement for choosing a valid mark is to select one that can be federally registered, which eliminates marks that are deceptive, immoral, disparaging, confusing or constitute a generic term. Researchers have identified a hierarchy for determining eligibility for registration; in a descending order of protection, these categories are – fanciful, arbitrary, suggestive, descriptive and generic.

1. **FANCIFUL:** Is specially designed with clear own identity, it is highly protectable such as “Kodak”.
2. **ARBITRARY:** Is a brand identity based on opinion or impulse only. For example, *canoe* soap.
3. **SUGGESTIVE:** Is a brand identity suggesting product performance or attribute such as *Eveready* battery.
4. **DESCRIPTIVE:** Is a brand identity that describes product or relate to the products functional features which attains a secondary meaning, that is, a meaning different from what it is primarily known to be, for example *Ivory*. They are usually less protectable by law because of identification difficulty.
5. **GENERIC:** Brand names derived from basic or generic components of the product which differs from other competitor’s brand, such as *Aspirin*. It is usually very difficult to secure legal protection for trademarks under this category because of the generic nature.

BRAND NAME SELECTION PROCESS

The brand name selection process consists of six steps:

1. Identifying objectives and criteria for brand names.
2. Generation of registrable brand names.
3. Screening for the appropriateness to the firm’s image or its product image.
4. Researching consumer choices, opinions and brand name acceptability.
5. Searching for a trademark, to ensure it has not been used by someone else.
6. Selecting the trademark.

BRAND PROTECTION PROCESS

Brand protection process should follow these steps:

1. **REGISTRATION:** Obtain trademark registration.
2. **UPDATE MAINTENANCE FEES:** To ensure the retention and continuous usage of the trademark, update payments of applicable annual taxes or maintenance fees in every market where the brand exists.
3. **OBSERVE APPLICABLE TECHNICAL REQUIREMENTS:** – Observe all technical requirements affecting designs, product information and application, needed in the maintenance of the trademark in all markets.
4. **SATISFY LEGAL REQUIREMENTS:** Satisfy all other legal requirements for brand protection in all markets where the brand exists.
5. **REGULAR USAGE OF TRADEMARK:** The trademark must be constantly used to ensure market prominence, and satisfy the mandatory universal requirement on usage.
6. **PREVENT LOSS OF TRADEMARK IDENTITY:** Make sure, the brand does not become so generic that is identified with the product itself. A loss of trademark can occur if the name becomes part of the language that is when members of the consuming public use the brand name to denote the product or its common function rather than producer of the product. For example, *Aspirin* used as a synonymous name of a type of pain killer, is generically a kind of analgesic tablet. *SELLOTAPE*, commonly used to identify packaging tape, is actually a brand name that has lost its trademark identity. These brand names have become synonymous with the product identity.
7. **BRAND PROMOTION:** A trademark must not be used in generic sense during promotion campaign. Promotional materials should reflect the proper usage and the public should be informed accordingly. Trademark could be differentiated with the registration symbol – ® plus footnote “registered trademark”.
8. **FILE REGISTERED TRADEMARKS WITH CUSTOMS DEPARTMENT:** This can help international marketer prevent counterfeiting.

CREATING A BRAND PERSONALITY AND FRANCHISE

Advertising is the major promotion tool for developing the brand. The advertiser has control over the space or time in which advertisements are exposed to consumers or users of the product. The advertiser can use campaign themes, copy, art treatments and production method that will emphasize the brand name of his product and associate it with the desirable quantities and benefits wanted by a particular advertising target. This creative function should be properly performed in order to achieve a brand personality and franchise.

Branding enables a company to influence consumers towards its products or services. A properly promoted brand name through advertising and other forms of promotion attracts customers who will try the product, and when they are satisfied with the product's performance, will repeat purchases of the brand anytime the need arises.

Through advertising and good promotion, a brand franchise may be developed that will assist the manufacturer in competing effectively with other brands. Brand franchise allows the manufacturer to operate in an environment of non-price and avoid price competition. Promotion will be difficult and worthless if there are no brands, as customers will not be able to identify, recognize and repeat purchase a product that has yielded satisfaction in the past. Brand names are very important if customers are to develop preferences for a particular manufacturer's product.

TYPES OF CUSTOMER'S BRAND PREFERENCE

Customers brand preferences vary from positive to negative as follows:

BRAND INSISTENCE: A customer wants only the brand and will not settle for a substitute.

BRAND LOYALTY: A customer has a strong attachment to the brand and will not settle for a substitute if the brand is available.

BRAND PREFERENCE: A customer regards the brand favourably but will accept a substitute.

BRAND ACCEPTANCE: A customer will buy the brand but is just as likely to buy another brand.



This e-book
is made with
SetaPDF

SETASIGN

PDF components for PHP developers

www.setasign.com



BRAND AWARENESS: The buyer is aware of the brand's existence but has little specific information about it and no emotional attachment to it. He may or may not risk purchasing the brand.

BRAND REJECTION: The buyer knows of the brand but refuses to buy it even if it means doing without the product.

BRAND IGNORANCE: The buyer is unaware of the existence of the brand.

A producer, seller or a manufacturer has a brand franchise when customers show brand insistence, brand loyalty, or brand preference for his product. In order to increase a brand franchise, the producer must move buyers from brand ignorance, through awareness or acceptance to brand preference, loyalty and insistence. Proper promotion and advertising can achieve the objective of converting negative customer's attitude to positive one.

MARKET SEGMENTATION

MARKET SEGMENTATION is the process of dividing the total heterogeneous market for a product into several sub-markets or segments, each of which tends to be homogeneous in all significant aspects. The concept of market segmentation is used to isolate segments or targets of market that offer the greatest potential for marketing success or effectiveness so that adequate resources and efforts are directed towards most promising targets. The advertisement messages are targeted to the same markets segmented for a product.

IDENTIFIED DECISION FACTORS FOR MARKET SEGMENTATION

1. **IDENTIFICATION:** marketing research is used to identify various market segments.
2. **MEASURABILITY:** it involves the effective size of a segment as estimated through research objectives, quantitatively and qualitatively.
3. **ACCESSIBILITY:** this aspect concerns the ability with which a company may be able to direct its marketing efforts at a particular segment of the market and it requires careful analysis, planning and control to ensure that marketing objectives are achieved.
4. **APPROPRIATENESS:** it relates to the needs of a particular company. For example, some companies require huge or large markets for satisfactory operation. Market opportunities identified in any segment should always be related to company's resources and needs.
5. **SUBSTANTIALITY:** refers to the degree to which the resulting segments are large and or profitable enough to be worth pursuing. A segment should be the largest possible homogeneous group of buyers that it pays to target and go after with a specially designed marketing programme, segmental marketing is very expensive.

MARKET SEGMENTATION TECHNIQUES

Three basic market segmentation techniques have been identified by researchers as follows:

- Demographics
- Geo-demographics
- Psychographics

DEMOGRAPHICS involves the market segmentation base which seeks to categorize people by one of the following means, such as age, sex, family size, stage in family life cycle, income (net worth), occupation and similar factors. It appears to be the most widely used technique because the data related to consumers is fairly straightforward to collect and interpret.

The family life cycle or stage in life cycle is a demographic variable which is still very useful as a base for segmentation. It is a summary demographic variable because it combines the effects of age, marital status, career status (income) and the presence or otherwise of children, thus making it appear more pleasant for market segmentation since it is able to identify the various stages through which households progress.

GEO-DEMOGRAPHIC is a segmentation technique which is basically an approach that classifies people by where they live. It is based on the belief that households, within a particular neighborhood, exhibit similar purchasing behaviour, outlook, consumption patterns and analogous characteristics. Thus, its belief is that two persons, who live in the same neighbourhood are more likely to have similar characteristics than are other persons chosen at random. The second premise is that neighborhoods can be categorized in terms of the characteristics of the population which they contain, and that two neighborhoods can be placed in the same category. That is, they contain similar types of people, even though they are widely separated. Geo-Demographic is thus able to target customers in particular areas who exhibit similar behaviour patterns.

PSYCHOGRAPHICS is a method of segmentation which seeks to classify people according to their values, opinions, personality, characteristics, interests and similar elements. Its nature makes the approach dynamic, as its elements change, lifestyle also would be altered, the segmentation based on this technique must be dynamic.

Weinstein, a researcher, concludes from his study that psychographics is a combination of personality traits and lifestyles, and that the combination of these two factors provides a more meaningful and robust segmentation base. In developing a segmentation strategy based on psychographics, marketer usually combines it with additional dimensions such as demographics, attitudes, values, personality traits, activities and interests, as well as usage rates.

PROCEDURE INVOLVED IN MARKET SEGMENTATION

The following procedures are to be followed when segmenting the market:

1. Analyzing consumer product relationships
2. Investigating segmentation bases.
3. Developing product positioning.
4. Selecting segmentation strategy.
5. Designing marketing mix strategy.

Analyze Consumer Product Relationship: This involves analysis of the affect (feeling) and cognition (thinking), behaviour and environments involved in the purchase or consumption process for the particular product. This can be approached in three ways:

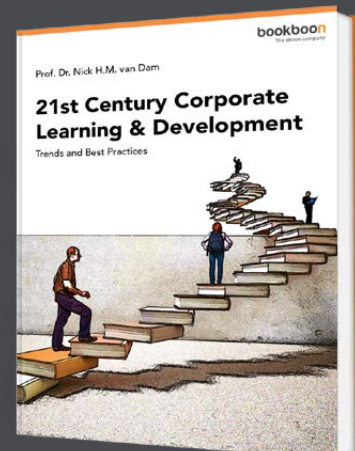
By brainstorming the product concept and considering what types of consumers are likely to purchase and use the product and how they differ from those less likely to buy.

- Focus groups and other types of exploratory research can be used to identify differences in attributes, benefits and values of various potential markets.
- Conclusive research may be used to further investigate differences in potential target markets, determine the relative sizes of these market, and develop a better understanding of consumers of this or similar products.

Free eBook on Learning & Development

By the Chief Learning Officer of McKinsey

[Download Now](#)



Investigate Segmentation Bases: previous purchase trends and managerial judgment can provide insight concerning the segmentation approach to adopt. Segmentation bases can be determined from the basic market segmentation approaches such as demographics, geo-demographics or and psycho demographics. The actual segmentation decision-making can be evaluated, using the identified decision factors for market segmentation.

Develop Product Positioning: once the firm has a good idea of the basic segments of the market that potentially could be satisfied with its product, the product is then positioned relative to competing products in the minds of consumers. The key objective of positioning strategy is to form a particular brand image in consumer minds. This is achieved by developing a coherent strategy that may involve all of the marketing mix elements.

There are five major approaches that can be used to position product in the market, these include:

1. Positioning by attributes.
2. Positioning by use or products application.
3. Positioning by product user.
4. Positioning by product class.
5. Positioning by competitor.

Select Segmentation Strategy: after the consumer analysis, appropriate segmentation strategy can be applied to the product. There are four basic alternatives the firm can take in achieving its segmentation strategy.

1. The firm may decide not to enter the market, if analysis, up to this stage, reveals there is no viable market niche for the product, brand or model.
2. The firm may decide not to target any of the identified segments singly, but to be a mass marketer. This may be the appropriate strategy in at least three situations:
 - When the market is so small that targeting a portion of it is not profitable.
 - When heavy users make up such a large proportion of the sales volume that they are the only relevant target.
 - When the brand is dominant in the market and targeting to a few segments would not benefit sales and profits.
3. The firm may decide to market to more than one segment.
4. The firm may decide to market to more than one segment and design a separate marketing mix for each.

Marketers must have some criteria upon which to base segmentation strategy decisions, some important criteria that could be used include:

- Identification of the target segment.
- Measurability of such segments to determine the effective size.
- Accessibility, that is, ability of the company to be able to direct its marketing efforts to reach particular segments.
- Appropriateness, relates to the marketing needs of the company. Market opportunities must be related to the firm's resources and needs.
- Substantiality, the degree to which the resulting segments are large and profitable enough to be worth pursuing.

Design Marketing Mix Strategy: the firm can select a target market and design appropriate marketing mix strategy. Selecting the target market and designing the marketing mix should be done simultaneously, thus many marketing mix decisions should have been carefully considered. For example, if the target market selected is price sensitive, some consideration has already been given to price levels. Product positioning also has many implications for selecting appropriate promotions or market communications and distribution channels. Many marketing mix decisions are made in combination with target market selection.

PRODUCT OR BRAND POSITIONING TECHNIQUE

Positioning is the process of selecting, out of a number of unique selling propositions, the one which will get the market maximum sales. It represents the essence of the brand as perceived by the target consumer, in a multi-brand market.

Three elements of product positioning has been identified by researchers as follows:

1. The position of a product is the perception it brings about in the mind of a target consumer.
2. This perception reflects the essence of the product in terms of its functional and non-functional benefits in the judgment of that consumer.
3. It is relative to the perception, held by that consumer, of competing products, all of which can be represented as points or positions in his or her perceptual space and together, make up a product class.

PRODUCT POSITIONING DEFINED: *It is the differentiation of brands by studying the ways in which their consumers differ as well as how consumer perceptions of various brands differ.*

Product Positioning is significant to consumers in that, it provides a basis for comparing alternative choices in the market place. The marketer can guide the consumer by furnishing clues to help position his product in relationship to other competing products.

COMPONENTS OF THE POSITIONING CONCEPT

There are four basic components of the positioning concept as follows:

1. Product class or the structure of the market in which the firm's product will compete.
2. Consumer segmentation.
3. Consumer perception of the firm's product in relation to competitors which leads to perceptual mapping.
4. The benefits offered by the product. These benefits may also be expressed as attributes or dimensions along which products are fitted to represent consumer judgment.

PERCEPTUAL MAPPING AND POSITIONING

Perceptual mapping is a technique that assists marketer to represent consumer perceptions, in two-dimensional space so that the marketer can readily see where his own product is positioned in the mind of his prospect and in relation to other products. Consumers are asked to rate a set of products along given attributes or benefits or they may be asked merely to judge, by pairs, how similar or dissimilar the products are. Factor analysis and multi-dimensional scaling are techniques that are then applied to determine the product perceptual mapping.

Perceptual mapping techniques identify the underlying dimensions that differentiate consumer perceptions of products and the positions of existing products on the dimensions.

www.sylvania.com

**We do not reinvent
the wheel we reinvent
light.**

Fascinating lighting offers an infinite spectrum of possibilities: Innovative technologies and new markets provide both opportunities and challenges. An environment in which your expertise is in high demand. Enjoy the supportive working atmosphere within our global group and benefit from international career paths. Implement sustainable ideas in close cooperation with other specialists and contribute to influencing our future. Come and join us in reinventing light every day.

Light is OSRAM

**OSRAM
SYLVANIA** 



Click on the ad to read more

USING POSITIONING TECHNIQUE FOR MARKET TARGETING

Product positioning commences when a producer makes an effort to determine the product attributes most desired by the market for a particular product or service and the relative standings of the various brands in relation to these desired product features.

To position a product, a research will be conducted to determine the consumer's preference in desired product features. If the consumer prefers some particular attributes over others in the product, the relative position of the product brand in the market may be plotted in regard to these attributes by making the consumer to rate each attribute. The distinctiveness of a brand's image can be determined by plotting the individual responses for each brand's attribute and determining how tightly individual perceptions of a brand's position on the attribute and uniformity scales are grouped around these features. Some brands may have distinct images and others diffused images.

Product positioning involves segmenting a market by creating a product to meet the needs of a selective group or by using a distinctive advertising appeal to meet the needs of a specialized group, without making changes in the physical product.

Product positioning plays a distinct role in developing a brand – image that makes the product to stand out clearly amongst competing brands or products; thus brand name of such a product remains distinct in the market or with consumers.

BRAND NAME – This is the spoken part of a trademark, in contrast to the pictorial mark, it could also be referred to as the trademark word.

PRODUCT POSITIONING APPROACHES

There are five commonly approaches to product-positioning strategy:

1. Positioning by attributes.
2. Positioning by product users.
3. Positioning by product class.
4. Positioning by competitors
5. Positioning by use or applications.

POSITIONING BY ATTRIBUTES: This is the most frequently used positioning strategy. It is done by associating a product with an attribute, a product feature, or a customer benefit. For example, BMW automobile has been positioned by emphasizing handling and engineering efficiency and showing performance capabilities on the roads.

A new product can also be positioned with respect to an attribute that competitors have ignored; sometimes a product can be positioned in terms of two or more attributes simultaneously. For example, in the toothpaste market, “Close-up” a dominant brand in African market has been positioned as a cavity fighter, mouthwash, teeth whitener, and freshen breath attributes.

POSITIONING BY PRODUCT USER:

Product can be positioned by product user or a class of users. For example, Revlon cosmetics have been positioned by associating it with a specific lifestyle profile.

POSITIONING BY PRODUCT CLASS:

Products can be positioned by product class. For example, a margarine brand may be positioned with respect to butter. Generically, margarine and butter are not of the same chemical components or ingredients but they are closely related in terms of physical appearance and usage.

POSITIONING BY COMPETITORS:

In most positioning strategies, an explicit or implicit frame of reference is the competition. Often, the major purpose of this type of positioning is to convince consumers that a brand is better than the market leader or another well accepted brand, on important attributes. Positioning with respect to competitor is commonly done in advertisements in which a competitor is named and compared. For example, the advertising campaigns by two competing brands such as COCA COLA and 7UP.

POSITIONING BY USE OR APPLICATION:

Products can be positioned by use or application. Often, a positioning-by-use strategy represents a second or third position designed to expand the market. For example, *Lucozade Boost* is positioned as a product for sports performers to boost strength and energy while its original brand *Lucozade* is positioned as energy giver generally.

PROCEDURES FOR SELECTING TARGET MARKETS

1. **IDENTIFY TARGET SEGMENTS:** Use marketing research to identify target segments. Use segmentation processes such as – geographic; demographic, lifestyle, psychographic, benefit, volume, marketing factor and product space.
2. **FOCUS AND ALIGN PROMOTION EFFORTS ON CORPORATE MARKETING OBJECTIVES:** Focus on, and keep the marketing objectives in mind, since promotions are designed to influence people, the objectives of a promotion programme should consider this fact.

3. **ESTIMATE SALES POTENTIAL OF TARGET MARKET:** Estimate immediate and long-run sales and profit potentials for each market target. Is the return on investment attractive? Use the objective-task method to identify the activities needed to reach the defined target, and then estimate the cost of these activities.
4. **EVALUATE RISK INVOLVED IN ACHIEVING TARGET REACH:** Estimate the amount of risk involved in reaching alternative targets.
5. **DETERMINE EFFORTS REQUIRED REACHING TARGET MARKET:** The maximum effort that can be collected, if it is insufficient to reach minimum targets objectives, eliminate the target.
6. **ESTABLISH CORPORATE RESOURCES NEEDED TO REACH TARGET:** Determine the capacity of the company needed to develop a programme capable of reaching the target.
7. **EVALUATE THE COMPETITIVE ADVANTAGE OF THE TARGET MARKET:** Determine any competitive advantages the company may have in reaching the target market or markets.
8. **ESTIMATE ANTICIPATED COMPETITIVE RESISTANCE:** Estimate the type and amount of competitive resistance. How strongly entrenched are established brands.
9. **INVESTIGATE ACCESSIBILITY OF THE TARGETS:** Can it be reached through known promotion methods? Can opinion leaders be identified and used to access target segment?
10. **IDENTIFY THE MOST IMPORTANT TARGETS:** Assign them priorities, based upon the marketing objectives.



Discover the truth at www.deloitte.ca/careers

Deloitte.

© Deloitte & Touche LLP and affiliated entities.



Click on the ad to read more

METHODS OF IDENTIFYING MARKET TARGETS

The generic product market should be defined to be very homogeneous, market targets can be identified based on segmentation factors as follows:

1. **GEOGRAPHIC SEGMENTATION:** determines the relative sales potentials from one geographic area to another.
2. **DEMOGRAPHIC SEGMENTATION:** demographic factors such as age, sex, income, occupation, education, religion, nationality, family life cycle. This is the most common approach to segmentation used by sellers.
3. **LIFE-STYLE SEGMENTATION:** lifestyle analyses are often used to define prospects for individual brands.
4. **PSYCHOGRAPHIC SEGMENTATION:** this type of segmentation is used to determine, whether or not, different personalities are attracted to different products. The more universally a product is used, the less are the differences in the extent of use between psychographic groups. Psychographics are more useful in defining product prospects in limited, specialized markets.
5. **BENEFIT SEGMENTATION:** in this type of segmentation, each segment is identified by the benefit it is seeking from a particular product.
6. **VOLUME SEGMENTATION:** in this type, the seller differentiates buyers in terms of product use, as heavy, moderate, light and non-users of the product or brand.
7. **MARKETING FACTOR SEGMENTATION:** buyers are divided into groups that are responsive to different marketing factors such as product quality, price, retail advertising and so on.
8. **PRODUCT SPACE SEGMENTATION:** the seller asks buyers to compare the brands making up a product category according to perceived similarities and in relation to their ideal brands.

HIERARCHY OF OBJECTIVES

Objectives or goals are actual results a company expects from its operations.

In every company, there is a hierarchy of objectives which extends through the company – from overall company objectives come functional objectives for various departments in the company. Functional objectives in the department are further broken down into specific programme objectives.

Overall company objectives are the overriding ones, all other objectives are subordinate to the overall objectives.

Overall company objectives are formulated as a result of one of these two factors:

- Reflection of a consensus of individual goals.
- Reflection of goals from influential individuals who impose these objectives on the non-influential.

Hierarchy of objectives for the promotion mix of the marketing programme can be stated as follows:

1. **OVERALL COMPANY OBJECTIVE:** can be stated thus “increase return on investment by 3 per cent”.
2. **MARKETING OBJECTIVE:** a marketing objective that can come out of this overall objective could be “increase market share by 5 per cent”. This is a departmental functional objective.
3. **SPECIFIC OBJECTIVE:** that may come out of these functional objectives include:
 - *ADVERTISING OBJECTIVE:* increase brand name recognition by 15 per cent.
 - *PUBLICITY OBJECTIVE:* increase company’s image as a leader in its field.
 - *PERSONAL SELLING OBJECTIVE:* increase salesmen’s calls on new accounts by 50 per cent.
 - *SALES PROMOTION OBJECTIVES:* get 4000 new retailers to handle the product.

Functional objectives are made to support the attainment of overall company objective. Specific objectives are subordinate to functional objectives and are derived from functional objectives to support its attainment. From the overall corporate objective, comes the marketing objective, which is broken down to promotion mix objectives, which, in turn, is broken down to its separate component units of advertising, publicity, personal selling and sales promotion objectives. (Stanley, 1977; Kotler, 1997)

TYPES OF OBJECTIVES

Objectives in a marketing or promotion programme are of various types –

1. *LONG RANGE* – these are objectives developed for five or more years into the future.
2. *INTERMEDIATE OR MEDIUM RANGE* – they are objectives extended from one to five years.
3. *SHORT RANGE* – this covers a period of time up to one year, sometimes, it may be set for three months, six months or one year.
4. *NUMERICAL OBJECTIVE* – these are objectives stated in terms of figures such as sales volume, profits, market share and return on investment. It can be set for overall marketing or specific promotion goals.
5. *NON-NUMERICAL OBJECTIVES* – this type of objectives are used to buttress numerical objectives, they are set to provide guidelines on how to secure numerical objectives.

REASONS FOR SETTING OBJECTIVES

Various reasons could be given for setting of objectives, most common reasons are:

1. Provision of linkage for plans and operations
2. Usage as standards for evaluating operations
3. Monitoring of activities performed within each operational division.
4. Provision of a basis for coordination within the company.
5. Provision of the means for control of operations.

GUIDELINES FOR SETTING EFFECTIVE PROMOTION OBJECTIVES

Promotion, such as advertising and publicity programmes must have clearly stated objectives for each promotion tool to be used in the promotion mix. These are some guidelines for setting effective promotion objectives:

1. **SET OBJECTIVES BASED ON RESEARCH DATA:** They should be built on a solid foundation of research. The product features consumers want to buy should be exposed and stated in terms of benefits to them.
2. **OBJECTIVES SHOULD BE CONCRETE AND MEASURABLE:** They should be stated in factual and measurable terms. Objectives should not be vague or open ended because such do not help evaluations and planning.

SIMPLY CLEVER

ŠKODA



We will turn your CV into
an opportunity of a lifetime



Do you like cars? Would you like to be a part of a successful brand?
We will appreciate and reward both your enthusiasm and talent.
Send us your CV. You will be surprised where it can take you.

Send us your CV on
www.employerforlife.com



Click on the ad to read more

3. **OBJECTIVES SHOULD BE DEFINED AND FOCUSED:** They should contain a well-defined promotion target whenever possible. Promotion programmes are made for target groups, a specific definition of the target characteristics must reflect in the statement of objectives.
4. **OBJECTIVES SHOULD BE MADE IN WRITTEN FORM:** They should be in written form because information in verbal objectives can be distorted during activities implementation and result into misunderstanding among key promotion personnel.
5. **OBJECTIVES MUST BE REALISTIC AND ACHIEVABLE:** They should be realistic and achievable. The objective should not be set too high which could lead to discouragement and low personnel morale and they should not be set too low because it will not bring out the best in key promotion personnel.
6. **PROMOTION OBJECTIVES MUST SUPPORT MARKETING OBJECTIVES:** By assisting to reinforce and attain the overall marketing objectives, including objectives in advertising, publicity, personal selling and sale promotion.
7. **PERIODICAL REVIEW AGAINST PLAN:** They should be reviewed periodically to determine if promotion programmes are running according to plan or adjusted where a need has been identified.

STRATEGIC APPROACH TO PROMOTION

Strategy is a dynamic action oriented policies arranged to accomplish company mission, business goals and functional objectives. It is a unified, comprehensive, and integrated plan that relates the strategic advantages of the firm to the challenges of the environment and that is designed to ensure that the basic objectives of the company are achieved through proper execution by the organization.

Strategic approaches used for implementing promotion programmes include:

- Push strategy
- Pull strategy
- Push-pull or combination strategy.

PUSH PROMOTION STRATEGY

The push promotion strategy which is also referred to as **Pressure strategy**, emphasizes strongly the use of personal selling at all stages of the marketing of channel. Salesmen make personal contact with prospects; explain product features and benefits with an objective of pressing for or ensuring a favourable buying decision. Manufacturer's salesmen call upon wholesalers, wholesale salesmen call upon retailers and retail salesmen aggressively sell to consumers. By this method, the product is forced or pushed through the marketing channel. Push strategies are usually used in selling industrial products and consumer products that require personal selling efforts.

FACTORS ESSENTIAL TO THE SUCCESS OF PUSH STRATEGY

1. **HIGH QUALITY PRODUCT:** The manufacturer must have a high quality product with unique product features and clear unique selling proposition (U.S.P). Salespersons will attract and hold the prospective customer's attention and interest to secure a sale, especially through product demonstration.
2. **PRICING OF PRODUCT MUST HAVE SUFFICIENT MARGIN FOR MIDDLEMAN:** The manufacturer should have a relatively high-priced product because middlemen must be given adequate or large margins to justify the extra efforts spent on the product. Salesmen's calls are expensive thus high priced of product or broad line of merchandise with adequate large average order size will be able to absorb the cost of the push strategies.
3. **THE MARKETING FIRM MUST PROVIDE ADEQUATE INCENTIVE FOR MIDDLEMEN AND SALESPERSONS:** The manufacturer must provide sufficient economic incentives to both middlemen and their salesmen. Resellers will usually expect a larger-than-normal margin on products because of their expected aggressive push or input into the promotion. Manufacturers should stimulate wholesale and retail salesmen by offering them extra prizes like – PUSH MONEY, opportunities to win prizes in contests or valuable items. The push strategy is highly expensive, a manufacturer who uses this approach seldom does advertising because little fund will be left for advertising.

PULL PROMOTION STRATEGY

A pull strategy, also be called **SUCTION strategy** uses extensive advertising to generate consumer demand so that the consumer will demand and purchase the product from the retailer while the retailer buys from the wholesaler and the wholesaler buys from the manufacturer. The product is pulled through the marketing channel by the consumer's demand generated from the advertisement. This approach increases the willingness of middlemen to stock the product since little time and effort will be needed to sell the product. Pull strategies are characterized by, intensive consumer advertising and huge advertising expenditures. Salesmen become order takers instead of order generators and may not attract heavy remuneration or compensation.

Personal selling activities in all stages of the channel are less emphasized; middlemen are willing to accept lower trade margins because they need little time and selling expenses to sell the product. Also, retail prices tend to be relatively low but a higher sales turnover rates could be achieved by middlemen to generate adequate margin. The reliance on intensive consumer advertising which carries large investment has made this strategy unattractive to small companies.

PUSH-PULL STRATEGY

Manufacturers of consumer product use the push-pull or combination strategy to sell their products. Varied ratio of push to pull is adopted, depending on the company. This strategy demands extensive promotion expenditure which can only be available to very big manufacturers.

PLANNING BY TIME PERIODS

PLANNING is involved with anticipating problems that will arise in the future and making decisions about the formulation of a goal directed programme. Objectives determine plans, while plans are ways of reaching objectives. Plans could be timed as:

- **SHORT RANGE PLANS:** these are annual plans; they are short range in nature and contain such elements as specific objectives and plans for the coming year. In short range plans, specific objectives can be measured against achievement, such plans are relatively concrete, drastic changes in inputs or objectives are rare.
- **MEDIUM RANGE PLANS:** these types usually deal with tactical plans that cover a time horizon of one or two years. It provides direction for middle management and support specific stages of long term plans and normally tends to parallel the company's tactical plans.
- **LONG RANGE PLANS:** these plans are necessary to prevent short range plans from becoming a disorderly series of hasty decisions to meet current crises. Long range plans are of small help in managing current operations. They are used mainly to secure some insight into the company's future.



e-learning for kids

- The number 1 MOOC for Primary Education
- Free Digital Learning for Children 5-12
- 15 Million Children Reached

About e-Learning for Kids Established in 2004, e-Learning for Kids is a global nonprofit foundation dedicated to fun and free learning on the Internet for children ages 5 - 12 with courses in math, science, language arts, computers, health and environmental skills. Since 2005, more than 15 million children in over 190 countries have benefitted from eLessons provided by EFK! An all-volunteer staff consists of education and e-learning experts and business professionals from around the world committed to making difference. eLearning for Kids is actively seeking funding, volunteers, sponsors and courseware developers; get involved! For more information, please visit www.e-learningforkids.org.

MAKING AN EFFECTIVE MARKETING PLAN

1. Make a sales forecast, which is a projection of the revenue the company expects in a specified time period.
2. Establish potential sales-volume and profit targets and expected market share.
3. Translate the sales forecast into specific product, customer, market territory and volume goals. Every marketing personnel must know the quotas they should achieve.
4. Plan to make changes in the marketing plan or make a contingency plan along with operating plan in anticipation of any eventual changes in the market.
5. Secure management's commitment and approval for the plan.
6. Evaluate result against objective periodically. Do not wait till the end of the operating period to determine if objectives are achieved or not.
7. Alter objectives when necessary to bring results into line with objectives.

GUIDELINES FOR AN EFFECTIVE PROMOTION PLANS

1. *PROMOTION PLANS SHOULD BE RELEVANT*: they should lead to the achievement of the promotion objectives. Both excess achievement and under achievement must be noted. Excess achievement situation may require a reduction in the budget to save unnecessary expenditure of promotion funds.
2. *PROMOTION PLANS SHOULD BE PRACTICAL*: the financial and human resources of the company and its subsidiaries should be adequate to achieve promotion objectives.
3. *PROMOTION PLANS SHOULD BE COMPLETE AND DETAILED* – problems should be anticipated and contingency provisions should be included for coordination with other parts of the company.
4. *PROMOTION PLANS SHOULD STATE EXACTLY WHO HAS RESPONSIBILITY AND AUTHORITY* – for carrying out each part of the plan.
5. *PROMOTION PLANS SHOULD HAVE A SCHEDULE* – stating when each of the activities is to take place.
6. *PROMOTION PLANS SHOULD INCLUDE SPECIFIC COSTS* – attached to each part of the plan, so that control measures can be taken.
7. *PROMOTION PLANS SHOULD BE COORDINATED* – with one another and with the overall marketing programme.
8. *PROMOTION PLANS SHOULD BE WRITTEN* – to make certain that all responsible personnel should have the same interpretations of the plans.

These guidelines, when used properly during preparation of promotion plan, can encourage easy approval from top management. (Stanley, 1977; Kotler, 1980 and 1997)

TRADITIONAL APPROACHES TO BUDGETING FOR PROMOTION

The traditional budgetary methods include:

1. Arbitrary allocation – used for advertising or sales promotion.
2. Percentage of sales – used for advertising or sales promotion.
3. Return on investment – used for personal selling and publicity.
4. Competitive parity – used for advertising.
5. All the company can afford – used for advertising.
6. Objective and task costing approach – used for advertising.

ORGANISING PROMOTION ACTIVITIES

These guidelines will help to prevent mistakes and maximize promotion results, though there is no specific best way in organizing promotion activities to suit various firms or marketing communication situation.

1. The marketing communication mix is only a part of and is subordinate to the overall marketing mix. Objectives set for the various communication tools should support and reinforce overall marketing objectives.
2. The allocation of funds to the marketing communication tools should be commensurate with tasks to be performed by each tool.
3. Authority to act must be delegated with responsibility to managers of various communication tools. Duties should be clearly delegated, so that managers can react quickly to take advantage of opportunities. The necessity for securing top management approval should be limited to decisions that seriously affect other parts of the organization or involve the expenditure of large amounts of scarce resources.
4. To secure optimum coordination and integration, the various parts of the communication mix should be located with the same department. They should participate in the planning and budgeting of all marketing communication programmes.

SEPARATING PERSONAL SELLING AND MASS COMMUNICATION DEPARTMENTS

Most firms usually separate the function of personal selling from mass communication in the organization chart.

There are reasons which top management of firms gives for this separation of two departments; some of the reasons are that:

1. Sales executives are not normally competent to evaluate an advertising programme.
2. Advertising is a long-term investment and its programmes should be devised to cover a period of several years, personal selling programmes are usually set up on a fiscal year basis.
3. Sales manager are quick to cut advertising programmes when cost problems are encountered in selling.

A good, smoother coordination and integration of marketing communication programmes can be achieved when sales managers and advertising managers have equal status and report to a common superior.

CENTRALISATION OF PROMOTIONS

When a firm designs the promotion programmes, it is essential to consider who the firm should hold for authority and responsibility for decision-making. Some firms may CENTRALISE both authority and responsibility in the hands of top management executives while others DECENTRALISE by allowing managers at lower levels make many of the decisions. If the firm is operating in a stable environment in which most situations faced are predictable, centralization of decision can be advantageous.

ADVANTAGES OF CENTRALISATION

1. Top managers are better qualified to make decision than their subordinates.
2. More economical operations are possible, because centralization eliminates the need for having a number of highly paid executives down the organizational lines.
3. It eliminates the need for the duplication of staff at different organizational levels.
4. It ensures better coordination and control.
5. It enables the company to project a more consistent corporate image.

Cynthia | AXA Graduate

AXA Global Graduate Program

Find out more and apply

redefining / standards AXA

DISADVANTAGES OF CENTRALISATION

1. It isolates the promotion function from the operating division or department whose marketing activities it is supposed to support.
2. Immediate decisions cannot be made on local problems by division management.
3. Division managers may feel their products or markets are not getting adequate promotional support.
4. Since division management has no final authority over the use of promotion, decisions made at higher levels may not reflect the thinking of the division planners.
5. Promotional decision making ability is not developed at the division level.
6. Top management is tied up with many administrative details that could be handled at a lower level.

TACTICS FOR OVRCOMING THE DISADVANTAGES OF CENTRALISATION

1. Division management should be allowed to take part in developing promotion plans and budgets that relate to their products and markets.
2. Central promotion managers should encourage consultations with division planners through periodic meetings with division planners.
3. Limited promotion budgets can be given to the division manager to be used anytime an adaptation need arises for the promotion efforts because of his closeness to local markets.
4. The central promotion department can be broken into compartments and each compartment assigned personnel to work permanently with each operating division.

DECENTRALISATION OF PROMOTION

Divisional firms usually decentralize their promotion functions; authority and responsibility for decision-making are delegated.

ADVANTAGES OF DECENTRALISED PROMOTION

1. It allows divisions to have major responsibility for promoting their own products.
2. Decision-making at the division level will allow quicker decisions to be made on local problems.
3. It assists the development of executive ability among subordinates.
4. It helps more effective meeting of competition.
5. It eliminates overlapping authority and responsibility.
6. It frees top management from avoidable administrative details and allows such executive to pursue other companies' wide policies and programmes.
7. A firm with diverse products and markets will be able to adapt promotions to each division's customers, distribution channels and products.
8. Each division could be separated as profit center and the division's management could be made accountable for the profitability of the division.

DISADVANTAGES OF DECENTRALISED PROMOTIONS

1. Increased costs, as a result of the duplication of staff by the company's divisions.
2. Better quality decisions that top management could make will be missing.
3. There can be variations in promotion skills and standards among divisions which can create indistinct corporate image.
4. The loss of discounts and bargaining power when purchasing media time, space and printing.

A firm can use centralized, decentralized and combined approaches, depending on its size, company policy or its promotional plans.

ORGANISATION OF PERSONAL SELLING

Personal selling is usually decentralized in a firm because of the necessity of adapting to different localities. Competitive strategies and salesmen must be directly supervised; a process which involves day-to-day decisions that are hard to make at central headquarters. Personal selling in most firms is usually organized on a line basis because of the authority needed to supervise salespeople effectively. It can also be organized on a product, customer or territorial basis. Each salesperson is assigned a territory, or geographical area, in which he is responsible for the sales of the company's product.

ORGANISATION OF ADVERTISING

The advertising manager may be responsible for sales promotion, public relations and publicity. The manager of advertising may be called advertising manager, advertising director, advertising and sales promotion manager, advertising and public relations manager or communications director. Whichever title that is used depends on the size of the organization's promotion programmes and the job description, or scope of the job. His location may be at the divisional level in the headquarters; he is a functional staff most times with functional authority in certain decision areas, such as advertising production.

ORGANISATION OF SALES PROMOTION

In a firm, sales promotion is placed at the division level because it is closely related to personal selling. Industrial manufacturers operate sales promotion activities from their headquarters while consumer products manufacturers operate their sales promotion activities at the division's level, by allowing the division to have complete control over sales promotion.

Sales management executives are usually more directly involved in sales promotion because it often supports directly, efforts in personal selling activities.

ORGANISING PUBLIC RELATIONS

Public Relations and its promotion tools such as corporate advertising and publicity, normally, would be operated from the corporate headquarters, it may not be decentralized. This procedure is applicable to consumer, industrial manufacturers and it is also applicable to firms in the service industry.

Centralization is more prominent in organizing public relations because it should be seen as an overall corporate programme designed to communicate with the company's various publics. A consistent public image can be better projected and managed at the corporate level.

Product publicity activities can be done at the divisional level, because such activities involve developing the product or brand image or promoting specific products. (Stanley, 1977; Warshaw, and Kinnear, 1983; Kotler, 1997)

I joined MITAS because
I wanted **real responsibility**

The Graduate Programme
for Engineers and Geoscientists
www.discovermitas.com





Month 16
I was a construction supervisor in the North Sea advising and helping foremen solve problems

Real work
International opportunities
Three work placements





4 Advertising Techniques

THE CONCEPT OF ADVERTISING

Mass communication is a process by which the message is transmitted to a large group of individuals heterogeneous in nature, at about the same point in time.

The companies, especially those in consumer product markets, have to manage various problems that face mass communication. Advertising requires that mass communication should be focused and targeted, thus problems of mass communication require control to achieve effective message coverage. Advertising must be managed and targeted when reaching out the large audience groups.

CONTROLLABLE FACTORS IN USING ADVERTISING

In using advertising through the mass media, certain elements of it have to be controlled to achieve coverage effectiveness. These elements are:

1. The need to reach various market segments.
2. The selection of appropriate communication media to reach target segments.
3. The design of persuasive messages for groups instead of an individual.
4. The delay in response that may occur when communicating with large groups.

ADVERTISING DEFINED – as any paid form of non-personal presentation and promotion of goods, services or ideas by an identified sponsor.

NATIONAL ADVERTISING – it is advertising done by a manufacturer of industrial or consumer products that are distributed on a national or regional basis.

LOCAL ADVERTISING – this form of advertising is restricted in geographical coverage, it usually covers a city or metropolitan area with its message targeted at local retailers.

THE ADVERTISER – the advertiser is the organization or person that initiates an advertisement and pays its cost. The advertisement must receive the final approval of the advertiser before its publication or broadcast can occur legally.

ADVERTISING AGENCIES – advertising agencies create and implement national or local advertisements; they serve as middlemen between an advertiser (the producer or source of the message) and the media vehicles, such as newspapers, magazine, radio and television stations. They are a collection of specialists engaged in the planning, creating and placing or advertising through media. They are specialized organizations which use audio visual aids to stimulate human instincts and needs, so that consumers are favourably disposed to buying the advertiser's goods and services.

MEDIA – these are carriers or vehicles of the advertising message such as newspapers, magazine, television and radio. MEDIA VEHICLE refers to a specific newspaper or a particular broadcast station.

There are other specialists that contribute to the production of an advertisement such as Lithographers, Typographers, Printers, Art Studios, Recording Studios and so on. They assist advertisers, agencies and media vehicles with various aspects of production. (Stanley, 1977; Kleppner, 1979 and Stanton, 1981)

STRENGTHS OF ADVERTISING

1. It presents a set of controlled messages.
2. It has the ability to expose large groups of prospects as a low per prospect cost.
3. It can reach prospects that sales person cannot.
4. It helps to presell a product.
5. It can help to introduce a new product quickly.

WEAKNESSES OF ADVERTISING

1. Advertisements are at the mercy of the media vehicles in regards to timing.
2. Reinforcement of the message can only be achieved through repetition which tends to increase cost of advertisement.
3. The advertisement or messages is set and cannot adjust to the prospects reactions or answer his objections to the product or service.
4. People do not believe fully the claims made for products or services in advertisement, because they recognize the advertising message is designated to influence them.
5. Prospects' buying reactions are usually delayed as they do not occur immediately the message is exposed to prospective buyers.

EVALUATING AN ADVERTISABLE PRODUCT

To evaluate how advertisable a product will be, some factors should be considered. They include:

1. *THE PRODUCT'S DEMAND*: the presence of a favourable primary demand trend, that is, a demand for general class of the product.
2. *PRODUCT DIFFERENTIATION*: a chance for significant product differentiation.
3. *PRODUCT QUALITIES*: the importance to the prospect of hidden product qualities.
4. *TYPE OF ADVERTISING APPEAL*: the opportunity to use strong emotional appeals.
5. *MESSAGE FUNDING CIRCUMSTANCES*: consider circumstances favouring the accumulation of sufficient funds with which to advertise.
6. *CONSUMER'S PERCEIVED RISK*: the perceived risk of trying a new product or brand.
7. *PRODUCT'S CAPABILITY*: the product's capability of being presented effectively in the advertising media.

ESSENTIAL FACTORS IN PREPARING PRINT ADVERTISEMENT

Print advertisements are those appearing in print media like newspaper, magazines, billboards and car cards. In preparing print advertisement, these essential factors must be considered:

1. The advertisement objective.
2. Determination of advertising target.
3. Formulation of the campaign theme.
4. Making of the advertising copy.
5. Making of the copy layout.
6. The finished artwork.
7. Printing advertising production.

THE ADVERTISEMENT OBJECTIVE

The creation of advertisement requires a set of objectives to guide the formation of the advertising programme and the advertisement. Advertising objectives, properly set, guide the creation of all advertisements whether the media in which they are run are indispensable or not to the advertising campaign.

DETERMINING THE ADVERTISING TARGET

In order for an advertiser to construct and place advertisements in the proper media vehicles, the advertising target or targets must clearly be identified and segmented. This target is usually the same as the promotion target.

The target must be identified and regimented in a profile that includes the demographic characteristics so that the segmentation can be useful to copywriters, artists and others concerned with the creative aspects of the advertisement. The segmentation is also useful for positioning the communication to fit its target.

FORMULATING THE CAMPAIGN THEME

An advertising agency is taken to be efficient if it has a high creative ability, its ability to bring up a big selling idea and communicate it effectively to the right prospects.

The big idea is referred to as the **UNIQUE SALES PROPOSITION (USP)**. This is the central theme of the advertising campaign. It can be communicated through copy, artwork or both, the big idea is essential to the advertisement, especially in consumer advertising because of competing advertisements.

The theory of the USP is that the differentiating qualities of a product or service should be determined and every advertisement should promise the potential buyer a specific benefit based on the USP which competition cannot offer. The proposition must be enticing enough to gain many new customers for the product. A good advertising agency should be able to create a central selling theme that will attract the right prospect.

MAKING THE ADVERTISING COPY

Most campaign themes are expressed in the written or spoken words of the advertisements and are considered to be part of the copy. In a print advertisement, copy elements consist of:

1. Headline
2. Sub-headlines
3. Body copy
4. Slogan
5. Brand name
6. Logo

ADVERTISING COPY: is a text of an advertisement, including matters for typesetting, product or corporate illustrations for reproduction such as original photograph, design, object or anything added to reproduction or printing process, to aid promotion or publication.

The advertising agency should be used to produce a copy, but it is advisable for the advertiser to develop skill which enables him to evaluate a good copy, using these guidelines, that explain contents of an advertising copy or message.

ie business school

93%
OF MIM STUDENTS ARE
WORKING IN THEIR SECTOR 3 MONTHS
FOLLOWING GRADUATION

MASTER IN MANAGEMENT

- STUDY IN THE CENTER OF MADRID AND TAKE ADVANTAGE OF THE UNIQUE OPPORTUNITIES THAT THE CAPITAL OF SPAIN OFFERS
- PROPEL YOUR EDUCATION BY EARNING A DOUBLE DEGREE THAT BEST SUITS YOUR PROFESSIONAL GOALS
- STUDY A SEMESTER ABROAD AND BECOME A GLOBAL CITIZEN WITH THE BEYOND BORDERS EXPERIENCE

Length: 10 MONTHS
Av. Experience: 1 YEAR
Language: ENGLISH / SPANISH
Format: FULL-TIME
Intakes: SEPT / FEB

5 SPECIALIZATIONS
PERSONALIZE YOUR PROGRAM

#10 WORLDWIDE
MASTER IN MANAGEMENT
FINANCIAL TIMES

55 NATIONALITIES
IN CLASS

www.ie.edu/master-management | mim.admissions@ie.edu | [f](#) [t](#) [w](#) Follow us on IE MIM Experience

HEADLINE: is the first written part of an advertisement, together with the illustration, it carries the function of gaining the attention and interest of the reader – leading him into the body copy. Characteristics of a good headline are:

1. They should be kept as short as possible
2. They should be written from the prospect's viewpoint in terms of his own selfish interests
3. They should be so clear in meaning that the reader does not have to read the body copy in order to get the headline's meanings.
4. They should be on a level with the reader's range of experience.
5. They should be relevant to the product, the central copy theme and the illustration.

SUB-HEADLINE: consists of subordinate statement that serves to emphasize the viewpoint expressed in the headline. It could be a short one or two line statement that emphasizes the product idea which the headline projects and the body copy will expand upon.

BODY COPY: the body copy explains and develops the ideas presented in the headline. It is aimed at waking up the prospect's desire and convinces him of the basic worth of the product of service. Guidelines for making a good body copy are:

1. The copy should be written to the average person in the advertising target which the advertiser is trying to reach.
2. The most important idea should come first in the copy. Product qualities should then be presented in terms of benefits from the most important to the least important.
3. "You" and "yours" should be used in the copy in place of "we" "our" and similar terms.
4. Copy should be written in language that the advertising target uses and understands.
5. Specific and full information should be provided, within space or time limitations.
6. Copy should not exaggerate, misrepresent or be untruthful. Prospects do not want questionable statements.
7. Key copy ideas should be repeated in various forms. Key points need to be emphasized; repetition is helpful in achieving its emphasis.
8. Some kind of buying action should be called for on the part of the prospect. It can be direct like – "Get yours at any supermarket nearest to you now" – or indirect like – "drink the best in soft drink".

SLOGAN: a slogan should be an essential sales reason put forward to support the quality of the product or service expressed in as few words as possible. A good slogan will encapsulate the essential sales points into a phrase that will attract the prospects and can also be remembered easily by them. The slogan should also bring the brand name to the prospect's mind. An advertiser can use these guidelines to determine a good slogan:

1. A slogan should be short – the shorter the better, but not more than seven words.
2. A slogan should easily be remembered. It can contain an uncommon through, rhyme or the like.
3. A slogan should be original; it should contain an idea not being used by other slogans.
4. A slogan should include a good quality of the product being advertised.
5. A slogan should contain the brand name of the product or if appropriate, the name of the advertiser's company.
6. A slogan should be capable of being used in multiple media. It should be effective in broadcast as well as print media.
7. A slogan often comes in form of 'pay-off' lines in the advertising copy.

BRAND NAME: a brand name identifies a product or service and distinguishes it from other brands in its class. An advertiser can follow these guidelines in their product or forming a brand name:

1. The brand name should be as short as possible. One-word brand names are superior to those using multiple words. For example, **OMO** a brand name for a detergent.
2. The brand name should be one that can be easily remembered. The use of a product quality helps people to remember.
3. The brand name should be creative. It should not suffer from sameness or lack of originality.
4. The brand name should be easy to pronounce in only one way. The possibility of more than one way to pronounce a brand name makes buyers hesitant to ask for it.
5. The brand name should have no unpleasant associations, as these may keep people, consciously or unconsciously, from asking for the product.
6. The brand name should be checked by language experts to make certain it has no unfortunate meanings in foreign languages.

LOGO: a logo is usually used in combination with a brand name. It is an artistic device, as distinctive lettering, a design, insignia, picture or other visual devices used in combination with a brand name or trademark or trade name, to reinforce and distinguish the identity of the product, brand or corporate image. Logo could be registered under the applicable company laws; such registration confers a statutory monopoly of usage on the owner.

MAKING OF THE COPY LAYOUT

The copywriter creates the advertisement by writing a copy, he prepares the THUMBNAIL SKETCH – this is a rough hand drawn sketch which he presents to the artist, who will develop a ROUGH LAYOUT of the sketch, showing relative arrangement of the elements of the advertisement with semi-finished illustrations of the product.

The rough layout will show all illustrations, the headline and logo well lettered, and the body copy arranged. The artist will follow the principles of making a good layout which are:

1. *GRAPHIC BALANCE*: this gives stability to the advertisement so that it does not seem to “lean” one way or the other. Balance are of two types, formal and informal.
 - i. *Formal Balance*: places elements such as weight, size, colour, density on each side of an imaginary line going through the exact middle of the advertisement from top to bottom. This makes the advertisement appear formal and dignified.
 - ii. *Informal Balance*: which is widely used consists of placing elements of different sizes, shapes, colours or density at different distances from the optical centre of the advertisement in order to create the illusion of balance. The optical center of an advertisement is a point slightly above the intersection of two lines drawn from upper left to lower right hand corner and from upper right to lower left hand corner.
2. *CONTRAST*: this element makes the most important parts of the advertisement stand out. Variation in size, shape, colour or density provides the contrast to make the advertisement interesting.
3. *PROPORTION*: this is the relationship of the elements of the advertisement to one another and to the background in which they appear. A good proportion avoids sameness and monotony.
4. *UNITY*: makes the advertisement appear to be a unified whole. Unity is achieved by the placement of advertisement elements, background tints or colours and other artistic means.
5. *GAZE MOTION*: this element leads the reader through the advertisement in a predetermined sequence. The advertisement elements could be positioned to suggest a certain viewing sequence. Objects in the advertisement should not carry the reader’s attention off the page.

The sketch and layout are submitted to the advertiser for approval or an amendment before a comprehensive layout is made so that the advertiser can visualize the advertisement.

THE FINISHED ARTWORK

After the advertiser's approval of the copy and layout, a finished artwork is produced for typesetting, illustrations are drawn and the different parts of the advertisement are pasted onto the artwork in accordance with the layout – camera ready. This means the artwork is ready to be transferred to a printing plate. All of these pre-production work are now done using graphics software on the computer.

PRINT ADVERTISING PRODUCTION

The artwork is then printed through any of these four printing processes.

1. *LETTERPRESS PRINTING* – Printing from raised surface.
2. *LITHOGRAPHIC PRINTING* – Printing from a lithographic plate. The process is commonly called offset printing.
3. *ROTOGRAVURE OR INTAGLIO PRINTING* – Rotogravure is the opposite of letterpress that is printing surface of the plate is recessed or below the non-printing portion.
4. *SILK SCREEN PRINTING* – This type of printing uses a mesh-type screen or stencil made of metal, nylon, Dacron or some other materials. (Stanley, 1977; Kleppner, 1979 and Stanton, 1981)



"I studied English for 16 years but...
...I finally learned to speak it in just six lessons"
Jane, Chinese architect

ENGLISH OUT THERE

Click to hear me talking before and after my unique course download

RADIO ADVERTISEMENT PRODUCTION

In the production of radio commercial, a script is first written. The script contains copy, sound effects and other instructions, it is written to guide commercial participants. The script is sent to the advertiser for approval after which the radio producer hires the necessary performers, makes provisions for the sound effects and music. Rehearsals are conducted under the supervision of the producer and the advertisement is put on tape for broadcast. A radio commercial can be relayed on air live with a station announcer and other performer reading the commercial at the time it is being broadcast.

WRITING A SCRIPT FOR RADIO ADVERTISEMENT

In radio commercial, words and sounds comprise the message's weapon of communicating the ideas of the writer to the receiver. Effective messages can be written, using these guidelines:

SIMPLICITY: use known words, short phrases, simple sentence structure. Build around one main point. Avoid confusing the listener with too many message points.

CLARITY: keep the train of thought on one straight track. Avoid side issues. Use the active voice in simple sentences. Avoid adverbs, clichés, and ambiguous phrases. Delete unnecessary words. Write from draft to draft until your script becomes unmistakably clear and concise.

COHERENCE: be certain your message flows in logical sequence from first word to last, using smooth transitional words and phrases for easier listening.

RAPPORT: remember, as far as your listeners are concerned, you are speaking only to them. Try to use a warm, personal tone, as if you were talking to one or two persons. Make frequent use of the word "you". Address the listeners in terms they would use themselves.

PLEASANTNESS: it is not necessary to entertain simply for the sake of entertaining, but there is no point in being dull or obnoxious. Strike a happy medium, talk as one friend to another about the product or service or the central point of your message.

BELIEVABILITY: every product or message has its good points. Tell the truth about them. Avoid overstatements and obvious exaggeration, they are quickly spotted and they defeat the whole purpose of the message. Be straight forward, you will convey the feeling of being a trusted friend.

INTEREST: nothing makes listeners indifferent faster than a boring message. Products, services or messages are not fascinating in themselves; it is the way you look at them that makes them interesting. Try to give your customer or listeners some useful information as a reward for listening.

DISTINCTIVENESS: sounding different from the other messages and setting your product, service or message apart from others are not easy on radio. Employ every possible means – a fresh approach, a musical phrase, a particular voice quality or sound effect – to give your message its own character.

COMPULSION: inject your message with a feeling of urgency. The first few seconds are crucial ones, to capture the listener's attention. Direct every word toward morning listeners closer to waiting the product or listen to the message.

USE PROFESSIONALS FOR SCRIPT PREPARATION

Writing scripts for radio and television advertisements are more complicated, it is therefore suggested that such scripts should be prepared with the assistance of an advertising agency or a public relations practitioner. However, such scripts would be brought for your approval as the advertiser; the material written here will give you good ideas about both scripts which increases your ability to suggest corrections or modifications before granting a production approval.



In the past 5 years we have drilled around

95,000 km

—that's more than **twice** around the world.

Who are we?
We are the world's leading provider of reservoir characterization, drilling, production, and processing technologies to the oil and gas industry.

Who are we looking for?
We offer countless opportunities in the following domains:

- Operations
- Research, Engineering, and Manufacturing
- Geoscience and Petrotechnical
- Commercial and Business

We're looking for high-energy, self-motivated graduates with vision and integrity to join our team.

What will you be?

careers.slb.com

Schlumberger

TELEVISION ADVERTISEMENT PRODUCTION

TELEVISION PRODUCTION: in a television commercial, a script is written and such script specifies exactly what sight (video) and sounds (audio) are to take place in each scene or shot. The script is tied in with a **STORYBOARD**, which shows the video, or illustrations, with the audio typed below each panel. The storyboard will be approved by the advertiser; the producer then provides the actors, props, music and sound effects and conduct rehearsals until he is convinced the advertisement is ready for commercial. The commercial can be broadcast live, filmed or recorded on a videotape. After editing the **RUSHES** or hurriedly produced low quality prints of the commercial scenes. The best shots are put together into a **WORK PRINT**; this copy is used for further editing and mixing of sounds to ensure an **INTERLOCK**. After the approval of the interlock, dubbing, special optical effects, voices and music are put together to get the **ANSWER PRINT** or duplicates. The answer prints are sent for approvals and with the advertiser's approval, **RELEASE PRINTS** are made and sent to various networks or television stations for broadcasting. The discovery of magnetic types has made videotaping more in use because videotape will record pictures and sounds simultaneously. The production process from pre-production unto post-production has been computerized and there are software that can do virtually all the necessary work, though creativity is still essentially from the producer.

WRITING A SCRIPT FOR TELEVISION ADVERTISEMENT

The television message consists of two elements:

1. **THE AUDIO ELEMENT:** made up of spoken words, music and other sounds.
2. **THE VIDEO ELEMENT:** comprising the visual presentation.

The writing of a script is usually the first step in creating a television message. This note is not meant to make you a professional copy writer, it is aimed at making you to understand the elements in preparing a script for television message; as such knowledge would be useful anytime you are faced with discussing and approving a script for production in your company.

The written script should begin with promise of the products significant benefit to the viewer; that is a promise you can offer in good faith. The promise is followed by whatever amplification and proof that is possible within the limited time.

The message appeal should be determined and established. Such an appeal could be **RATIONAL**, directed at the viewer's sense of reason or **EMOTIONAL** directed at the viewer's sense of feeling, that is, the viewer's emotions. The appeal can also be **POSITIVE** – presented in such a way as to suggest that the viewer would gain something beneficial or useful or **NEGATIVE** – suggesting a warning against undesirable situation or condition that might arise to the viewer – such as, the warning in cigarette adverts. In addition, an appeal may be **PRIMARY** – aimed at inducing viewers to buy a particular type of product or service like detergent for example or **SELECTIVE** appeals aimed at inducing the purchase or patronage of a particular brand such as **OMO** – in the case of our detergent example. The appeal can be put in form of a slogan which makes the message crisper and more intriguing; also, it exposes clearly and exactly the promise you want the viewer to remember on the television. Messages may be exposed in a short span of time like 30 seconds; the script should aim to repeat your promise and brand name at least twice and flash your logotype, either by itself or on a package held conspicuously in view.

TYPES OF VISUAL TECHNIQUES FOR TELEVISION ADVERTISEMENT

The story in your message will now be completed by the visual technique which you have selected for the script.

VISUAL TECHNIQUE: is the method of presentation that has been chosen for usage in delivering the message to viewers and it is the basis for determining how the message will be written.

Such visual techniques could be one or a combination of the following:

1. **SPOKESPERSON:** an announcer or presenter standing before the camera and delivering your message directly to the viewer, as a salesperson does in contact selling.
2. **TESTIMONIAL:** in a testimonial, presentation is attempted by a well-known personality, either in authority on the type of product or service being advertised or a celebrity well known to have associated with the product or service and is qualified using Mohammed Ali in association with boxing gloves.
3. **DEMONSTRATION:** the advantages of the product are demonstrated to the viewers. For example, a cleanser removing stubborn stains, viewers see the demonstrated product or service. However, the demonstration must correspond to reality.
4. **CLOSE-UPS:** Close-ups are when pictures in television messages are moved closely on the screen to depict a closer view of such demonstration of products or services and to show the people reacting favourably to the demonstration. For instance, a fast-food outlet may use close-ups to show appetizing shots of its recipe as they are grilled and served or eaten by customers. With this technique, the audio is generally delivered off-screen.

5. **SLICE OF LIFE:** This technique is based on a dramatic formula. **PREDICAMENT + SOLUTION = HAPPINESS.** A typical, true to life situation is dramatized in the hope of involving the viewer to the point of thinking as if the scene is referring to his situation. In the scene using this technique, A meets B. B has a problem. A has a solution: buy the product. Next scene – grateful B. reports success after using same product. The format in this technique is very popular and it uses special actors who have skills needed to achieve variety in the setting and presentation of the problem.
6. **STORY LINE:** a story line message is similar to a small movie episode, except that narration is done off screen. A typical video may show a family in their driveway, hoping to leave for vacation but unable to fit all travelling loads into their car. Camera then shifts to the family in the neighbourhood, also leaving on vacation and able to pack everything and everybody into their new station wagon. During these scenes, the announcer explains the advantages of the roomy wagon.
7. **CUSTOMER INTERVIEW:** an interviewer or off screen voice may ask a housewife, who is usually identified by name, to compare the advertised kitchen cleanser with her own brand by removing two identical spots in her sink. She finds out that the advertised product does a better job.
8. **STILL PHOTOGRAPH AND ARTWORK:** this techniques uses close up photography of still photos and artwork, including cartoon drawings and lettering. This technique can structure a highly illustrative, well-paced message.
9. **ANIMATION:** as opposed to “live action” it is the use of real people and objects, animation consists of artists’ inanimate drawings, which are photographed on motion picture film one frame at a time and brought to life with apparent movement as the film is projected. This technique is now possible using animation software on the computer.
10. **ROTSOCPE:** in the rotoscope technique, animated and live action sequences are produced separately and then optically combined. Wikipedia describes rotoscoping as an [animation](#) technique in which [animators](#) trace over footage, [frame](#) by frame, for use in live-action and [animated films](#). Originally, recorded live-action film images were projected onto a frosted glass panel and re-drawn by an animator. This projection equipment is called a rotoscope. In the [visual effects](#) industry, the term rotoscoping refers to the technique of manually creating a [matte](#) for an element on a live-action plate so it may be [composited](#) over another background. This device was eventually replaced by computers using animation software.

WRITING THE SCRIPT

After you have decided on your visual technique, you will write out your script in a formal structure, try to think in terms of words and pictures simultaneously. Divide your paper into two columns. In the left-hand column, state the promise of benefit and supporting evidence in audio copy. In the right hand column, write a verbal description or put a picture of the video part of the message. Corresponding audio and video elements go right next to each other panel by panel. If you are going to have someone speaking, write your copy story in a conversational style, indicating alongside it what the speaker will be doing at various times. If you have decided to depict your product and its benefits in a series of close-up scenes, write your copy for an off-screen announcer and key the various paragraphs of your audio to their corresponding scenes in the video. Matching the audio with the video makes a cohesive message.

COPY STYLES

There are two main approaches, such as:

- Factual approach
- Emotional approach

Excellent Economics and Business programmes at:



university of
 groningen




**“The perfect start
of a successful,
international career.”**

CLICK HERE
to discover why both socially
and academically the University
of Groningen is one of the best
places for a student to be

www.rug.nl/feb/education

FACTUAL APPROACH: this approach deals with the reality which actually exists in the product, consisting of the generic product attributes based on facts that are of most importance to the reader, such as product's advantages. It is interesting to note that factual approach can be interpreted in different ways, each accurate but creating different lines of thinking. The important point to understand in using factual approach is the skill of presenting facts in such a way to advance the same interpretation and meaning to most readers.

EMOTIONAL APPROACH: this approach deals with consumer values that can only be experienced. It encompasses inner experience of feelings that consumers usually possess such as benefits and needs satisfaction which consumers felt after using the product.

EMOTIONAL APPROACH SUPPORTED BY FACTUAL COPY

Advertisement may be interesting to consumers because of the emotional approach of its headline; readers may also want to know some specific facts about a product before making a purchase decision. Therefore it is a common practice that copy approach of an advertisement begins with an emotional presentation and finish with a factual one. Most effective advertisements have a combination of the two approaches.

COPY FOR SPECIAL INTEREST GROUPS

Advertisement devoted to consumers or groups who have specialized interests such as tennis, cars, gardening, photography usually use copy that promises solution to specific problems common to members of the group.

CREATIVE APPEALS IN ADVERTISING COPY

ADVERTISING APPEAL: an advertising appeal is the inducement used by an advertiser to stimulate consumers to buy its products or services. It relates to the benefits – physical, psychological or a mix of both which customers seek when considering the purchase of products or services.

TYPES OF APPEALS

1. **PRIMARY APPEALS:** are aimed at inducing consumer to buy a particular type of product, for example, detergent.
2. **SELECTIVE APPEALS:** are aimed at inducing the purchase of a particular brand, for example “COCA COLA”.
3. **EMOTIONAL APPEALS:** are directed at the prospective buyers sense of feeling, the buyers emotion, it is usually directed at primary wants – such as hunger, sex, companionship and others – for example “MACLEANS”, with the payoff line “the man with the confident smile” – signifying social approval.
4. **RATIONAL APPEALS:** are directed at the buyer’s sense of reasoning, often directed at secondary needs such as efficiency, economy, quality, etc.
5. **NEGATIVE APPEALS:** warns people against an undesirable situation or condition that might arise if the advertiser’s product is not used.
6. **POSITIVE APPEALS:** suggest rewards to be gained by responding to a message or using the advertised product. (Warshaw and Kinnear, 1983 and Shimp, 2000).



American online
LIGS University
is currently enrolling in the
Interactive Online **BBA, MBA, MSc,**
DBA and PhD programs:

- ▶ enroll **by September 30th, 2014** and
- ▶ **save up to 16%** on the tuition!
- ▶ pay in 10 installments / 2 years
- ▶ Interactive **Online education**
- ▶ visit www.ligsuniversity.com to find out more!

Note: LIGS University is not accredited by any nationally recognized accrediting agency listed by the US Secretary of Education. More info [here](#).



5 Organization And Management Of Advertising Agencies And Advertising Departments

An advertiser must understand an outside agency to be able to make effective use of such agency. Advertising agencies are organized using three basic structures as follows:

- Group
- Department
- Combination of Group and Department

The type of organizational structure adopted plays an important part in the effectiveness with which advertising activities take place and in the economy of operation of the agency.

Most companies employ the services of external advertising agencies; some firms also use the services of external public relations agencies to assist with their communications effort. A company must work closely with its external agencies if their services are to be used to maximum advantage. To get the best work from an external agency, it is essential for the advertiser to understand the agency's organizational structure.

GROUP STRUCTURE

In this type, each account is staffed with its own account executives, copy writers, artists, media specialists and production men.

These groups of people work on only one account, if the account is big enough; while smaller accounts may be assigned specialists, the group does not work on all accounts in the agency.

Advantage of the group plan is that people assigned to the account become experts on the product or service being advertised. This arrangement leads to better advertising for the client because agency personnel will be better informed on marketing problems, products, distribution channels and promotion strategies of their clients.

Disadvantage of the group plan is the cost involved in using agency personnel in this way, work load on different accounts reach the peak at various times, economic utilization of agency personnel requires their transfer from one account to another to support where the majority of work has to be done. Group plan is better used on large accounts where its cost can be absorbed.

DEPARTMENT STRUCTURE

The creative section is organized into departments such as – copy, art, media and production. Personnel in each department may work on all the agency's accounts and do not develop enough expertise on the client's product and marketing programme as in the group plan.

This plan is much more economical in the use of creative time. Small advertising agencies are normally organized using department structure.

COMBINATION GROUP AND DEPARTMENT STRUCTURE

This type uses department plan while using certain personnel to work on specific accounts. Medium sized advertising agencies use this method which provides more specialization for personnel of agencies that cannot afford the group plan. Creative personnel can be adjusted to workloads under the combination plan.

PUBLIC RELATIONS AGENCY: Public relations accounts are usually too small to allow public relations to operate a group plan. Public relations is usually organized along the advertising agency and account executives are assigned to each account.

ADVERTISING NETWORK: Is a group of independently owned, non-competing advertising agencies that agree to exchange ideas and services in the interest of their clients.

AGENCY NETWORK: This is a voluntary affiliation of one agency in a major city to act as local office or provide local service for other members of that network.

FUNCTIONS OF AGENCIES

1. **PLANNING:** Organizing creative abilities to implement strategic or tactical advertising.
2. **RESEARCH:** Studying of the client's products markets and competition to determine strength and weaknesses.
3. **COPY:** Development of a good copy, using the appropriate advertising appeal based on client's briefing.
4. **LAYOUT:** Designing and arranging advert to attract and direct reader's attention to the advertiser's product.
5. **MEDIA SELECTION AND EVALUATION:** Involves the selection of best media identified to carry the advertiser's message at the right time and place.
6. **MECHANICAL PRODUCTION:** Agency maintains contact with printers and vendors of copy production services.

7. **ELECTRONIC MEDIA PRODUCTION:** The agency may compose script, select artiste or actors, cast and direct, rehearse and produce the commercial, as well as contract this aspect to outside specialist producers.
8. **MERCHANDISING:** The agency assists its client to create sale promotion materials that exploits the campaign theme.
9. **PUBLIC RELATIONS:** Some agencies offer public relations services. (Kleppner, 1979; Stanton, 1978 and 1981)

MEDIA MIX PLANNING

Many media are available to a marketer for implementing a company's marketing strategy, thus a good media plan should precede selection and exposure of the advertisement messages. The following factors should be considered when developing a media mix plan.

1. *ESTABLISH MARKETING GOALS:* determine the company's marketing goals. It can be expressed in monetary value of sales, number of units sold, share of market.
2. *DETERMINE THE COPY'S NATURE:* determine the nature of the copy as the type of message the advertising is to deliver may immediately suggest certain media and prelude others.
3. *CONSIDER THE PROMOTION BUDGET:* consider the campaign budget, the size of the budget, has a significant influence on media decision.

DON'T EAT YELLOW SNOW

What will your advice be?

Some advice just states the obvious. But to give the kind of advice that's going to make a real difference to your clients you've got to listen critically, dig beneath the surface, challenge assumptions and be credible and confident enough to make suggestions right from day one. At Grant Thornton you've got to be ready to kick start a career right at the heart of business.

Sound like you? Here's our advice: visit GrantThornton.ca/careers/students

Scan here to learn more about a career with Grant Thornton.



 **Grant Thornton**
An instinct for growth™

© Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd

4. *DETERMINE THE TARGET MARKET*: establish the main characteristics of people in the target market. Such characteristics segments would be used in developing the copy or message appeal which will also fit into the class of media selected.
5. *ESTABLISH CAMPAIGN'S GEOGRAPHICAL COVERAGE*: identify the geographical extent of the product's distribution. This will assist in selecting the appropriate media that should cover the reach such as local, regional, national or selective plan.
6. *DETERMINE AREA OF EMPHASIS*: the area of emphasis should be determined for the promotion campaign. Such areas include:
 - *THE REACH*: it refers to the total number of people to whom the message should be delivered.
 - *FREQUENCY*: refers to number of times it is delivered within a given period, this is usually figured on a weekly basis for ease in schedule planning.
 - *CONTINUITY*: is the length of time a schedule runs.
7. *DECIDE ON MESSAGE EXPOSURE TIMING*: establish the best timing for copy exposure to the target audience. A decision as to when to spend the money in advertising is one of the key elements of media strategy. A few principal timing patterns for using media are:
 - *SEASONAL PROGRAMME*: for product that has sales seasonality nature.
 - *STEADY PROGRAMME*: is applicable when the sale of a product is uniform throughout the year.
 - *PULSATION*: is a technique of having comparatively short bursts of advertising in a few markets at a time, rather than running a steady but weaker schedule of advertising simultaneously in many markets.
8. *MONITOR COMPETITOR'S EFFORTS*: competitors' activities must be effectively monitored, particularly if their campaign expenditure is bigger than your plan. Competitor's promotions efforts can easily render your firm's efforts ineffective.
9. *EXAMINE ALL MERCHANDISING PLANS*: check for nay merchandising plans, such as special inducements offered to the buyer, for example premiums, prize contests or special price reductions. Competitors can use such to exert pressure on your plan.
10. *FORMULATE THE MEDIA MIX*: determine the best combination of media that will suit the firm's campaign plan, from the identified number of alternative available media.

METHODS OF AGENCY COMPENSATION

1. Commission plan, which the agency collects from the media – such commissions are usually fixed at 15% of the gross advertising expenditure. This is an internationally agreed standard and it is the commonly used method.
2. Service charge plus media commission.
3. Service charge plus commission credited.
4. Service fees only, paid monthly or quarterly.
5. Agency cost and a profit percentage margin. (Stanley,1977 and Kleppner, 1979)

MAJOR FUNCTIONS OF COMPANY'S ADVERTISING DEPARTMENT

1. Setting annual advertising objectives.
2. Setting and securing the annual advertising budget and campaign implementation.
3. Coordinating advertising activities with the other department of the company.
4. Selecting and working with the advertising agency.
5. Controlling the advertising budget and monitoring advertising budget expenditures.

SELECTING AN ADVERTISING AGENCY

Management should decide the nature of service that is required by the firm and determine which agency or agencies can meet their advertising needs. Client and agency relationship is very important thus agency selection must be preceded by self-analysis and readiness by the client. These guidelines can help select a good agency:

1. Determine the type of services you need from the agency such as research, public relations, creativity and others.
2. Create a 5-point scale to rate each agency's attributes in relation to your needs.
3. Research into published sources and select a number of agencies that appear to fit your requirement.
4. Check for proper agency fitness to your needs
5. Start a preliminary discussion with the agencies that score best on your preliminary evaluation.
6. Reduce your original list of potentials after first contact, to a manageable number of about three.
7. Re-evaluate the three shortlisted agencies, using your 5-point scale and in-depth re-evaluation.
8. Discuss financial implications such as, type of billing, straight 15% commission or fee and other charges.
9. After gathering details, determine if your firm's need is comfortable with the first rated agency.
10. Multinationals should assess and determine if the agency can handle International Market advertising.

BRIEFING THE SELECTED AGENCY

BRIEF: A brief provides a distinct picture of the marketing situation and defines the agency's responsibility.

Brief normally provides a guide to the agency, the content of a good brief should include information about:

1. Product or product group to be advertised, such details as brand names, product attributes, uses, characteristics and competitive advantage.
2. Distribution method and scope of product.

3. Target consumers based on their segments such as sex, age, occupation and others.
4. Target images including corporate and brand image as target to other consumer's self-images.
5. Marketing objectives and goals such as positioning, market share, sales history – by value and volume – other identified limiting factors.
6. Competitors, their identity, product analysis, marketing and promotion strategy, production capacity and other known details.
7. Advertiser's promotion objectives, that is, what the message must achieve.
8. Timing, such as the timing and phasing for the advertisement.
9. Planned budget for the campaign.
10. Responsibility allocation, to determine the roles of each participant in the campaign from the advertiser and the agency.

THE ADVERTISING BUDGET

The advertising budget depends generally on these factors:

1. The set sales and promotional objectives of the company in terms of efforts.
2. The financial and volume objectives set for sales.
3. The type of media through which the firm intends to promote its products.
4. The level, depth and length of time over which the advertising campaign are meant to last.

.....Alcatel-Lucent 

www.alcatel-lucent.com/careers

What if you could build your future and create the future?

One generation's transformation is the next's status quo. In the near future, people may soon think it's strange that devices ever had to be "plugged in." To obtain that status, there needs to be "The Shift".



METHODS OF DETERMINING ADVERTISING BUDGET

1. **BUDGET BASED ON WHAT THE COMPANY CAN AFFORD:** Many companies determine the amount of budget on the basis of what the company has spent in the past adding a percentage increase according to the objectives for the current period or what management considers the firm can afford to spend for advertising after other factors have been budgeted for.

Problems associated with this approach are:

- a) advertising is a vital part of a firm's marketing mix and cannot be planned for on any long term or rational basis.
 - b) this approach ignores current demand levels and competitors advertising.
 - c) no attempts is made by the firm to relate advertising costs to advertising effects.
 - d) it is an approach which relegates advertising to a low grade function in the total marketing activities of the company.
2. **ADVERTISING COSTS AS A PERCENTAGE OF SALES:** This approach fixes advertising expenditure as a specific percentage of past, current and anticipated sales prices per unit. This method has a number of advantages:
 - a) Advertising expenditure is related to the sales revenue in a direct way.
 - b) The method may help prevent very costly advertising competition between competing firms in the same industry.

The limitations in using this method are:

- a) Advertising is treated as a function of sales, rather than regarding sales as being produced by advertising.
 - b) This method apportions money on the basis of sales earnings, rather than on future opportunities.
 - c) Long-range planning is difficult if sales budget fluctuates from one trading period to another.
 - d) The percentage of sales method does not relate advertising costs to product or sales territories.
3. **COMPETITOR-RELATED EXPENDITURE:** In this approach, company sets its advertising expenditure at a comparative level to that of its major competitors. The method has the advantage of preventing costly advertising wars, but it presupposes that knowledge of competitors' advertising is accurate and that the marketing objectives of the competitor are the same as all other competing firms. The method is not based on any rational or objective criteria.

4. **OBJECTIVE METHOD:** This is a more rational approach which determines advertising budget by relating the tasks to be performed by the company's advertising to the size of sales territory in which the company is operating. The basic steps in such a procedure are:
 1. The objectives of the advertising campaign are defined and possibly defined in quantifiable terms.
 2. Each specific task is listed and cost as necessary to achieve its goals. The sum of all the costs for all the sales territories is then computed to give the desired advertising budget. (Kleppner, 1979; Warshaw and Kinnear, 1983)

ECONOMIC ROLES OF ADVERTISING IN THE SOCIETY

1. *PROVISION OF INFORMATION UTILITY:* Information about new products reach consumers through advertising before physical presence of products in the market.
2. *ENCOURAGEMENT OF CAPITAL INVESTMENT:* Advertising enables manufacturers to create favourable demand for product, which in turn, attracts investor or capital investment.
3. *MASS PRODUCTION:* Products preference or brand loyalty built in the minds of consumer encourages constant product demand and mass production on such product.
4. *REDUCTION IN DISTRIBUTION COST:* Advertising has a capacity of reaching mass consumer audience simultaneously, thus creating a huge product awareness. Cost associated with personal selling can be reduced when promotional efforts are targeted at distributors. Distributors can achieve rapid sales turnover of advertised products.
5. *PROVISION OF PRODUCT UTILITY:* The generation of association between products and peoples lifestyle can add to the utility a consumer receives from the product, through the creation of status symbols, personality and established sense of independence.
6. *SUPPORTING THE MEDIA:* Advertisements run through magazines, newspapers, billboards, radios, television and others, provide constant source of revenue for the media.
7. *CREATIOIN OF ARTIFICIAL MONOPOLY:* Product differentiation created by advertising can create brand loyalty which may prevent entry of new competitors and slow down growth of competing products – this could result in artificial monopoly or reduction in competition.

SOCIAL ROLES OF ADVERTISING IN THE SOCIETY

1. *BETTER STANDARD OF LIVING:* Advertising can motivate consumers to increase their income which they will spend on goods and services. Consumers are stimulated to search for higher income, which usually result in better living standard.
2. *AVAILABILITY OF BETTER PRODUCTS AND SERVICES:* The creation of increase in demand for goods and services caused by advertising attracts more manufacturers into the market which may result in better production innovations, development and research.
3. *SUSTAINANCE OF THE SOCIAL VALUES :* Advertising, through the provision of product information, reinforces or changes social values and norms.

4. **SOCIAL MOBILISATION:** Government uses advertising for social messages about health, anti-social activities and other information. Politicians are also using advertising for political programmes and campaigns.
5. **PROVISION OF EMPLOYMENT FOR SKILLED WORKERS:** Through the employment of various specialists, practitioners and citizens, who possess specialized skills in advertising, marketing and other behavioural sciences.

ARGUMENT FOR NEGATIVE INFLUENCES OF ADVERTISING IN THE SOCIETY

1. **UNECONOMIC CONSUMER SPENDING:** It may lead buyers to purchase the wrong product and to spend too much money on products they may not need.
2. **DECEPTIVE MESSAGES:** Advertising can be deceptive through false messages, misleading labeling and advertisement copy.
3. **ARTIFICIAL CONSUMER INTEREST:** It may arouse interest which people cannot afford, a situation that may generate ambitions and intensify desires to own such products by any means whether rightly or wrongly.
4. **PROFUSE CLAIMS AND COUNTER CLAIMS:** Its profusion of claims and often counter-claims may lead to decision-making confusion on the consumer. These claims result from various products differentiation.



Join the best at
the Maastricht University
School of Business and
Economics!

Top master's programmes

- 33rd place Financial Times worldwide ranking: MSc International Business
- 1st place: MSc International Business
- 1st place: MSc Financial Economics
- 2nd place: MSc Management of Learning
- 2nd place: MSc Economics
- 2nd place: MSc Econometrics and Operations Research
- 2nd place: MSc Global Supply Chain Management and Change

Sources: Keuzegids Master ranking 2013; Elsevier 'Beste Studies' ranking 2012; Financial Times Global Masters in Management ranking 2012

Maastricht
University is
the best specialist
university in the
Netherlands
(Elsevier)

Visit us and find out why we are the best!
Master's Open Day: 22 February 2014

www.mastersopenday.nl



Click on the ad to read more

CONTROL OF ADVERTISING PRACTICE

The control of Advertising through regulation ethical and legal within advertising practice is imperative, especially to eliminate deliberate, careless violation of the public sphere.

Consumerist activities against poor ethics, rights of consumers, advertising abuse have increased the demand for legislation to protect the public. Control and regulation of these abuses of advertising practice is usually in two ways:

1. *SELF-CONTROL*: by applying voluntary restraints on the part of advertisers and practitioners, through the use of ethical standards.
2. *STATUTORY CONTROL*: through government legislation and regulatory laws – such as the enforcement of health warning on cigarette advertisement. (Vanden Bergh and Katz, 1999)

FINANCIAL ADVERTISING

FINANCIAL ADVERTISING is used to promote the company as a whole, primarily to the financial communities such as investors, credit and lending institutions, shareholders. Financial advertising assists the firm to build goodwill amongst the investing public. It is not meant to promote firms' products but various firms products could be highlighted in it.

TOOLS OF COMMUNICATION USED IN FINANCIAL ADVERTISING

1. *PROSPECTUSES* – these are advertisements that seek to inform the public about the issue of stocks offered for sale to the investor or prospective shareholders. They are mandatory advertisements by statute or law which must be published by the firm.

The contents of prospectuses are:

1. Information on the volume of new shares to be sold to investors.
 2. Full details about issuing houses and stock brokers involved in the offer.
 3. Information about the company's profit or performance record.
 4. Other corporate news to assist the issue.
2. *INTERIM REPORTS*: these are reports about the trading activities of a company, which may be placed in newspapers. It contains chairman's report, main products, subsidiaries of the company and relevant statistical details that can interest investors. Interim Reports are released to the company's shareholders quarterly or bi-annually.
 3. *ANNUAL REPORT AND REPORTS OF ANNUAL GENERAL MEETING*: these are advertisements indicating the annual reports of the company and the Annual General Meetings. They are published annually, containing reports or summary of trading activities and profit, turnover and other relevant information about the company.

OTHER INSTITUTIONAL ADVERTISEMENTS

1. *INSTITUTIONAL ADVERTISEMENTS*: placed in the media to inform the public about such issues as company expansion, re-location, a merger, or new product discovery and development.
2. *“CRISIS CONTROL ADVERTISEMENTS*: these are adverts that are placed by a company that has sudden problem from a controversy. The company can advertise to explain or state its own side of a controversy such as in a case of labour dispute.

PRODUCT ADVERTISING

1. *CONSUMER ADVERTISING*: it is usually directed at the final or ultimate consumer, it attempts to get consumers to remember the brand of the product and develop brand loyalty.
2. *INDUSTRIAL ADVERTISING*: this is designed to reach other manufacturers who can use the advertised product, usually a machine or raw materials.
3. *TRADE ADVERTISING*: this is meant for middlemen or channel of distribution's member such as wholesalers, or retailers of a product or service.
4. *SERVICE ADVERTISING*: it is used to promote intangible products or services to consumers, such services as banking, insurance, transport and others. (Kleppner, 1979; Warshaw and Kinnear, 1983)

PRODUCT/BRAND MANAGEMENT SYSTEM

The concept of product or brand management started in the consumer good industry. As firms increase their product lines, the product manager's responsibilities become more essential. This is because marketing activities of various product lines become enormous for the marketing manager.

RESPONSIBILITIES OF THE PRODUCT MANAGER

PRIMARY RESPONSIBILITIES: To liaise between various functional departments of the firm, to ensure optimum coordination of their activities and maximize the firm's products contribution for overall profitability.

SECONDARY RESPONSIBILITIES: These responsibilities are essentially related to development and recommendation of an annual marketing plan designed to enlarge products market share and profitability. Such responsibilities are:

1. Product strategy and pricing strategy.
2. Capital expenditure and budget.
3. Sales forecasting and annual marketing plan.
4. Advertising and promotion campaign plans and budget.

5. Stimulating interest in and support for the products among persons, distributors and the distribution channel.
6. Direct control over product innovation, quality and development.
7. Production profit and loss performance.
8. Marketing information management by collecting, on continuous basis, information on products performance, customer and dealers' attitude, and new problems and opportunity.
9. Formulating a competitive strategy to deal with competition as it affects his product line.

ADVANTAGES OF PRODUCT MANAGEMENT SYSTEM

1. The product manager balances and harmonizes the various marketing inputs needed by a product.
2. The product manager can react more quickly and tactically to the market change, without involving a lengthy organizational approach.
3. No brands are neglected, even if they are not market leaders.
4. Product management enables the company to train its young executives, to develop skills needed for top management functions.

DISADVANTAGES OF PRODUCT MANAGEMENT SYSTEM

1. Product management introduces many sources of personality conflict; such conflict can arise between the product manager and the functional departments.
2. The product manager does not have total authority over his responsibilities.
3. The product manager becomes an expert on his product with lesser knowledge about other departments' activities.
4. Product manager system is usually expensive to run.

TYPES OF PRODUCT MANAGERS

ESTABLISHED PRODUCTS ONLY:

Here, product manager is concerned solely with the management of an established product line.

ESTABLISHED AND NEW PRODUCTS WITHIN A GIVEN PRODUCT LINE: In this type, the product manager is fully in charge of a given product line. He shoulders the burden of innovation in addition to his duty of managing the established products.


NEW PRODUCTS ONLY: Product manager, in this case, is only concerned with the development and management of new products.

PARTICULAR NEW PRODUCTS OR PROJECT MANAGER: A project manager, who takes charge of a specific development process at its very outset. He may be placed in charge of a new project soon after the product idea is approved. He monitors and manages all phases of the product life cycle. This approach is commonly used in the automobile and food industry.

BRAND PERSONALITY

The concept of Brand Personality involves the functional features of a brand and its emotional values. The brand personality is the totality of a brand which includes a composite of physical and psychological features, built into the product to create a feeling of warmth and friendship that draws the prospect's response. Products take on symbolic meaning to consumers who buy them as much for the product's physical benefits and its symbolic or non-functional attribute. Self-concept or self-image of a consumer encompasses the perception of himself, and a blend made up of the person's basic physical and emotional characteristics. Most branded products are made to have physical and symbolic characters that reinforce the consumer's self-image.

The character of personality of the brand is well defined to fit its target consumers. Advertising is an effective communication tool used to get such information across to target consumers when positioning the product. David Ogilvy, a renowned advertising practitioner stated that "image means personality, the personality of a product is an amalgam of many things – its name, its packaging, its price, the style of its advertising and above all, the nature of the product itself. (Scheuing,1974; Subroto,1997)



**Empowering People.
Improving Business.**

BI Norwegian Business School is one of Europe's largest business schools welcoming more than 20,000 students. Our programmes provide a stimulating and multi-cultural learning environment with an international outlook ultimately providing students with professional skills to meet the increasing needs of businesses.

BI offers four different two-year, full-time Master of Science (MSc) programmes that are taught entirely in English and have been designed to provide professional skills to meet the increasing need of businesses. The MSc programmes provide a stimulating and multi-cultural learning environment to give you the best platform to launch into your career.

- MSc in Business
- MSc in Financial Economics
- MSc in Strategic Marketing Management
- MSc in Leadership and Organisational Psychology

BI NORWEGIAN BUSINESS SCHOOL

EFMD
EQUIS
ACCREDITED

www.bi.edu/master

INTERNATIONAL PROMOTION AND ADVERTISING

GLOBAL PROMOTION: the essence of promotion in any part of the world includes:

- Communicating with buyers
- Influencing buyers to take purchase action.

Effective promotion requires an understanding of the process of persuasion and how this process is affected by environmental factors. The potential buyer must receive the desired information and comprehend it sufficiently to motivate buyer's positive reaction. The sender must be receiver-oriented, message must consist of information that the receiver can relate to, and the information must be encoded with relevant images and words common to the receiver's experience and language. To effectively motivate a message receiver, the principle of mass persuasion must be followed.

- Message must reach the receiver's sense organs and gain appropriate attention.
- The message must not contradict a person's cultural values; it must be accepted as part of the receiver's attitude and belief structure.
- The sender must create a message that arouses the receiver's need and suggests a particular action that will enable the receiver to achieve a desired goal.

Global products must be physically superior and psychologically desirable. Often, products psychological attributes are more important than its physical characteristics. To convince consumers that a product is psychologically superior, a company can use advertising to position and differentiate the product's image from competitive brands, such differences can be real or created.

COMMUNICATION: is a process consisting of five stages such as: source, encoding, information, decoding and receiver. Encoding is a step that transforms the idea or information into a form that can be transmitted; for example, written or spoken words. For a receiver to understand the coded information, the person must be able to decode these words. The source can encode and the receiver can decode through the influence of experience based on similar psychological and social attributes. Thus, for global communication to be meaningful and effective the message must consist of information that the receiver can relate to and the information must be encoded with relevant cues, such as images and words common to the receiver's experience, language and perception. Information delivered in this appropriate pattern will rapidly assist the receiver to assign relevant meaning, achieve quick understanding of the message and interpretation that will influence the consumer's consumption behaviour.

CONSTRAINTS ON THE INTERNATIONAL ADVERTISING PROGRAMME

International advertising programme of firms is affected by two sets of factors:

1. The internal situation and character of the company.
2. The international environment of advertising.

FACTORS RELATING TO INTERNAL SITUATION

SELECTING THE AGENCY: agency selection is the first advertising decision the marketer must take and he has two choices of selection

1. DOMESTIC AGENCY – with offices abroad.
2. FOREIGN AGENCY – in each national market.

The international marketing manager must identify agency alternatives available to his company and situation. He can also evaluate each agency, using these criteria:

1. Market coverage of the agency.
2. Quality of coverage, including the agency package for the market.
3. Market research, public relations and other marketing services offered by the agency.
4. Relative roles of company advertising department and agency e.g. the international marketer's need for an average or strong agency.
5. Communication and control – the international marketers wish to establish regular contact and control with the agency.
6. International coordination in relation to the firm's usage of tailor made advertising for various markets or national advertising.

Need help with your dissertation?

Get in-depth feedback & advice from experts in your topic area. Find out what you can do to improve the quality of your dissertation!

Get Help Now



Go to www.helpmyassignment.co.uk for more info



Helpmyassignment



Click on the ad to read more

7. Size of Company International Business – volume of international business and size of market to help to decide size of advertisement budget and expenses.
8. Image – if the international marketer has adopted a local image, this may mean using local advertiser.
9. Company Organization – companies that are very decentralized, with national profit centres might wish to leave the question of agency selection to the local subsidiary.
10. Level of involvement – in joint venture arrangements, the international firm shares decision-making.

CHOOSING THE ADVERTISING MESSAGE:

a major advertising decision area for the international marketer is the determination of appropriate advertising appeals and message for each of his foreign markets.

SELECTING THE MEDIA:

the principles of media selection are universal but their application can vary from country to country. The desirable media in every country are those that reach the target market – the buying decision influences – effectively and efficiently with a favourable cost – benefit.

EVALUATING INTERNATIONAL ADVERTISING EFFECTIVENESS:

the international advertising manager must be concerned with the advertising budget and the effectiveness of the advertisement.

ORGANISING FOR INTERNATIONAL ADVERTISING:

this decision affects the selection of agency, type of message or campaign and other factors. Many agencies in Nigeria today have international affiliations e.g. Lintas, Insight etc

Three organization alternatives have been identified:

- 1) It can centralize all decision-making for international advertising at corporate or international division headquarters.
- 2) It can completely decentralize the decision-making to foreign markets.
- 3) It can use some blend of these two alternatives.

COOPERATIVE ADVERTISING: where an international marketer sells, through licensees or distributors, it can choose, (1) handling advertising directly (2) cooperate with the local distributor (3) it can encourage the distributor or licensee to advertise.

FACTORS RELATING TO INTERNATIONAL ENVIRONMENT

1. *LANGUAGES*: the language used in the advertisement must be clearly meaningful to the international market.
2. *ROLE OF ADVERTISING IN THE SOCIETY*: the cultural and economic factors of the international market must be analyzed properly. For example, Japanese may not like messages that sound like command.
3. *MEDIA AVAILABILITY*: type of media that are available in the international market such as radio, television, print and others must be considered.
4. *COMPETITION*: the competitive situation in the foreign market must be analyzed.
5. *AGENCY AVAILABILITY*: the number, type and quality of agencies available in the international market must be considered by the international marketer.

SALES PROMOTION

The international marketer must determine the type of sales promotion approach to use in the foreign market considering the local cultural values and how to target various markets. Methods such as contest, coupons, sampling, premiums, point-of-purchase materials, brochures could be adopted to the local environment of the international market.

SPECIAL FORMS OF INTERNATIONAL PROMOTION

1. Government assistance in promotion, through home country government department of commerce, trade centres or displays at the embassy.
2. International trade fairs.
3. Public relations activities.

PERSONAL SELLING

The purpose of promotion is to communicate with buyers and to influence them. Effective promotion requires an understanding of the process of persuasion and how this process is affected by environmental factors. A potential buyer must receive the desired product information, understand such information and be sufficiently motivated to react positively towards the product. Personal selling is expensive in terms of high cost but it could be emphasised when certain conditions are met. Industrial buying or large volume buying which involves a large amount of money, justifies personal attention. Personal selling has proven to be effective when the market is concentrated or when a salesperson must develop a measure of confidence in the customer for the purchase – such product usually requires a demonstration or custom made or fitted to an individual's need or involve trade-ins. Missionary salesmen can be used to educate potential buyers about product benefits and promotional campaigns to create the goodwill that may result in subsequent sales.

QUALITY AND STYLE OF PERSONAL SELLING – FACTORS TO CONSIDER

1. The quality of personal selling varies with products, and target group.
2. Personal selling is not seen as a prestigious occupation in most countries.
3. Practitioners in personal selling are usually not adequately trained in less-developed countries resulting in lower practicing standards.
4. Leads generated by advertising may become worthless because of low standard personal selling practitioners.
5. Selling styles may differ significantly. For example, door-to-door selling style may not be embraced because of cultural and social differences among countries.
6. The personal selling tactic may have to be modified in some markets.
7. Personal selling must receive proper support in terms of training and information.
8. It may be difficult for sales persons to be effective without advertising support.

INTER CULTURAL NEGOTIATION

Successful negotiations demands some understanding of each party's culture and may also require adoption of a negotiation strategy that is consistent with the other party's cultural system. The strategy of stereotyping personality traits could assist salespersons in achieving better negotiation. Stereotyped personality traits can be used to identify various types of customers that could assist the salesperson in his approach during negotiation. Such personality traits could be business-minded person, stubborn, argumentative, hot-tempered, illiterate and others.

The salesperson must, however, avoid generalization which may lead to believing that members of the group must share the same traits. These prejudices, if believed, may affect business negotiations and their outcome. International marketers should be interested in the effects of cultural adaptation on intercultural communication.

RECRUITMENT AND SELECTION OF SALESPERSONS

Recruitment and selection of salespersons will be done in the local market or host country by those who know the market's situation best. To aid recruitment and selection of salesmen, many companies develop job descriptions and personal specification lists of screen candidates for sales jobs. In the firm's foreign markets the salesperson's job depends on the function of the firm's product line, distribution channels, its overall marketing mix, and other variables in the firms marketing environment – such as cultural variables. In various foreign markets factors such as religion, education, race or tribe characteristics must be considered.

The international marketer can make some contributions to the selection and recruitment of salesperson in the host country – such contribution may be in form of aptitude test or techniques which have been successfully used in domestic operations in some other subsidiary country or markets. (Onkvisit, and Shaw, 1993)

TRAINING OF SALESPERSONS

The content and nature of the training programme will be determined by the demands of the salesperson's job and his level of entry into the firm.

Training may vary in markets but the international marketer will also have a contribution in determining the nature and goals of the local training programme, because of the similarity in company products and policies.

The international marketer may contribute in the areas of

1. Company policy.
2. Product knowledge.
3. Selling skills and techniques.

Other aspects of training like territory management, market or customer knowledge may be based on local experience in the foreign market.

In a market that has low literacy level; training attachments are usually arranged for top salesperson – such as CONTINUOUS TRAINING which may be in form of seminars, overseas factory attachments or self-instruction, through house organs or journals.

By also drawing on the firm's domestic and multinational experience, the international marketer will seek to improve the effectiveness of each market's training programme. For some high-priced or high-technology products, training of salespersons may be organized at international or regional levels.

Another form of international training available to the foreign market is through travelling team of experts from regional or international division headquarters.

MOTIVATING AND COMPENSATING SALESPERSONS

Motivation and compensation of international salesperson should be designed in a way that will take care of these international problems:

1. The low esteem in which selling as a profession is held in various foreign markets.
2. The cultural reluctance of prospective salesperson to relate and mix with strangers, especially, to persuade strangers.

Motivators that can be used to reduce or eliminate these problems can be one or a combination of:

1. Monetary
2. Status symbol enhancement
3. Executive training

4. Executive titles
5. Special recognition for the salesperson's self-image
6. Special awards and honours
7. Fringe benefits
8. Foreign travels in form of rewards for achievement
9. Counseling
10. Supervision
11. Quotas and contests

OVERSEAS PRODUCT EXHIBITIONS

The exhibition of a product overseas is a type of sales promotion that can be very effective. It is important because with some products, quality can be judged only by physical examination which can be facilitated by product exhibition.

TRADE FAIRS

Trade fairs allow many firms from various countries to set up “temporary stores or offices” right in the market place to display their products. A strong feature of a trade fair is that prospects are in a buying mood. Another advantage is that buyers are seeking out sellers at a central location. Overseas exhibits are costly forms of promotion.



Brain power

By 2020, wind could provide one-tenth of our planet's electricity needs. Already today, SKF's innovative know-how is crucial to running a large proportion of the world's wind turbines.

Up to 25 % of the generating costs relate to maintenance. These can be reduced dramatically thanks to our systems for on-line condition monitoring and automatic lubrication. We help make it more economical to create cleaner, cheaper energy out of thin air.

By sharing our experience, expertise, and creativity, industries can boost performance beyond expectations. Therefore we need the best employees who can meet this challenge!

The Power of Knowledge Engineering

Plug into The Power of Knowledge Engineering.
Visit us at www.skf.com/knowledge

SKF

An exhibitor should notice and respect cultural differences in dress formality and the exchange of business cards.

Firms can also rent space in trade centers to display merchandise on a more permanent basis.

ADVERTISING IN FOREIGN MARKET

Developing, socialist and communist countries, emphasizing production and distribution efficiency, usually react negatively towards advertising as a wasteful practice whose primary purpose is to create unnecessary wants. Despite this reaction, advertising serves a very useful purpose – consumers all over the world, irrespective of their countries' political systems and level of economic development, need useful product information.

INTERNATIONAL ADVERTISING – DEFINED

International Advertising is the practice of advertising in foreign or international media when the advertising campaign is planned, directly or indirectly, by an advertiser from another country.

In order to advertise overseas, the company must determine the availability of advertising media in the foreign country. Media may not be readily available in all countries or in certain areas within the countries. Also, the techniques used in media overseas can be vastly different from the home country.

A full advertising research should be conducted into the overseas market before the firm or advertiser can develop an effective overseas advertising campaign.

In addition to the regular advertising media, other media could be used in overseas such as Screen or Cinema, Rural, and Stadium. (Onkvisit, and Shaw, 1993)

SCREEN (CINEMA)

In most countries, the cinema is a favourite activity for social gathering. People are regular movie goers because of the limited television broadcasting and individual's natural desire to go out to a place of social gathering

Cinemas are classified as first class or second class and sometimes third class. The classification depends on how soon new films are shown at such cinema. They usually open at noon during the weekdays and earlier on weekends and public holidays.

The cinema is a very popular advertising medium in most countries. Cinemas sell commercial time to agencies or advertisers. The cinema begins its programme with a showing of slides of advertised products and this slide show is followed by commercials. The cinema may then show newsreels and documentaries that may contain paid news item. There are also short promotional films or teaser trailers of coming attractions.

ADVANTAGES OF CINEMA ADVERTISING

1. It has the impact of outdoor advertising without the drawback of being stationary.
2. It has sight and sound like television but with better quality.
3. Cinema advertising has a true captive audience – since movie goers are usually in a positive and receptive mood.

DISADVANTAGES OF CINEMA ADVERTISING

1. Some movie goers may resent having to watch commercials.
2. Patrons, being aware that commercials will be shown first take their time in showing up and may be wandering into or around the theatre until the main feature begins.

RURAL MEDIA

In marketing to developing countries, marketers must understand the use of rural media. Mobile units can be sent to areas lacking access to mass media. Such vehicles can play recorded music and advertising messages over amplifiers or loud speakers attached to the vehicle roof tops.

A marketer can also attract an audience by arranging for some type of festival advertising held at a temple, school, community hall, churches and mosques.

A free outdoor movie can be shown during the festival while advertising is broadcast through loudspeakers to the captive audience.

Other forms of rural advertising exist in the form of a village or town cry out, the use of opinion leaders to deliver the message in a festival or gathering and native talking drums that are peculiar to a particular village, town or community environment.

STADIUM ADVERTISING

Stadium Advertising can also be used, especially in football stadia, because football is the most popular and passionate sport in the world. Signs can be displayed on stadium walls around the field, the advertising rules for outdoor advertising is applied.

The objective that is usually behind this type of advertising is not to communicate with football fans who attend the game only, but rather, to communicate with television viewers too. As the camera follows the non-stop action on the field, each of the signs showing a corporate logo will be seen by billions of people watching the game worldwide, thus providing a wider audience reach. Football competitions, such as the world cup, will always attract international advertisers.

STANDARDISED INTERNATIONAL ADVERTISING

STANDARDISED INTERNATIONAL ADVERTISING: is the practice of advertising the same product in the same way everywhere in the world.

A standardized advertisement has virtually no change in its theme, copy or illustration (other than translation).

Benefits of standardized advertising to the firm are:

1. Decision simplification
2. Cost reduction
3. Efficiency

TURN TO THE EXPERTS FOR **SUBSCRIPTION** CONSULTANCY

Subscribe is one of the leading companies in Europe when it comes to innovation and business development within subscription businesses.

We innovate new subscription business models or improve existing ones. We do business reviews of existing subscription businesses and we develop acquisition and retention strategies.

**Learn more at [linkedin.com/company/subscribe](https://www.linkedin.com/company/subscribe) or contact
Managing Director Morten Suhr Hansen at mha@subscribe.dk**

SUBSCR[✓]IBE - to the future

APPROACHES TO INTERNATIONAL ADVERTISING

There are three main approaches to International Advertising:

1. **STANDARDISATION:** this approach assumes that better and faster communication has forged a convergence of art, literature, media availability, tastes, thoughts, religious beliefs, culture, living conditions, language and advertising.

This approach assumes that when people are different, their basic physiological and psychological needs still remain the same. Therefore, success in advertising depends on motivation patterns rather than on geographical differences. An example is British Airways advertisement.

2. **INDIVIDUALISATION OR CUSTOMISATION:** this approach holds that advertisers must particularly take note of the differences among countries – such as culture, taste, media, and discretionary income. These differences make it necessary to develop specific advertising programmes to achieve impact in the local markets.
3. **COMPROMISE:** this approach recognizes local differences and makes a cautious full or automatic use of standardization approach. This approach holds that it may be possible, and in certain cases, desirable to use home marketing techniques under some conditions, and adaptations.

Keegan provides a set of guidelines that can help in determining when it is appropriate to use standardized advertising. He advanced five international product and promotion strategies. The choice of strategy depends on such factors as COST, NEED and USE conditions. A particular product can be extended – unchanged – if use conditions are uniform across markets. Similarly a promotional campaign can be standardized or extended if consumer need for this particular product is universal. As a company moves from the first strategy toward the last there is a corresponding increase in cost.

Keegan's five strategic alternatives are:

1. **ONE PRODUCT, ONE MESSAGE – WORLDWIDE:** this strategy is appropriate if both the need and use conditions are uniform across countries. For example, Coca-cola and Pepsi.
2. **PRODUCT EXTENSION (SAME PRODUCT) – COMMUNICATION ADAPTATION:** this strategy is practical when the same product can be used to fill different needs in foreign markets.
3. **PRODUCT ADAPTATION – COMMUNICATION EXTENSION:** this strategy uses essentially the same promotional message abroad and at home, but the product is changed to meet local conditions.
4. **DUAL ADAPTATION:** both the product and the message are changed and adapted to local situation.
5. **PRODUCT INVENTION:** a company develops a new product in response to foreign market demands.

The international advertiser will still have to consider these two factors in making a promotional campaign decision:

1. **FEASIBILITY:** this has to do with whether the foreign environmental restrictions or difficulties may prohibit the use of a standardised campaign.

Common foreign environment problems are local regulations, media and agency availability and literacy levels.

2. **DESIRABILITY:** the degree of desirability of a standardized advertisement depends on the amount of cost savings that the company might achieve from it. Another criterion of desirability is consumer homogeneity which is a major assumption of the uniform approach. (Keegan and Green, 2000)

6 Advertising Media

ADVERTISING MESSAGE TRANSMISSION

The advertising message should be carried to its target by the MEDIA through the use of media vehicle. MEDIA VEHICLE is a specific newspaper such as *The Punch* in print media or Radio like OGBC and television like LTV in broadcast media.

Two factors are essential in planning the right media mix:

1. The consumers or advertising target to be reached.
2. The nature of the message to be conveyed.

These two factors will determine the type of copy, the media of transmission and the advertising budget.



"I studied English for 16 years but...
...I finally learned to speak it in just six lessons"
Jane, Chinese architect

ENGLISH OUT THERE

Click to hear me talking before and after my unique course download

Major advertising media can be classified as follows:

1. PRINT MEDIA: newspaper and magazine
2. ELECTRONIC MEDIA: internet and World Wide Web.
3. BROADCAST MEDIA: television and radio
4. OUTDOOR: billboards, painted signs, electric displays, mobile billboards, signs and spectaculars.
5. DIRECT MAIL: direct mail advertising
6. TRANSIT: car card advertising, outdoor displays located on buses (e.g. BRT), within vehicles, airports' interior and exterior, subways and train stations.
7. BELOW THE LINE MEDIA: directories, specialty advertising, cinema, skywriting, balloon advertising, stadium advertising, T-shirts and vests, rural advertising, exhibition and trade fairs, premium trading deals, point of purchase display, packaging and personified town cry out. (Stanley, 1977; Kleppner, 1983 and Belch and Belch, 2004)

PRINT MEDIA

NEWSPAPER: newspapers are basically a local medium and specific newspapers are closely identified with the communities in which they are published. Local retailers use their local newspapers more frequently because local residents use the newspaper as a shopping guide. Newspapers can establish a unique way of life to consumers, as daily readership of newspapers tend to get people addicted to a peculiar reading habit which extends through the day and week on a regular basis, thus providing a medium factor that can increase the exposure level of advertisements.

National advertisers use newspapers primarily for spot coverage of top markets, National coverage can be secured by the use of multiple newspapers.

ADVANTAGES OF NEWSPAPERS TO ADVERTISERS

1. Newspaper penetrates their respective markets and highly concentrated markets.
2. Newspapers have a good reach of people of every age and income levels both in cities and suburbs.
3. They carry current news items, their advertisement have a sense of urgency, provide a perfect environment for immediate advertisement to express their news value as readers expect to see items of real news interest.
4. Closing dates for advertisements in newspapers are the shortest in print media thus advertisement can be inserted or changed practically soonest.
5. Newspaper advertising is particularly merchandisable to wholesalers and retailers. Wholesalers and retailers usually appreciate the listing of authorized dealers at the end of a newspaper.

DISADVANTAGES OF NEWSPAPERS TO ADVERTISERS

1. High cost per insertion when an extensive list of newspaper is used.
2. They have a short life and are often read hurriedly, exposure time of reader to advertisement may be too short for absorption.
3. The generally poor quality of reproduction on newspaper stock (Newsprint) either in black and white or in colour. The ROP (run of press/paper) is improving in modern times but not as excellent as colour production as in magazines.

There are two categories of newspaper advertising:

- 1) CLASSIFIED ADVERTISING usually in columns
- 2) DISPLAY ADVERTISING which is the general advertising.

CIRCULATION AND RATE STRUCTURE

The circulation of a newspaper or magazine is the total number of copies of an average issue that are distributed. Advertising rates are usually based upon circulation not on multiple readership or audience figures. For instance, if a newspaper has circulation of 100,000 copies and an average of two readers per copy, the advertising rate is based upon the circulation figure of 100,000 not audience of 200,000. Compared to magazines, newspapers total audience is lower because they have a shorter life and pass-along readership.

National advertising in newspapers attracts a higher rate than local advertising. Newspapers covering national advertisements justify this rate by showing that they pay – commission to newspaper sales representative and to an advertising agency.

BUYING SPACE IN NEWSPAPER

1. *MEASURING SPACE*: The width of newspaper space is measured in terms of columns. The depth from top to bottom is measured in agate lines per column. This is referred to as lines of which there are 14 to the inch. The size of an advertisement is specified in terms of lines x columns. For instance, an advertisement of 5 inches deep by 2 columns wide is written 70×2 (i.e. 70 on 2) and is a 140-line advertisement. The width of the column varies from paper to paper but has no bearing on the line rate of display advertising.
2. *THE RATE STRUCTURE*: Publishers set their own rates and offer a uniform FLAT RATE to all national advertisers. Some offer a quantity discount or an alternative time/frequency discount. The advertiser chooses whichever discount structure that is best for him. The highest rate against which discounts are calculated is called – open rate or one-time rate or basic rate.

3. *R.O.P AND PREFERRED POSITION RATES*: The Run-of-Paper (R.O.P) and Preferred Position Rates entitle the advertisement position anywhere in the paper that the publisher places it, but the paper will be mindful of the advertiser's request and interest in getting a good position.

An advertiser may buy a choice position by paying a higher – PREFERRED POSITION RATE.

4. *COMBINATION RATES*: There are situations when the same publisher issues a morning paper and a separate evening paper, in which advertisers can buy space individually or at a better combination price for both. The same space and copy must be used in both pages. Usually the paper will want the advertisement to run the same day but the advertiser may get them to run on separate days.
5. *THE RATE CARD*: A publisher's rate card contains all information that an advertiser needs to place an order that is copy requirements and mechanical requirements, set in standardized, numbered sequence.
6. *THE MILLINE RATE*: A milline is what it would cost per line to reach a million circulation of a paper, based upon its actual line rate and circulation. This rate is used in comparing the cost of newspaper space using the two variables – the rate per line and the circulation.



What do you want to do?

No matter what you want out of your future career, an employer with a broad range of operations in a load of countries will always be the ticket. Working within the Volvo Group means more than 100,000 friends and colleagues in more than 185 countries all over the world. We offer graduates great career opportunities – check out the Career section at our web site www.volvogroup.com. We look forward to getting to know you!

VOLVO
AB Volvo (publ)
www.volvogroup.com

VOLVO TRUCKS | RENAULT TRUCKS | MACK TRUCKS | VOLVO BUSES | VOLVO CONSTRUCTION EQUIPMENT | VOLVO PENTA | VOLVO AERO | VOLVO IT
VOLVO FINANCIAL SERVICES | VOLVO 3P | VOLVO POWERTRAIN | VOLVO PARTS | VOLVO TECHNOLOGY | VOLVO LOGISTICS | BUSINESS AREA ASIA

The formula is:

$$\frac{1,000,000 \times \text{Rate per line}}{\text{Quantity circulation}} = \text{milline}$$

For example a newspaper with 2 million circulations and a rate of \$2.00 per line will have its milline as calculated using above formula:

$$\frac{1,000,000 \times \$2.00}{2,000,000} = \$1.00 \text{ milline rate.}$$

The smaller the circulation of a newspaper, the higher the milline rate. Using this method gives a basis of comparing rates of papers having different rates per line and different circulation.

7. *THE SPACE CONTRACT – THE SHORT RATE*: When a paper gives a scale of discounts depending on the amount of lineage run during the next 12 months, you must first enter upon a SPACE CONTRACT which means an agreement of the rate you will finally pay for any space that has been run during the year in agreement. The two steps to be taken are:
- 1) You estimate the amount of space you think you will run and agree to any rate adjustments needed at the end of the year. The selected rate will be used to bill you at the end of the year.
 - 2) At the end of the year, the total lineage is added, if the total run does not meet agreed rate, you have to pay at the higher rate charged for the number of lines actually ran. The amount is called the SHORT RATE.

EXAMPLE: A national advertiser plans to run advertising in a paper whose rates are as follows:

Open rate	-	\$1.45 a line
1000 lines	-	\$1.42
5000 lines	-	\$1.39
10,000 lines	-	\$1.36

The advertiser expects to run a least 5,000 lines and signs the contract at the ₦1.39 (5000 lines) rate – subject to end of year adjustment. At the end of 12 months, he only ran 4100 lines; his bill will be computed at the end of the year as:

Earned rate	-4100 line @ \$1.42 per line	\$5,822.00
Paid rate	-4100 line @ \$1.39 per line	<u>\$5,699.00</u>
		<u>\$ 123.00</u>

If the space run had reached the 10,000 lines rate (\$1.36) the advertiser would have received a rebate of N300.00.

PROPER USE OF NEWSPAPER IN MARKETING

1. Newspapers are excellent for new-product introductions or when products are still at the introductory stage of the product life cycle.
2. Print advertising in newspapers lends itself more readily to merchandising than broadcast advertising. Retailers and wholesalers usually like joint advertising in newspapers with the products manufacturer.
3. Advertising in local newspaper gives the wholesalers and retailers the confidence that they are truly supported by the manufacturer.

MAGAZINES: are paperback periodical publications printed with heavily illustrated materials containing articles, stories and advertisements.

Magazines are commonly categorized into three types, based upon the target audience the magazines serve. These categorizations are:

- Consumer magazines
- Farm publications
- Business magazines

FEATURES AND ADVANTAGES OF MAGAZINE

1. REACHING TOP CLASS MARKET SEGMENTS:

Magazines can reach all market segments that is above average prospects for almost every nationally advertised product. Usually these are socially well placed families with better jobs, income, educational attainments.

2. HIGH DEGREE OF BELIEVABILITY:

Magazines have a high degree of believability, acceptance and authority in their respective fields; this will appeal to people with specific interests.

3. AUDIENCE SELECTIVITY:

Magazines provide a high degree of audience selectivity because it represents a target market whose demographic and psychographic characteristics can be identified – such as age, income, occupations, others.

4. BENEFIT FROM MEDIA VEHICLE CREDIBILITY:

A properly placed advertisement in a magazine usually gets influenced by the prestige and authority of the magazine.

5. BETTER EXPOSURE OF MESSAGE TO AUDIENCE:

Leisurely reading of a magazine gives advertisers the opportunity of enjoying a better exposure of their messages to the audience. The reader will be able to read full message details about advertised products.

6. GEOGRAPHIC FLEXIBILITY:

Magazines provide geographic flexibility through the means of regional editions.

7. GOOD PASS ALONG READERSHIP:

Magazines have a long life which enables its pass along readers to be exposed to product advertisements thus providing multiple exposures to the original circulation.

8. EXCELLENT PICTORIAL COLOUR PRINT:

Quality of controlled colour print reproduction which gives excellent pictorial reproduction to advertised product and the advantage of true-to-life colour.

9. EXCELLENT MEDIUM FOR DIRECT MAIL ADVERTISING:

Magazines provide an excellent medium for coupon and direct response advertising since they will be around the house for days, weeks or months.

gaiteye
Challenge the way we run

**EXPERIENCE THE POWER OF
FULL ENGAGEMENT...**

**RUN FASTER.
RUN LONGER..
RUN EASIER...**

**READ MORE & PRE-ORDER TODAY
WWW.GAITEYE.COM**

DISADVANTAGES OF MAGAZINE

1. HIGH COST OF MESSAGE EXPOSURE:

It is a costly process which makes it impossible for advertisers to use if they have short messages targeted at widest possible audience.

2. LONG ADVANCE CLOSING DATES BEFORE PUBLICATION:

The closing dates for magazine advertisements are usually long before publication – 60–90 days in advance. This makes any news-advertising impossible and it prevents any last-minute changes for adapting messages to new market conditions.

PROPER USE OF MAGAZINE IN MARKETING

1. Magazine advertising is more applicable to new products and services that require educational campaigns.
2. Coupon and direct response advertising.
3. When advertising objective is to achieve package identification, magazine provides the best medium.

CIRCULATION AND RATE STRUCTURE

Magazines sell space on a full-page or a fraction-of-a-page basis. Rates are based on circulation and the advertiser can purchase one page, half page, quarter page and eight-page units. An additional charge is made for such things as colours, preferred positions, bleed pages, regional editions and other special requests. Magazines rates are compared by COST PER PAGE PER THOUSAND CIRCULATION (CPM). Space rates are compared on a cost-per-thousand circulation basis using this formula:

$$\text{C.P.M} = \frac{\text{Page rate} \times 1000}{\text{Circulation}}$$

$$\text{C.P.M} = \text{COST PER MAGAZINE}$$

EXAMPLE: If the cost of black and white page in a magazine is \$20,000 and the magazine's circulation is 5 million, the C.P.M = \$4.00

$$\text{Calculated as follows: } \frac{\$20,000 \times 1000}{5,000,000} = \$4$$

The C.P.M of a target audience segment can be calculated per thousand as illustrated above.

TYPES OF RATE DISCOUNTS

1. *THE FREQUENCY DISCOUNT*: this refers to discounts to lower cost per unit for quantity of advertisement runs within the contract year.
2. *VOLUME DISCOUNT*: the more total space an advertiser uses within a contract year, measured in monetary value, the lower the rate.
3. *OTHER DISCOUNTS*: publishers give special rate to large advertisers such as mail order discounts, multiple page discounts and corporate discounts.

CRITERIA FOR SELECTING MAGAZINES

When selecting a magazine for your advertisement, test for gaps in magazine coverage by applying these criteria:

1. Establish the reach of such magazine readers to determine if your target receivers are covered in the magazine reach.
2. Compare the magazine's distribution or circulation with the firm's products distribution. Check for compatibility.
3. Determine cost of reaching a thousand prospects, not merely the cost per thousand readers.
4. Determine the reader's image of the magazine through the way readers regard it.
5. Establish if the advertisement will be in acceptable company.
6. Check if the publisher will cooperate in giving a good position in the magazine.
7. Determine the importance of aids, such as merchandising aids and the available type.
8. Compare other magazines with the one selected, using the above criteria to determine their competitive advantages.

TYPES OF MAGAZINES

1. *CONSUMER MAGAZINES*: They are of two types; general editorial and special-interest magazines. Special interest magazine is more common. There are various magazines covering special interest areas like – gardening, fishing, computers, interior decoration and a host of other topics.
2. *FARM MAGAZINES*: There are three main types. *GENERAL FARM MAGAZINES* – such as farm journals which devote its editorials largely to farm production, management and news. *REGIONAL FARM MAGAZINES* – which are specially aimed at farmers in different regions of the country. *VOCATIONAL FARM MAGAZINE* – these are farm publications devoted to certain crops or types of farming.
3. *BUSINESS MAGAZINES*: These magazines are used as trade papers and for industrial audiences. These include distributive trade journals, manufacturer's journals, professional journals and corporate magazines.

PASS-ALONG-READERSHIP: this factor refers to the total number of people who read the magazine and pass it along to other readers who may not necessarily buy their own copies of the magazine. The rate of pass-along-readership can boost the advertisement exposure, since people with similar image will tend to share the readership of the magazine. A magazine that has a very high rate of pass-along-readership usually possesses extensive circulation beyond the established quantity, thus increasing its reach and coverage without an increase in the cost of advertisement.

BROADCAST MEDIA

Broadcast media can be classified into two major categories, such as:

1. Radio
2. Television



This e-book
is made with
SetaPDF

SETASIGN

PDF components for PHP developers

www.setasign.com



RADIO AND TELEVISION: Radio and television stations are licensed by the Communications Commission (a government controlled agency) to operate in the public interest. Some of their characteristics are:

1. They use airwaves to broadcast messages that are received in homes by people who have bought receiving sets.
2. They are operated by private enterprises, licensed to broadcast programmes on radio and television.
3. They are time-organized – schedule programmes and commercials by hour of the day.
4. They sell units of time to advertisers.
5. They have networks of stations in order to broadcast simultaneously in many parts of the country.
6. They can broadcast internationally.

AVAILABLE TRANSMISSION FACILITIES ON RADIO

Radio stations are either AM – amplitude modulation or FM – frequency modulation. Broadcasting can be classified into NETWORK, SPOT and LOCAL.

SIGNAL: the electrical impulses that are broadcast by radio or television are called the SIGNAL. If a station has a good signal in a given territory, that means its programmes and commercials come over clearly in that area. Thus reception is clear and audible.

FREQUENCY: all signals are transmitted by electromagnetic waves or radio waves; the number of waves that pass a given point in a given period of time is the frequency.

AM or AMPLITUDE MODULATION: in AM broadcasting, the radio waves are primarily ground waves which travel along the surface of the earth and are relatively unaffected by obstacles or even the earth's curvature. They lose energy to the ground as they travel and finally fade out. AM waves can travel in a circle of 400 miles. The wave cycle is measured in kilohertz – thousands of cycles per second.

FM or FREQUENCY MODULATION: FM broadcasting came about fifteen years after the discovery of AM and grew very rapidly. It has a fine broadcast tone and less affected by noise because the FM wave is twenty times wider than the AM wave. This makes FM to produce better transmission and reception. Because of the wide wave used by FM station, a large band in the spectrum will be assigned and it is very high that its frequency is measured in megahertz – millions of cycles per second.

At that height, the FM wave is above static, fading, background noises and interference from station at lower levels. The result is that it sounds pure enough for stereophonic reception of music which brings greater joy to FM station listeners.

The disadvantage in FM wave is that they travel in straight line only. They cannot go around obstacles nor beyond the horizon which limits their usefulness for car radios. To an advertiser seeking the drive time audience, this presents a disadvantage. Research is still going on trying to improve this limitation.

Digitalization of broadcast equipment and stations which is to be accomplished by all countries of the world by 2015 and Nigeria by 2012 will certainly enhance reception of signals.

NETWORK ADVERTISING ON RADIO AND TELEVISION

Networks are groups of broadcasting stations that are interconnected for the simultaneous transmission of television or radio broadcasts. A network programme originates in a network studio and is simultaneously broadcast by microwave links or coaxial cables to the stations belonging to the network. An advertiser has a wide reach of their audience in network advertisements.

Network broadcasting are useful to National Advertisers for these reasons:

1. To secure a large nationwide audience.
2. To identify a branded product with a network show in order to enhance the prestige of the advertiser.
3. To introduce new products quickly.

ADVANTAGES OF PURCHASING NETWORK TIME

1. **EXCELLENT TIME AVAILABILITIES:** the networks have virtual control over the prime-time programming. The advertiser who wishes to reach a truly vast nationwide audience at one time must necessarily buy time from the networks during prime-time hours.
2. **SIMPLICITY OF ARRANGEMENTS:** the time purchase is greatly simplified when network programmes are used. The process of purchasing time on spot announcement can become cumbersome and costly.

DISADVANTAGES OF PURCHASING NETWORK TIME

1. **COSTS:** network advertising is difficult for many advertisers because of costs involved. Also commitments must be made well in advance and modifications can be made only with great difficulty.
2. **AVAILABILITIES:** It may be difficult for companies to buy prime-time on network programmes because it is not available at the needed period, particularly if the network program is highly-rated by the audience. The competition among advertisers to use high rated programme on network is very stiff as every advertiser will want to use the best programmes existing on air that can provide maximum exposure for their messages.

3. **PROGRAMMES MORTALITY:** the rate of program mortality can be high. There is no good way of determining in advance the probable success of a programme thus time buying has to be made on the basis of educated guesses. This factor can increase the risk of poor message exposure, wastage and ineffective coverage.
4. **VARIATIONS IN PROGRAMME POPULARITY:** A programme may be highly rated and attract large viewership or audience in some areas. The same programme may be less popular in other areas covered by the network, thus it becomes less attractive to viewers or listeners. This factor can reduce the extent of message exposure among the network viewers or audience thereby resulting in wastage since the message would still be shown in those areas covered by the network programme.

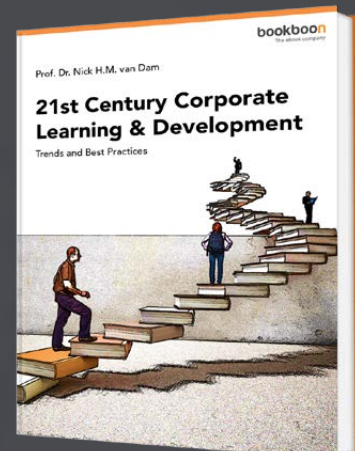
NATIONAL SPOT ADVERTISING ON RADIO AND TELEVISION

National advertisers sometimes wish to reach only specific geographic areas or **Spots** in the nation. When using national spot, advertisers do not use network facilities, but rather, select individual station to reach specific target markets.

Free eBook on Learning & Development

By the Chief Learning Officer of McKinsey

Download Now



Click on the ad to read more

Spot advertisers may sponsor programmes or utilise spot announcements, depending on their advertising budget and strategy. When targeting a geographical area or spot, using programme sponsorship, the advertiser will select a popular programme which promotes values of the target spot and usually, such programmes are always exposed in the area during its prime-time. Thus, the message will have a chance of reaching many people or achieving a higher level of exposure within the geographical area that has been targeted.

National spot advertising has some specific uses:

1. It is well suited for introducing new products.
2. It can be used as a sustaining advertising device to give continuous exposure in as many or as few markets as the advertiser prefers.
3. It can be timed to coincide almost exactly with seasonal sales patterns or other periods of above average sales potentials.
4. It can be bought to start in a short-time period, especially when spot announcements are used. These can be effectively used to counteract the advertising of a competitor who introduces a new product or increases his advertising for other reasons.

LOCAL ADVERTISING ON RADIO AND TELEVISION

Local television and radio stations produce programmes in their studios for essentially local consumption, such as news, local sports and events broadcasts that are beamed at local citizens. These programmes are usually of great interest and rich in the culture of the inhabitant in the local area. The programmes are received in a large number of homes in the immediate vicinity.

SPOT ANNOUNCEMENT ON RADIO AND TELEVISION

Spot announcements are messages transmitted in between a popular programme by an advertiser to a target audience.

An advertiser may buy spot announcements on radio or television instead of buying a programme.

These announcements are sold in time units of 10, 20 or 30 seconds, or one minute. Their costs are a small fraction of programme costs, when properly sandwiched between popular programmes, they enjoy large audiences. Spot announcements can be bought on a network, spot or local basis.

Spot announcements are very valuable when used in the following ways:

1. To stretch a limited advertising budget. The advertiser pays only for the time period in which his commercial is run.
2. To secure repetition and frequency of contractor exposure. Repetition and frequency can be increased, because no programme costs are paid.
3. To secure maximum scheduling flexibility, since spot announcements can be scheduled on a time available basis or cancelled overnight.
4. To put maximum pressure on a market during the product's peak selling season.

Many of the disadvantages of network television can be overcome through use of spot announcements on local radio or television stations purchased on a market-by-market (not network) basis.

ADVANTAGES OF SPOT ANNOUNCEMENT

1. **GEOGRAPHIC AND TIME FLEXIBILITY:** the problem of purchasing network programme time is the commitment of the message to appear in nearly all markets where the programme is transmitted, despite the difference in market potentials. Spot announcements are an effective alternative when the creative advantages are desired. Total costs are usually reduced through minimization of waste coverage.
2. **RESELLER SUPPORT:** spot announcement can be used effectively in cooperative advertising programmes, for identification of local dealers, and in other ways, to achieve dealer support.

DISADVANTAGES OF SPOT ANNOUNCEMENT

1. **CHAOTIC BUYING PROCEDURE:** when local time is purchased, the buying situation can become chaotic. There is little uniformity in rates or in quantity discount plans. In addition, favoured advertisers receive desirable time periods, and a personal relationship, also difficult negotiations may be necessary to achieve the best time purchase.
2. **COMMERCIAL CLUTTER:** an excess of commercials can occur with a station having to crowd various messages within the time of exposure, thus leading to a problem of lower recall of brand advertised.
3. **STATION BREAK PERIODS:** because the station will frequently interrupt the local programme to insert spot announcement, the audience or viewership number may tend to reduce as many people may stay away when the spot announcement interruptions come on air.

TIME CLASSIFICATION INTO DAYPARTS ON RADIO AND TELEVISION

The broadcast day is divided into time periods called DAYPARTS, with each part of the day's air time targeted at various market segments identified through research.

AN EXAMPLE OF DAYPART SCHEDULE

DAYPARTS BRAODCAST NAMES/PROGRAMMES

6AM

TO 10AM Morning Drive OR Prime Time
For breakfast audience interested mainly in news

10AM

TO 3PM Daytime
Dedicated largely to programmes for housewives. Serial, games, talks etc.

3PM TO 7PM Afternoon Drive OR Prime Time
This prime is same as morning drive time and other audiences like children, youths

7PM TO

12 Midnight Night time
News, music, talk shows, serials, games

12 Midnight

TO 6AM Early morning time
Music, talk shows

www.sylvania.com

**We do not reinvent
the wheel we reinvent
light.**

Fascinating lighting offers an infinite spectrum of possibilities: Innovative technologies and new markets provide both opportunities and challenges. An environment in which your expertise is in high demand. Enjoy the supportive working atmosphere within our global group and benefit from international career paths. Implement sustainable ideas in close cooperation with other specialists and contribute to influencing our future. Come and join us in reinventing light every day.

Light is OSRAM

**OSRAM
SYLVANIA**



Click on the ad to read more

This table contains a specimen to illustrate how the broadcast stations both in radio and television classify the day into segments called Daypart. Each radio or television station may have varied versions of daypart classification based on their individual peculiar nature of broadcasting service; the underlying concept is usually the same with every broadcast station targeting identified market segments.

PRIME TIME: refers to dayparts having the greatest potential for attracting interest or customers. It is very useful to advertisers and it costs more than other dayparts.

WEEKEND: weekend and public holidays are regarded as separate time classifications. Their costs vary with the daypart segments.

The prime time for television dayparts may vary slightly from that of radio because of different television audience time. Daypart time classification makes targeting of advertisements easier to achieve. An advertiser may select a segment of the dayparts for its target audience and expose its advertisements to the planned target receivers and audiences, thus reaching the desired market segments at the right time which has been included in its promotion strategy with adequate message exposure.

ADVANTAGES OF RADIO

1. TIMING OF MESSAGE WITH NEWS:

Radio programmes provide timelessness and the opportunity for making an advertisement appear as news. Advertisements can be tied-in almost immediately, with such events.

2. PERSONIFIED MEDIUM:

Radio represents a personal medium that depends upon the warmth and friendliness of the human voice.

3. WIDELY AVAILABLE MEDIUM:

The mass use of radio by consumers both in urban and rural areas enhances a wide reach. The availability of portable radio sets even on mobile phones has enabled radio to become a medium which can be used anywhere.

4. SPEED AND GEOGRAPHIC FLEXIBILITY:

Radio has a high degree of message delivery speed and geographic flexibility. Advertiser can spot markets wherever there is a commercial station and copy can be submitted up to air time.

5. AUDIENCE SELECTIVITY:

Radio offers the advertiser audience selectivity through programme choice and time of broadcast. Radio is more selective than television because most local stations have different programme formats that are designed to attract specific market segment.

6. OFFERS LOWEST COST PER TIME:

Messages expenditure results in lower cost per time unit, reaching a larger audience in the shortest possible time.

7. LOW AUDIENCE RESISTANCE TO EXPOSURE:

Radio has been found to produce greater retention of simple material and it is easily attended to with little psychological resistance, especially among least educated audience.

DISADVANTAGES OF RADIO

1. The life of a radio commercial is extremely short. It is only exposed to cover the programmed time. To have an appreciable impact on the market, there is a need to broadcast commercials repeatedly.
2. The time available for advertising in broadcast media is limited by the number of hours stations are licensed to stay on the air – wanted time periods may already be occupied by competitors or other advertisements. Once advertising time is filled they cannot add extra time. Print media can add more pages in solving this type of problem.
3. Commercials and programmes wear out quickly in broadcast media because public tastes change quickly.
4. Radio has a dispersed and fragmented audience which makes it expensive and difficult to secure effective coverage of a broad advertising target.
5. While listening to the radio, many people perform some other activity – most receivers may not achieve effective listening to messages.
6. Radio suffers from a scarcity of research data.
7. The costs of national coverage can become substantial.
8. Radio's lack of visual presentation keeps it from being used for many products and services that require visual demonstration, package identification. This is an advantage for television.

PROPER USES OF RADIO FOR MARKETING

1. When advertising messages need to be broadcast at an extremely low cost per thousand.
2. When an advertising message has to be repeated severally with a high rate of frequency, when an advertiser is trying to increase awareness of a brand name, drive home a slogan or other uses.
3. Where dealers need most support and to counteract competitive advertising moves or boost dealer's morale in key areas.
4. When an advertiser wants to make a promotional offer in one area and not in another.
5. Radio is very useful for advertising automobile related products because travellers usually depend on their car radio.
6. When an advertiser wants to reach a special market segment for who some radio stations are specially programmed.

AVAILABLE TRANSMISSION FACILITIES ON TELEVISION

Television stations transmit in one of two ways:

1. Very High Frequency or VHF
2. Ultra High Frequency or UHF

Broadcasting is also classified on television into NETWORK, SPOT and LOCAL. Transmission is done through signal – an electrical impulse – that is, broadcast to cover areas allocated to each television station. All signals are transmitted by electromagnetic waves or frequency.

VERY HIGH FREQUENCY (VHF): is a band of transmission frequencies between 30 and 300 megahertz (MHz) MEGAHERTZ. It is a unit of frequency equal to one million hertz or megacycle.

ULTRA HIGH FREQUENCY (UHF): is a band of transmission frequencies between 300 and 3000 megahertz.



Discover the truth at www.deloitte.ca/careers

Deloitte.

© Deloitte & Touche LLP and affiliated entities.



Click on the ad to read more

TELEVISION VIEWING HOURS: all of these stations operate on daily basis with their viewing hours scheduled in dayparts and airtimes are sold in the same pattern similar to radio. An advertiser will select dayparts that best serve its target audience whenever a promotional campaign is planned so that adequate exposure of its commercials can be done on air. Networks are dominant in television for the reason that they originate most of the popular programmes. Usually networks have virtual control over the prime time programming of television stations and the time purchased is greatly simplified when network television is used. Spot time purchasing can become exceedingly cumbersome and costly.

Network time is quoted at varying rates, depending upon the time of the day and season of the year. Prime time rates are most expensive, in comparison with other parts of the day.

ADVANTAGES OF TELEVISION

1. Television provides timelessness and the opportunity for making an advertisement appear as news. Messages can be tied-in almost immediately with such events as heavy rain, flooding and others.
2. Television is a personal medium that depends upon the warmth and friendliness of human voice and appearance. It adds sight and movement to sound, thus allowing the product to be demonstrated. This makes television to come closer to putting a salesman in the home than does any other medium.
3. Television has a high degree of geographic flexibility. Advertiser can “SPOT” markets wherever there is a commercial station.
4. Television offers the advertiser audience selectivity through programme choice and time of broadcast. Television is basically a mass medium; its programme can also attract broad demographic groups.
5. The television viewer is in a sense a captive before his or her set. Most viewers watch commercials during viewing time thus providing adequate chance for message exposure.

DISADVANTAGES OF TELEVISION

1. The life of television commercial is extremely short. It is only exposed to cover the programmed time, thus necessitating repeat broadcast of commercials in order to make an appreciable impact on the market.
2. The time available for advertising in broadcast media is limited by the number of hours stations are licensed to stay on the air. Once advertising time is filled, they cannot add extra time.
3. Commercials and programmes get outdated faster in broadcast media because public or audience tastes change at a fast rate.
4. Television seldom offers much audience selectivity in terms of demographic factors such as income. It is most difficult to pinpoint a specific, small advertising target with precision.
5. The high costs of television may price small or medium-sized advertisers out of contention for time slots, especially in regards to network or regional advertising.

PROPER USES OF TELEVISION FOR MARKETING

1. Television message is helpful to advertisers when an advertising message needs to be presented visually, with action, oral persuasion and demonstration.
2. When an advertiser requires to reach a high percentage of the viewing public quickly, and when introducing a new product.
3. National spot time can be used to introduce a product on a market-by-market basis or to provide for a series of test market. (Stanley, 1977; Kleppner, 1983 and Belch and Belch, 2004)

OTHER ELECTRONIC MEDIA

Electronic media include the internet and World Wide Web. The internet consists of computers and groups of computers that share information globally, a collection of computer networks involving millions of users who share a compatible means of interacting with one another to exchange information. Home pages serve as a form of advertising that the audience seeks. The effectiveness of home pages is often measured in “hits”, that is, the number of times someone looks at the page on the internet. Many service providers, which provide advertisers with space for home pages also audit the readership of those home pages so that advertisers know who hit the page.

PURPOSES OF INTERNET

1. Exchanging and accessing information, quickly and conveniently.
2. Creating of social and business opportunities, when you are connected, you have the opportunity to produce and consume information generated around the world.
3. Communicating worldwide.
4. Cost efficiency through the worldwide services, organizations can reach more audiences for less money – this offers a cost-saving, effective communication system for advertising.
5. Accessing experienced experts.
6. Promoting wide area productivity, organizations can build teams that work effectively across geographic distance.

PRACTICAL APPLICATIONS ON THE INTERNET

1. **COMMUNICATIONS:** sending messages in seconds to people anywhere in the world.
2. **ELECTRONIC PUBLISHING AND THE MEDIA:** advertising messages can be published and transmitted worldwide for millions of people to receive anywhere in the world, where they are connected on the internet.
3. **RESEARCH:** it can be used by a researcher to gather technical information programmes, documents, monitor news and messages.

INTERNET ADVERTISING

Advertising on the internet is more innovative than television, newspapers and magazines, especially when sending advertisement messages for international audience. Internet will send message demonstrations and provide opportunity for interaction between a sender and a receiver.

Internet provides advertisers with the opportunity to have discussion groups, information on technical support, future directions and company background. It can be used to advertise various services and products. Advertising through the internet will boost a company's image.

INTERNET ADVERTISING THROUGH ONLINE MARKETING CHANNELS

ONLINE MARKETING CHANNEL: This has been defined by Kotler (1980 and 2013) as “one that a person can reach via computer and modem”.

SIMPLY CLEVER

ŠKODA



We will turn your CV into
an opportunity of a lifetime



Do you like cars? Would you like to be a part of a successful brand?
We will appreciate and reward both your enthusiasm and talent.
Send us your CV. You will be surprised where it can take you.

Send us your CV on
www.employerforlife.com



Click on the ad to read more

A modem connects the computer to a telephone line or wireless so that the computer user can reach various online information services. There are two types of online channels:

- **COMMERCIAL ONLINE CHANNELS:** this involves companies setting up online information and marketing services that can be accessed by those who have signed up for the service and pay a monthly fee.
- **THE INTERNET:** consists of a global web of some computer networks that has made instantaneous and decentralized global communication possible. The internet audience is very broad and global, users can send e-mail, exchange views, shop for products, access news, and business information. The internet is free, but individual users may be required to pay a commercial service to be hooked up to it.

BENEFITS OF ONLINE MARKETING TO BUYERS

1. **CONVENIENCE:** buyers can order products twenty-four hours daily from any part of the world, without going through traffic difficulties.
2. **INFORMATION:** customers can find huge quantities of comparative information about companies' products and competitors, without leaving their offices, homes or countries.
3. **REDUCED HARASSMENTS:** buyers do not have to face salespeople or open themselves up to persuasion and emotional factors.

BENEFITS OF ONLINE MARKETING TO MARKETERS

1. **FAST ADAPTATION TO MARKET CONDITIONS:** firms can quickly add products to their offering, change prices and description.
2. **COSTS REDUCTION:** it permits marketers to avoid the expenses of maintaining a store, cost of rent, insurance and utilities. They can produce digital catalogues for much less than the cost of printing and mailing paper catalogues.
3. **RELATIONSHIP BUILDING:** online marketers can interact with consumers and learn much from them. Marketers can also upload useful reports, or a free demonstration of their product, or a free sample of their newsletter onto the system. Consumers can then download these items into their electronic mailboxes.
4. **AUDIENCE SIZING:** marketers can learn how many people visited their online site and how many stopped at particular places on the site. This information can help the marketers improve their offers and advertisements.

ADVANTAGES OF ONLINE MARKETING

1. It is affordable to small and large companies.
2. There is no real time limit on advertising space, in contrast to print and broadcast media.
3. Information access and retrieval are fast.
4. The medium is responsive, because readers can choose from a wide array of information they can get more information targeted to their needs immediately.
5. Shopping can be done privately and swiftly.
6. It can be interactive; a person has to choose to enter a company's home page so there is more active participation than when reading a magazine and the advertisement is next to the text of an article. Readers then select the additional information they want, continuing to participate in the communication.
7. It can result in two-way communication; readers have the opportunity to provide feedback in a more conversational mode through e-mail, and social media such as Facebook, twitter, etc.

INTERNET ADVERTISING USING ONLINE CHANNELS

Internet advertising can be done online in four ways:

1. Creation of an electronic store front.
2. Participating in forums, newsgroups and bulletin boards.
3. Placing advertisements online.
4. Using e-mail.

CREATING AN ELECTRONIC STOREFRONT: many businesses have established HOME PAGE on the internet which serves as electronic storefronts that offer users a wide variety of information, such as:

- Description of the company and its products both in text and pictorial form thus making browsing easier for prospects.
- A company catalogue describing products' features, availability and prices.
- Company news, including reports on financial results, current events, new products and upgrades, dates of training, seminars and other relevant information.
- Technical information and product brochures.
- Information about company employment opportunities.
- Opportunities to speak to staff members.
- The ability to place an order before leaving the site.

PARTICIPATING IN FORUMS, NEWSGROUPS AND BULLETIN BOARDS: this involves companies' participating in various groups that are not organized specifically for commercial purposes. Such participation can increase the company's visibility and credibility. Groups with highest visibility are:

- *FORUMS*: these are discussion groups located on commercial online services. A forum may operate a library, a conference room for real-time discussion and a classified advertisement directory. To participate, a person subscribes to the forum at a nominal cost or no cost. The forum's home page will show symbols on the subscriber's computer screen for newflashes, libraries, messages and conference rooms. Most forums are sponsored by general or interest groups.
- *NEWSGROUPS*: they are the internet's versions of forums, but they are limited to people posting and reading messages on a particular topic, rather than managing libraries or conferencing. Internet users can participate in newsgroups without subscribing. A list of newsgroups can be obtained in THE INTERNET YELLOW PAGES.
- *BULLETIN BOARD SYSTEMS (BBSs)*: are specialized online services that centre on a specific topic or group. Its subscribers tend to be loyal and active, and resent very obvious, shameless marketing efforts. Various topics dealt with on bulletin board systems include vacations, health, computer games, real estates and others. Marketers can identify a few bulletin board systems that have the type of subscribers who fit their target market and then participate in the system subtly.

PLACING ADVERTISEMENTS ONLINE: companies and individuals can place advertisements on commercial online services in three ways:

- The major commercial online services offer an advertisement section for listing classified messages; such messages are listed according to when they arrived, with the latest ones heading the list.
- Advertisements can be placed in certain newsgroups that are set up for commercial purposes.
- Advertisements can be put online billboards, they appear while subscribers are using the service even though they did not request for the message. For example, a subscriber may be looking up movie ratings on Prodigy and suddenly an advertisement for Rent-A-Car might appear with a message.

USING ELECTRONIC MAIL (E-MAIL):

a marketer can encourage prospects and customers to send questions, suggestions and complaints to the company, using its e-mail address. Customer service personnel can respond to the customers in a short time through e-mail.

The firm may also gather the names of prospects or customers and send periodic or special information to their e-mail address. (Kotler, 1980 and 2013)

7 Advertising Research

Advertising Research is defined as the systematic and objective approach to the development and provision of information for the advertising management decision – making process. It is research activity that is performed in support of the planning, development, placement or monitoring of advertising.

STEPS IN ADVERTISING RESEARCH PROCESS

1. Establish the need for information
2. Specify research objectives and information needs
3. Determine sources of data
4. Develop the data collections forms
5. Design the sample
6. Collect the data
7. Process the data
8. Analyze the data
9. Present research results



The advertisement for e-Learning for Kids features a central image of a smiling teacher leaning over a laptop to assist two young students, a boy and a girl. To the right, two smaller circular images show students engaged in learning activities. The background is a vibrant yellow and orange swirl design. In the top left corner, the e-Learning for Kids logo is displayed. A green oval on the right contains three bullet points: 'The number 1 MOOC for Primary Education', 'Free Digital Learning for Children 5-12', and '15 Million Children Reached'. At the bottom, a text box provides details about the organization's mission and contact information.

e-learning for kids

- The number 1 MOOC for Primary Education
- Free Digital Learning for Children 5-12
- 15 Million Children Reached

About e-Learning for Kids Established in 2004, e-Learning for Kids is a global nonprofit foundation dedicated to fun and free learning on the Internet for children ages 5 - 12 with courses in math, science, language arts, computers, health and environmental skills. Since 2005, more than 15 million children in over 190 countries have benefitted from eLessons provided by EFK! An all-volunteer staff consists of education and e-learning experts and business professionals from around the world committed to making difference. eLearning for Kids is actively seeking funding, volunteers, sponsors and courseware developers; get involved! For more information, please visit www.e-learningforkids.org.

NEED FOR INFORMATION: establishing the need for advertising research or information is the initial steps in the survey process. The researcher must understand why the information is needed and define precisely the pertinent information required for making decision about the situation under consideration

RESEARCH OBJECTIVES AND INFORMATION NEEDS: the research must specify the objectives of the proposed research and develop a specific list of information needs.

DATA SOURCES: determine the source or sources of data, whether the data are currently available from sources internal or external to the organization. Internal sources include previous research studies and company records. External sources include commercial research reports, government reports, and advertising agencies' research reports. If the data are not available from internal or external sources, the firm can collect new data by means of mail, telephone, personal interviews, observation, experimentation and simulation.

DATA COLLECTION FORMS: the form should be prepared in a manner that establishes an effective link between the information needs and the questions to be asked or the observation to be recorded.

SAMPLE DESIGN: in its design, a clear definition of the population from which the sample is to be drawn must be established. The method used to select the sample can be classified as to whether they involve a probability or non-probability procedure and the size of the sample must also be established.

DATA COLLECTION: the process by which data would be collected must be established, whether it would be done by communication through the use of questionnaire or observation. The process may determine the research budget and other factors, including the selection, training and control of interviewers.

DATA PROCESSING: the processing of data includes the functions of editing and coding. Editing involves reviewing the data forms as to legibility, consistency, and completeness. Coding involves establishing categories for responses or groups of responses so that numerals can be used to represent the categories. The data are then ready for hand tabulation or computer data analysis.

DATA ANALYSIS: the data analysis should be done and made consistent with the requirements of the information needs that have been identified.

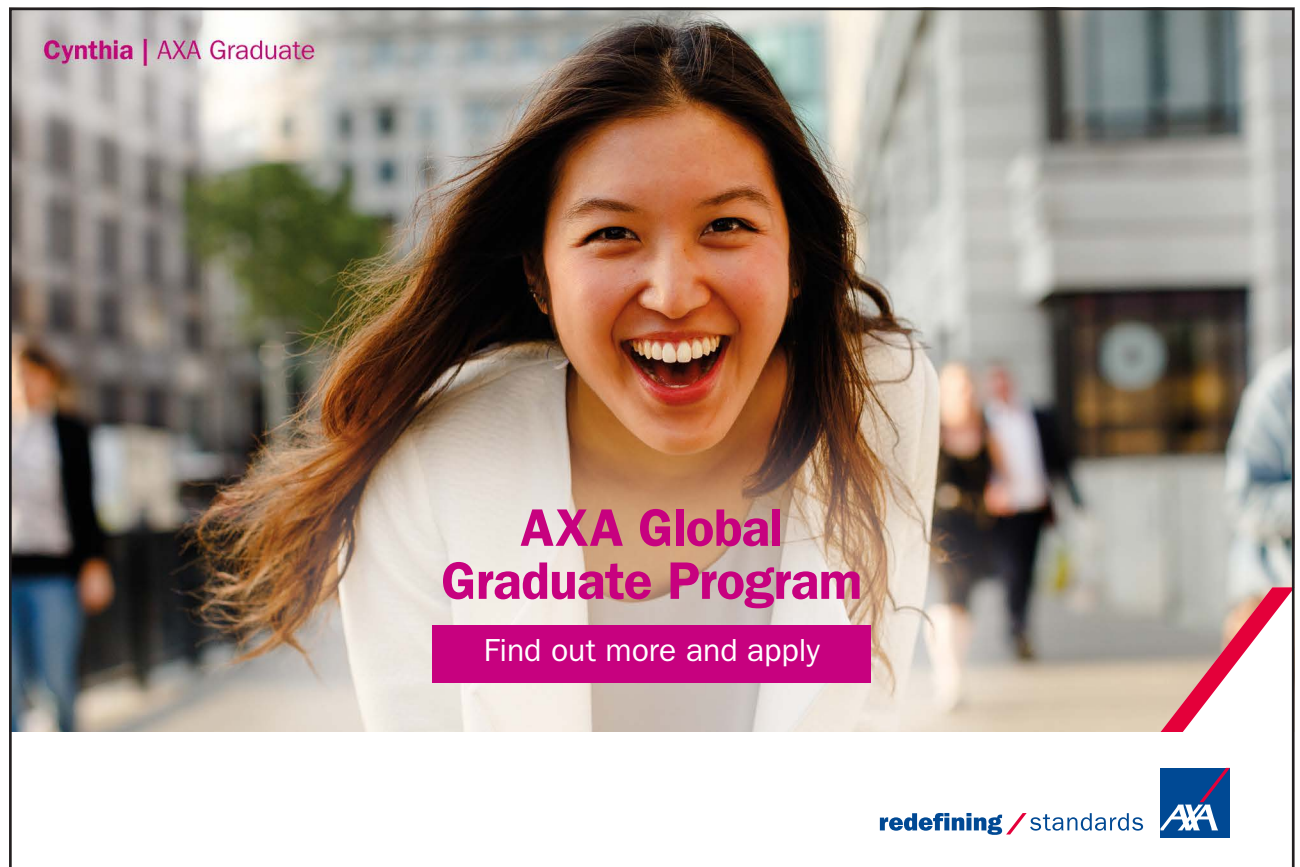
PRESENTATION OF RESULTS: the research results are communicated to the firm through a written report and oral presentation in a simple format that addresses the information needs of the decision situations. (Vanden Bergh and Katz, 1999).

PROMOTION MANAGEMENT DECISION-MAKING: promotion management decision-making involves the availability and use of adequate information. The decision maker often relies on two ways of getting needed information for the process such as:

1. Experience and judgment of the decision maker
2. Formalized information, which is available through advertising research.

The organization's effectiveness is dependent on the quality of decisions made by its manager. Most of decisions made by managers are said to be programmed because they involve recurring situations, which have been dealt with previously. This is referred to as routine decision situations and managers usually approach such decisions by the use of experience and judgment.

The second type of decision involves situation where, the problem is usually new or the situation is unique in a way that in manager's normal decision making approach can not fit adequately into the situation. This is referred to as non-routine decision situation. This non-routine decision situation will push the manager to adopt the formal approach to decision making through the decision-making process.



Cynthia | AXA Graduate

AXA Global Graduate Program

Find out more and apply

redefining / standards AXA

STEPS IN DECISION MAKING PROCESS

1. *RECOGNISE A DECISION SITUATION*: the first step is the recognition that a unique advertising or promotional problem exists.
2. *DEFINE THE DECISION PROBLEM*: the advertising manager needs to define and clarify the main issues and causal factors operating in the decision situation. The research team and techniques are important factors used for identifying what fundamental variables are causing problems and what needs correction.
3. *IDENTIFY ALTERNATIVE COURSES OF ACTION*:- a course of action involves the specification of some combination of the promotion mix variables. The best alternative must be identified because the effectiveness of management decision-making depends on the quality of the alternatives considered. This process requires a high standard of creative thinking process and information usage.
4. *EVALUATE THE COURSES OF ACTION*: in order that a decision can be made, there must be at least two courses of action identified and uncertainty concerning which course of action will maximize the attainment of management objectives. Research is a valuable tool in the evaluation of alternative courses of action.
5. *SELECT A COURSE OF ACTION*: non-routine situations involve substantial uncertainty in research information as a way to reduce the uncertainty inherent in the selection of a course of action.
6. *IMPLEMENT AND MODIFY*: research supplies the means for monitoring the effectiveness of action selected and the situational variables that influence the programme performances. (Warshaw, and Kinnear, 1983)

RESEARCH PROBLEM

Every decision situation often presents a problem of understanding what are the variables operating in such a situation. Research provides data about operating variables in a decision situation. It is important for a researcher to define the problem properly.

DEFINING THE RESEARCH PROBLEM

RESEARCH PROBLEM is an interrogative statement that depicts a relationship existing between two of more variables.

It often consists of at least two variables, independent variable – the cause and dependent variable, the effect.

For example, a marketing manager can ask, “why is the sales of product – X falling fast?” The drop in sales has provided the symptom for a research problem, which has led to the formulation of the research question.

The stated research question can be analyzed further as –

- What is product X?
- What are its major sales features?
- What competition does it face?
- What type of promotional support does it have?
- What is its price and discount structure?

This analysis has amplified the problem situation and can lead to a proper definition of product X as follows:

“Product X is our new liquid detergent. It was launched just over six months ago with heavy press and television coverage. The campaign platform stressed its foaming qualities in cool water and it’s care of hands. It was distributed via the company’s national sales force to retail multiples, voluntary chains and wholesalers in both the grocery and hardware trades. It was offered in two sizes (medium and economy) with a 2 kobo offer on the medium and a 4 kobo offer on the economy size. Sales are now running at 20% of forecast as shown by the sale data”.

The amplified definition of the same research problem given in more detailed terms has opened up a number of positive hypotheses about the reason why sales are behind on forecast. The researcher can develop various hypotheses such as:

1. Was the product a “good” one in terms of those offered by competition? How do consumers react to it as a product?
2. Was the launch campaign of “hand and lather” meaningful to the users? How did it compare in effectiveness with competing brands? particularly those with similar theme. How well was it put over? Was the media selection and balance correct?
3. How did the sales force do their parts? Were they effective in selling it?
4. How were the original offers arrived at? What were the redemptions? Did they result in respect purchase of the new product? What was the pay-off?
5. How were the original forecasts made? What evidence was used in analysis and forecast build-up? Could they have been over optimistic?

The analysis has focused on a research problem of “falling sales” and more hypotheses can still be formulated. Once an analysis is done, most problems of this type can be seen to be broken down into a number of subject areas such as:

- The product
- Promotional campaign
- Sales coverage and distribution factors
- Competitive action and reaction

The researcher is now faced with the problem of how to gather relevant data in the identified subject areas. Exploratory research may be used at this stage to isolate the main casual aspect of the problem and to suggest possible ways in which the problem might be rectified.

RESEARCH HYPOTHESES

The researcher should set up his own hypotheses arising from the problems facing him in such a way that he will have produced a result which is significant in terms of the survey problem so that he can continue with his research because a NULL hypothesis or negative hypothesis means his assumptions are not valid for a survey.

HYPOTHESIS is a conjectural statement about the relationship between two or more variables.

RESEARCH HYPOTHESES: are tentative statements assuming certain characteristics of the research subject under study. It is an educated guess or a tentative answer to a research question. It is an educated assumption about possible disparity, relationships, or causes of variable between two or more variables.

I joined MITAS because
I wanted **real responsibility**

The Graduate Programme
for Engineers and Geoscientists
www.discovermitas.com





Month 16
I was a construction
supervisor in
the North Sea
advising and
helping foremen
solve problems

Real work
International opportunities
Three work placements





Hypotheses are often formulated in a pattern that either one or the other assumption is true. After the formulation of hypotheses, the researcher will collect and investigate data or information relating to such hypotheses so as to decide whether they are real or null. Null hypotheses are often rejected. The main objectives of hypotheses include:

- To direct a researcher in organizing his focus among different available variables in the problem.
- To transform the researcher's ideas into testable forms
- To suggest explanation for certain facts and guide investigation of other facts in the problem.
- To offer a tentative answer to the research problem.
- To serve as a useful guide in the research design for effectiveness and collection of relevant data.

TYPES OF HYPOTHESIS

1. *NULL HYPOTHESIS* is a statement indicating that there is no relationship existing between the characteristic of the subjects being studied or there is no difference between the experimental treatments on the subject of study. It shows that there is no contradiction between the believed mean and the sample mean.
2. *ALTERNATIVE HYPOTHESIS* is the other statement that is opposite to the null hypothesis. It is an hypothesis that shows difference or contain statement of inequality. In a survey research, this hypothesis is often accepted for further investigation and research.

GUIDELINES FOR FORMULATING GOOD HYPOTHESIS

1. The statement should be about the expected relationship between the variables being investigated in a research problem.
2. Hypothesis must indicate clear implications for testing the relationship
3. It should be a brief, concise and clear statement.
4. The statement should be made in a way that it can be tested and found to be real or unreal.
5. The statement should indicate measurable variables, stated in simple forms.
6. The statement must identify variables and suggest relationship existing or that can exist between the variables.
7. Hypotheses must be formulated from existing data in the problem under investigation.

METHODS OF TESTING RESEARCH HYPOTHESES

1. Analysis of variance and covariance of experimental designs.
2. Statistical analysis techniques such as correlation, regression, chi-square test and others can be used.
3. Modeling – by developing models and manipulating them to gather information supporting the hypothesis to ascertain whether it is true or false.
4. Observing necessary data or information for testing the hypotheses that can be obtained by observing the research subjects.
5. Survey research can also be carried out to collect the needed data or information.
6. Relevant documentary evidence can assist in testing the hypotheses.
7. Speculation and logical analysis technique can be used to determine whether hypotheses are logical with other hypotheses. For example, if unemployment leads to lack of money and lack of money leads to social problem, then the hypotheses that unemployment leads to social problem can be logically acceptable.
8. Consulting experts to determine the validity of hypotheses.

RESEARCH DESIGN

RESEARCH DESIGN is the basic plan, which guides the data collection and analysis phases of the research project.

It is the framework, which specifies the type of information to be collected, the sources of data, and the data collection procedure. Research design ensures two things:

1. The study will be relevant to the problem
2. The study will employ economical procedures

It should be noted that there is no standard or idealized research design to guide the research because many different designs may achieve the same objective. The objective of the research project usually determines the characteristics desired in the research design. Research objectives are dependent upon the stages of the decision-making process for which information is needed.

Three types of research have been identified to serve stages of decision-making process:

1. Exploratory Research
2. Conclusive Research
3. Performance-monitoring Research

Research designs are typically classified according to the nature of the research objectives or types of research. (Kinnear and Taylor, 1983)

EXPLORATORY RESEARCH

This type of research is useful when the research objectives include the following:

1. Identifying problems or opportunities
2. Developing a more precise formulation of identified problem or opportunity which is not well defined
3. Getting perspective relating to the extent of variables operating in a situation.
4. Establishing priorities regarding the potential significance of various problems or opportunities.
5. Gaining management and researcher perspective regarding the character of the problem situation.
6. Identifying and formulating alternative courses of action.
7. Gathering information on the problems associated with doing conclusive research.

Exploratory research is usually the initial step in a series of studies designed to supply information for decision-making. The purpose of this research is to formulate hypothesis regarding potential problems or opportunities present in the decision situation and increase familiarity with the decision-problem.

ie business school

93%
OF MIM STUDENTS ARE
WORKING IN THEIR SECTOR 3 MONTHS
FOLLOWING GRADUATION

MASTER IN MANAGEMENT

- STUDY IN THE CENTER OF MADRID AND TAKE ADVANTAGE OF THE UNIQUE OPPORTUNITIES THAT THE CAPITAL OF SPAIN OFFERS
- PROPEL YOUR EDUCATION BY EARNING A DOUBLE DEGREE THAT BEST SUITS YOUR PROFESSIONAL GOALS
- STUDY A SEMESTER ABROAD AND BECOME A GLOBAL CITIZEN WITH THE BEYOND BORDERS EXPERIENCE

Length: 10 MONTHS
Av. Experience: 1 YEAR
Language: ENGLISH / SPANISH
Format: FULL-TIME
Intakes: SEPT / FEB

5 SPECIALIZATIONS
PERSONALIZE YOUR PROGRAM

#10 WORLDWIDE
MASTER IN MANAGEMENT
FINANCIAL TIMES

55 NATIONALITIES
IN CLASS

www.ie.edu/master-management | mim.admissions@ie.edu | [f](#) [t](#) [i](#) Follow us on IE MIM Experience

Exploratory studies are characterized by flexibility with regards to the methods used for gaining insight and developing hypothesis for the decision problem.

Methods used for gathering information could be

1. Searching of secondary sources
2. Interviewing knowledgeable persons
3. Compiling case histories.

CONCLUSIVE RESEARCH

Conclusive research is designed to provide information for the evaluation of alternative courses of action. It can be sub-classified into:

1. Descriptive research
2. Causal research

DESCRIPTIVE RESEARCH: majority of marketing research studies involve descriptive research. Descriptive research relies heavily on interrogation of respondents or informants and data available from secondary data sources.

Descriptive research is appropriate when research objectives include:-

1. Portraying the characteristic of marketing phenomena and determining the frequency of occurrence.
2. Determining the degree to which marketing variables are associated.
3. Making predictions regarding the occurrence of marketing phenomena.

Descriptive research often involves determining the degree to which marketing variables are associated. For example, a company may study the degree of association between sales of a product and such buyer characteristic as income and age.

Descriptive information can be used to make predictions about the occurrence of marketing phenomena. While data regarding the presence of an association among variables can be used for predictive purposes, but the data are not enough to establish a causal relationship.

An understanding of causal relations is necessary for accurate predictive statements. For example, between the sales of a product and the months of the year, and a sales forecast based on this, association may have a high probability of success, regarding future sales volume, even though the causal relationship has not been established.

The concept is to identify variables, which are associated with the variable to be predicted and are measurable at the time the prediction is required. Effective descriptive research has a clear statement of the decision problem, specific research objective and detailed information needs. It has to be a carefully planned and structured research design which should provide information about specific questions or hypothesis, the research must be designed to ensure accuracy of results – that is, results that minimizes systematic error or constant bias in the measurement process and reliability, the extent to which the measurement process is free from random errors.

CROSS-SECTIONAL DESIGN: is the method used for descriptive research. This means taking a sample of population elements at one point in time, a process referred to as the **SURVEY RESEARCH DESIGN**. The survey research design is the most popular design; it is useful in describing the characteristics of consumers and determining the frequency of marketing phenomena. It is usually expensive and demands skillful, competent research personnel to be effective. Descriptive research designs can utilize one or more of the following sources of data:

1. Interrogation of respondents
2. Secondary data
3. Simulation

CASUAL RESEARCH: the decision-making process demands assumptions in regards to the cause-and-effect relationships present in the marketing system. Casual research is designed to gather evidence regarding these relationships. It requires a planned and structured design that will minimize systematic error, maximize reliability and permit reasonable unambiguous conclusions regarding causality.

Causal research is appropriate for the following research objectives:-

1. To understand which variables are the cause of what is being predicted – that is the effect – focusing on understating the reasons why things happen.
2. To understand the nature of the functional relationship between the causal factors and the effect to be predicted.

The main sources of data for causal research are:-

- Interrogating respondents through surveys
- Conducting experiments

Surveys can determine the degree of association among variables and the test hypothesis while experiments are better in distinguishing causality.

PERFORMANCE MONITORING RESEARCH: it provides information regarding the monitoring of the marketing system. It is an essential element in the control of marketing programmes in accordance with plans. The purpose of this research is to signal the presence of potential problems or opportunities.

The objectives of performance-monitoring research are to monitor and report changes:

1. In performance measures, such as sales and market share, to determine whether plans are accomplishing desired objectives.
2. In sub-objective, such as awareness, and knowledge levels, distribution, penetration and price levels, to determine whether the marketing programme is implemented according to plans.
3. In the situational variables, such as competitive activity, economic conditions and demand trends, to determine whether the situational climate is as anticipated when plans were formulated.

The data sources appropriate for performance monitoring research include:

- Interrogation of respondents
- Secondary data
- Observation



"I studied English for 16 years but...
...I finally learned to speak it in just six lessons"
Jane, Chinese architect

ENGLISH OUT THERE

Click to hear me talking before and after my unique course download

Performance-monitoring research can be:

1. *AD-HOC*: research programmes designed to monitor new or special marketing programme of the organization or competitor.
2. *CONTINUOUS*: research programs or formal systems designed to monitor the dependent variables in the marketing system.

LONGITUDINAL DESIGN: continuous performance research monitoring requires a longitudinal design, that is, one in which a fixed sample of population elements is measured repeatedly – such as panel.

There are two types of panel:

1. **TRADITIONAL PANEL:** which is a fixed sample where the same variables are repeatedly measured such as in retail stored audit.
2. **OMNIBUS PANEL:** is a fixed sample of respondents which is measured repeatedly, but the variables measured are different each time. For example, a food company maintains a panel of households who are asked to evaluate different food products at different times.

PRIMARY DATA COLLECTION METHODS

There are two methods for gathering primary data:

- Communication through the use of questionnaire
- Observation

QUESTIONNAIRE is the instrument used in the process of gathering data by verbally or orally administering its questions on respondents.

TYPES OF QUESTIONS

1. Open-ended questions
2. Multiple choice questions
3. Dichotomous questions

OPEN-ENDED QUESTIONS require the respondents to provide their own answer to the question. It is also called free-response or free-answer question.

ADVANTAGES OF OPEN-ENDED QUESTIONS

1. They serve as good questions to start the topic
2. They establish rapport and secure respondents' co-operation
3. They influence responses less
4. They are useful for exploratory research

DISADVANTAGES OF OPEN-ENDED QUESTIONS

1. They possess a high potential for interviewer's bias because responses are not recorded verbatim.
2. Editing and coding can be time-consuming and costly
3. They are less suited for self-administered questions.

MULTIPLE CHOICE QUESTIONS require the respondent to choose an answer from among a list provided in the question proper or following the questions.

ADVANTAGES OF MULTIPLE-CHOICE QUESTIONS

1. They reduce interviewer's bias.
2. The interviewer can administer questionnaire much more easily.
3. They can easily be self-administered.

DISADVANTAGES OF MULTIPLE-CHOICE QUESTIONS

1. Their design requires considerable time and cost.
2. They tend to be biased in the data by the order in which the response alternatives are given the respondents.

DICHOTOMOUS QUESTIONS: they are an extreme form of multiple choice questions which allow the respondents only two responses – Yes or No.

ADVANTAGES OF DICHOTOMOUS QUESTIONS

The advantages are same as multiple choice

DISADVANTAGE OF DICHOTOMOUS QUESTIONS

The questions are polarized into two extremes thus, it does not reflect the possibility of respondents third choice.

GUIDELINES FOR DESIGNING A QUESTIONNAIRE

1. Use simple words
2. Use clear words
3. Avoid leading questions
4. Avoid biased questions
5. Avoid implicit alternatives
6. Avoid implicit assumptions
7. Avoid estimates
8. Avoid double barreled questions
9. Consider frame of reference.

FIELD OPERATIONS: involve field activities during which the researcher makes contact with the respondents while administering the questionnaire.

Method of Field contact includes:

- Personal interview
- Telephone interview
- Mail interview

DATA PROCESSING AND ANALYSIS PROCEDURES

Basic processing stages include:

1. Checking of data
2. Editing
3. Coding
4. Punching
5. Sorting
6. Tabulating
7. Collating
8. Charting

ANALYSIS PROCEDURE

After processing, the data can be analyzed and conclusions reached.

STATISTICAL ANALYSIS is used to achieve three main purposes:-

- To describe data
- To measure its significance
- To indicate relationship between sets of data

Statistical techniques used are:

1. Frequency, percentage, average and dispersion for data description
2. Measuring significance, which gives an approximation of the population statistics within a given range of confidence limits. Such test consists of using statistical techniques like
 - Test of Significance
 - Chi-Square

3. Measuring statistical relationships are calculated with techniques such as:-
 - Correlation analysis
 - Regression analysis
 - Multivariate analysis
 - Factor analysis

REPORTING RESEARCH FINDINGS

Research report is the presentation of the research findings directed to the company management, to assist in decision-making.

GUIDELINE FOR REPORT FORMAT

Common format in use follows this outline:

1. Title page
2. Table of contents
3. Summary, including
 - Research objectives
 - Results
 - Conclusion
 - Recommendation

In the past 5 years we have drilled around

95,000 km

—that's more than **twice** around the world.

Who are we?
We are the world's leading provider of reservoir characterization, drilling, production, and processing technologies to the oil and gas industry.

Who are we looking for?
We offer countless opportunities in the following domains:

- Operations
- Research, Engineering, and Manufacturing
- Geoscience and Petrotechnical
- Commercial and Business

We're looking for high-energy, self-motivated graduates with vision and integrity to join our team.

What will you be?

careers.slb.com

Schlumberger

4. Body of report should have
 - Introduction
 - Methodology
 - Results
 - Limitations
5. Conclusion and recommendations
6. Appendix – which contains sampling plan, data collection forms, supporting tables not included in report body. (Stanton, 1981; McTavish and Maitland, 1980)

DATA SOURCES FOR ADVERTISING RESEARCH

There are four basic sources of research data as follows:

- Respondents
- Analogous situations, such as case study and simulation
- Experimentation
- Secondary data

RESPONDENTS: these are the major sources of research data. There are four principal methods of obtaining data from respondents.

- **Communication**: it requires the respondent to actively provide data through verbal response.
- **Observation**: this requires the recording of the respondent's passive behaviour
- **Analogous situation**: this involves the study of analogous or similar situation to the One under examination of case histories or case study and simulations
- **Experimentation**: this involves arranging data for an experiment in such a way that relatively clear statement can be made regarding cause-and-effect relationship.

An experiment is conducted when one or more independent variables are consciously manipulated or controlled and their effects on the dependent variables are measured. The objective of an experiment is to measure the effect of the independent variables on a dependent variable, while controlling for extraneous variables that might confuse the researcher's ability to make valid causal inferences.

TYPES OF DATA FOR ADVERTISING RESEARCH

There are two categories of data:

PRIMARY DATA: they are collected specifically for the research needs under consideration. Its sources include respondents, analogous situations, and experimentation.

SECONDARY DATA: are already published data collected for purposes other than the specific research needs at hand. Secondary data can be classified according to its sources.

SOURCES OF SECONDARY DATA

There are two sources including:

- Internal sources
- External sources

INTERNAL DATA SOURCES: these data originated within the organization, collected for purposes other than the research being conducted. All organizations collect internal data as part of their normal operations; such as sales and cost data, sales reports, advertising and promotion activities, research and development, and manufacturing reports.

EXTERNAL DATA SOURCES: these are data available outside the organization. They are available from various sources, syndicated and others like libraries, government publication or consultants.

SYNDICATED SOURCES: are external data sources not available in a library, which are usually standardized data, sold by consultants for a price, such organizations have profit orientation.

Syndicated data source can be classified as:

- **Consumer Data:** consisting of data collected on purchases by customers and the motive behind such purchases.
- **Retail Data:** focus on the products sold through outlets and characteristics of such outlets
- **Wholesale Data:** estimate on sales of a brand and its competitive brands in various markets. Such data allow marketers to analyze trends in sales or package size and the impact of promotions as well as competitive actions.
- **Industrial Data:** provide data that can be used to construct sales prospect lists, identify sales territories, establish sales potentials and target promotional efforts.
- **Advertising Evaluation Data:** provide data on media that can assist advertisers in the measurement of the effectiveness of promotion expenditures. They evaluate advertisement in broadcast and print media.
- **Media and Audience Data:** the task of the media planner is to identify media that have audience characteristics similar to those of the target market to be reached. The types of data used in matching market and media typically include demographics, psychographics and product usage rates. All data specializing in the provision of audience measurement for a particular medium can be obtained from such sources. The media planners need data regarding the advertising effects of competitors. It is important to know how much competitors are spending, where they are spending their advertising funds and in what media mix.

- **Scanner Data:** they are an improved data source used for both retailers and manufacturers. The retail outlets are equipped with computerized checkout scanners, thus scanner data are recorded by passing merchandise over a laser scanner, which optically reads the bar-coded description printed on the merchandise. This code is then linked to the current price held in the computer memory, and the amount due is calculated and printed out on an itemized sales slip, giving descriptions and prices of all items' purchases. Scanner information can be used to make better decisions in a variety of merchandise areas such as product assortment, promotion and pricing.
- **Scanning Diary Panels:** this involves recruiting shoppers in the market area to participate in the panel. Panel members are compensated for their participation. Each household member is given an identity card which looks like a credit card. The panel member goes to the store, shops normally, but presents the identity cards at the beginning of the checkout process. The checker keys in the identity card number and each item of that customers' order is isolated and data are entered into the computer. The data are stored by day of week and time of day. This method has various advantages over traditional diary panel. Such benefits include:

Excellent Economics and Business programmes at:



university of
 groningen




“The perfect start
 of a successful,
 international career.”

CLICK HERE
 to discover why both socially
 and academically the University
 of Groningen is one of the best
 places for a student to be

www.rug.nl/feb/education

1. There is less selection bias in scanner panel owing to the minimal effort required by the panelist. They simply use identity cards.
2. There is less price sensitivity bias in that the panelist is not required to be overly conscious of price levels and changes imposed by the traditional diary recording process.
3. The data are more accurate in that the panelist memory is not relied upon for the recording of purchases.
4. There is a complete record of purchases
5. In-store variables such as pricing, promotions, and displays are part of the data set.
6. Since the diary and sales data come from the same source, there is no need to adjust the diary sales data.

OTHERS SOURCES OF SYNDICATED ADVERTISING DATA

PUBLICATIONS: various publications give detailed information on newspapers, magazines, television, radio, the cinema, outdoor advertising and other media.

THE NEWSPAPER SOCIETY: some national organizations looking after the interests of morning, evening and weekly paper publications.

THE AUDIT BUREAU OF CIRCULATIONS (ABC): this is a professional body founded by advertisers, advertising agencies, and advertising media owners to secure, by standard and uniform methods of audit accurate net sales, distribution, audience figures and other elements of advertising media.

PUBLISHING HOUSES: large publishing houses produce research data regularly. They frequently use the services of professional research organizations to ensure objectivity and acceptance by clients.

PROFESSIONAL INSTITUTES: statistical information on advertising is collected by relevant professional organizations and published regularly. Research consultants are part of this group.

Research is used in various aspects of advertising as follows:

- Media audiences
- Testing the effectiveness of advertising messages

TYPES OF ADVERTISING RESEARCH

There are four major types of advertising research; they encompass aspects data that could be gathered for decision-making:

1. *MEDIA RESEARCH* gathers data relating to:-
 - Media vehicle distribution
 - Media vehicle audience
 - Advertising exposure
 - Advertising perception
 - Advertising communication
 - Sales response
2. *MEDIA VEHICLE DISTRIBUTION* involves data on circulation levels of publications
3. *MEDIA VEHICLE AUDIENCE* involves audience exposures concerning:
 - Magazine audiences
 - Newspaper audiences
 - Television audiences
 - Radio audiences
4. *COPY TESTING*: this involves gathering data pertaining to the effectiveness of each advertisement message or copy.

MEDIA RESEARCH

Advertisers must make decision about the selection of media vehicles to use in an advertising plan. They choose between media types – television, radio or newspaper and others. They also make decisions on specified advertisement insert in the selected type of media – all of these decisions require the availability of data about the media.

The Advertising Research Foundation suggests six types of data which should be available about media vehicles. These data would distinguish between the prospects and non-prospects of the product being advertised. Data are to be gathered on six areas such as:

1. **Media Vehicle Distribution:** the circulation number for a magazine or newspaper or the number of television or radio sets available to carry the advertising.
2. **Media Vehicle Audience:** the number of people exposed to the media vehicle. For example, readership of a given issue of magazine or newspaper or the number of viewers of a specific television station is more than media distribution because more than one person reads the same magazine or watches on the same television set.
3. **Advertising Exposure:** the number of people exposed to a specified advertisement in the media vehicle. People may be exposed to a media vehicle, but do not notice a specific advertisement because of the creative aspects of the advertisement, or the nature of the environment of exposure. Exposure is typically lower than vehicle audience.

4. **Advertising Perception:** the number of people who perceived the advertising in question. This could be influenced by the colour and size of the advertisement, positioning in the vehicle, and type of product involved. The number of people actively perceiving an advertisement is typically less than those exposed to it.
5. **Advertising Communication:** the number of people who comprehend specific things about the advertising, which is typically less than those perceiving the message.
6. **Sales Response:** the number of people who take buying action as a result of the placement of the specific advertisement by purchasing the product than have actually received its communication.

MEDIA VEHICLE DISTRIBUTION

Data about media vehicle distribution are the most readily obtainable and are relatively accurate. These data are regularly gathered by agencies in various countries such as audit bureau of circulation. These agencies or groups are sponsored by advertisers, advertising agencies and publishers.

Available data are on the circulation levels of its members' publications for print media. Data relating to vehicle audiences are gathered for radio, newspaper, television and other publications.

American online

LIGS University

is currently enrolling in the
Interactive Online **BBA, MBA, MSc,**
DBA and PhD programs:

- ▶ enroll **by September 30th, 2014** and
- ▶ **save up to 16%** on the tuition!
- ▶ pay in 10 installments / 2 years
- ▶ Interactive **Online** education
- ▶ visit www.ligsuniversity.com to find out more!

Note: LIGS University is not accredited by any nationally recognized accrediting agency listed by the US Secretary of Education. More info [here](#).





MEDIA VEHICLE AUDIENCE

MEDIA VEHICLE AUDIENCE is the number of people actually exposed to the vehicle at least once.

MAGAZINE AUDIENCES: the size of these audiences is measured by the pass-along studies. The intent is to measure the total of the circulation of the magazine and all the people who read it when it is passed along to them. The survey method is used in gathering data of this nature.

NEWSPAPER AUDIENCES: a newspaper reader is typically defined as someone who claims to have read part of the newspaper in question on a given day. The survey method is also used in carrying out his research.

TELEVISION AUDIENCES: television audience data are collected by four methods:-

1. Diary
2. Meters
3. Coincidental telephone recall
4. Personal interview recall.

In the Diary methods, viewers record the name of the shows that they watch and mail the diary back to the research firm. The major advantage of diary is that it is relatively inexpensive while its major disadvantages are that respondents may fail to record shows watched or forget what they watched or even untruthfully record what shows they watched.

METER method was introduced by A.C. Nielsen an American research firm – the device is called AUDIMETER, used for their network rating. The device is connected electronically to a computer and records what the television is tuned to and it gives two major measures:

1. The share of households for a show – the percentage of television homes tuned to a network programme for at least six minutes
2. The share of audience – the number of homes watching a specific show over the total number of homes watching any programme at that time.

COINCIDENTAL TELEPHONE RECALL METHOD: a sample of households is telephoned and asked what show is being watched at that time and asked to identify the sponsor or product being advertised. Ratings are calculated on the percentage of homes watching a particular programme. This method's major advantage is that it is fast and inexpensive.

LIMITATIONS:

1. Non-telephone homes are excluded and rural homes do not get adequate representation
2. The total size of the audience is hard to estimate accurately.
3. Only certain hours in the morning can be measured
4. Respondents often try to indicate that they are watching socially acceptable programmes.

PERSONAL INTERVIEW RECALL METHOD: involves in-home interviews with a sample of respondents shortly after the time period of interest. A list of the shows by quarter hour is presented to the respondent to aid recall and the respondent is asked to indicate which shows were watched.

Limitation: respondent's poor memory and untruthfulness plus the expense of personal interview are the biggest limitations of this method.

RADIO AUDIENCES: the spread of radio audience everywhere makes its measurement difficult but researchers use (1) Diary method to gather data – during the selected seven day period in which ratings are taken – the sample members are called twice to make sure they understand the required task and are reminded to complete and return the diary. Some researchers use the telephone coincidental method, using a panel.

COPY TESTING:

Research issues related to the effectiveness of each advertisement; this research can be called the **MESSAGE RESEARCH** – copy testing is about written parts of print advertisements. In practice, copy testing refers to all aspects – colour graphics, pictures, action and so on, of advertisement appearing in all media. Copy testing services are provided by marketing research firms or advertising agencies.

Some advertising research firms based in the United States have agreed and endorsed the principles called – **PACT-POSITIONING ADVERTISING COPY TESTING**. A good copy testing system has been stated as that which has these characteristics:

1. Provides measurements, which are relevant to the objectives of the advertising.
2. Requires agreement about how the results will be used in advances of each specified test.
3. Provides multiple measurements, because single, measurements are generally inadequate to assess the performance of an advertisement.
4. Is based on a method of human response to communication – the reception of a stimulus, the comprehension of the stimulus, and the response to the stimulus.
5. Allows for consideration of whether the advertising stimulus should be exposed more than once.
6. Recognizes that the more finished a piece of copy is, the more soundly it can be evaluative, and executions be tested in this same degree of finish.
7. Provides controls to avoid the biased effects of the exposure definition
8. Takes into account basic consideration of sample definition.
9. Demonstrates reliability and validity.

An advertisement may be tested at a number of different phases of its development – as a written concept, a set of story boards or drawings, a rough animated version or a finished advertisement.

DON'T EAT YELLOW SNOW

What will your advice be?

Some advice just states the obvious. But to give the kind of advice that's going to make a real difference to your clients you've got to listen critically, dig beneath the surface, challenge assumptions and be credible and confident enough to make suggestions right from day one. At Grant Thornton you've got to be ready to kick start a career right at the heart of business.

Sound like you? Here's our advice: visit GrantThornton.ca/careers/students

Scan here to learn more about a career with Grant Thornton.



Grant Thornton
An instinct for growth™

© Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd

It may be tested before media money or budgets are spent, such process is called PRETEST. Testing of the copy could be done after the media money or budget has been spent on it. Such method is called POST-TEST.

PRE-TESTING PROCEDURES

There are many procedures but only common ones will be discussed here:

CONSUMER JURY

In the consumer jury procedure, 50–100 consumers from the target audience are interviewed either individually or in small groups. The jury members are asked to rank a set of advertisements that are typically in rough, unfinished form often displayed on story boards. Questions related to such matters are asked like;

1. Which advertisement would you most likely read?
2. Which headline is most interesting?
3. Which interests you in bringing the product the most?

The respondents rank order the advertisement on each of these dimensions, or a paired comparison procedures to rank the advertisement may be used. The jury members may be asked to use numeric rating scale to rate the advertisement on explicitly identified dimensions.

PORTFOLIO TESTS

The portfolio test procedure involves the forced exposure of a group of target consumers to package of both test and control advertisement called a portfolio. Respondents are asked to look through the portfolio, reading whatever interests them. The effectiveness of the test advertisement is measured by the respondent's ability to recall the advertisement and then recall specifics about the advertisement with the portfolio closed.

Recall measures are generally unaided by any interviewer prompting, except on rare occasions.

PHYSIOLOGICAL METHOD OF TESTING

A number of laboratory procedures have been developed which measure various physiological responses to advertisements.

1. *AN EYE CAMERA*: an eye camera is used to track the movement of the eye as it examines an advertisement. The layout of the advertisement is then examined in the context of this movement to determine which sections receive and hold attention, which parts seem interesting and what level of confusion can be related to sections of the advertisement. Its limitations is difficult and the lingering at a given location can not indicate interest or confusion.
2. *GALVANIC SKIN RESPONSE (GSR)*: this is physiological response to advertisement that has received some attention. GSR is measured by attaching electrodes from a recording device to respondents, who are then exposed to test and control advertisements. GSR measures changes in the electrical resistance of the skin. When GSR increases, it is considered to be measures of the arousal that the advertisement causes in subjects. The major problem with this method is that arousal is not necessarily related to a positive reaction to the advertisement.
3. *TACHISTOSCOPE*: is a physiologically related testing device. It is a slide projector with special capabilities that allow for the presentation of advertisements under different levels of speed and illumination. Researchers can measure the rate at which an advertisement conveys information or recognition. It can be especially important in magazine and outdoor presentations.

DUMMY ADVERTISING VEHICLES TEST

In this procedure, test and control advertisements are inserted into a magazine format with editorial features of lasting interest. The only variation in the dummy magazine in a given year is the test advertisement. The dummy magazine is then distributed to a random sample of households in various parts of the country.

The respondents are told that the publisher is limited in their evaluation of the editorial content and are instructed to read the magazine in a normal fashion. A follow-up interview covers both editorial and advertising content. Measures taken include awareness, recall, copy readership level, and product interest induced by the advertisement. Since test takes place under natural readership conditions, recall scores are likely to be more realistic.

INQUIRY TESTS

Inquiry tests measure the effectiveness of an advertisement on the basis of either measured sales or consumer inquiries that result directly from the advertisement. They may be measured by levels of coupon returns of a contest or orders received for a direct – action advertisement.

The consumer response is a directly measurable sale. Different creative approaches can be compared in three ways:

1. By placing the advertisement in successive issues of the same magazine or newspaper
2. By placing them simultaneously in different media vehicles
3. By placing different versions in split runs of the publication – half the copies of the vehicle contain one advertisement and the other half another advertisement.

Inquiring test provides a direct measure of response with no interview being required, reducing costs and artificial reactions due to the interviewing process.

Limitation: the presence of a coupon may attract attention and obscure creative difference among advertisements. Some people may perceive and be attitudinally influenced by the advertisement but not return of the coupons. Also, the inquiry may not translate into buying action.

.....Alcatel-Lucent 

www.alcatel-lucent.com/careers

What if you could build your future and create the future?

One generation's transformation is the next's status quo. In the near future, people may soon think it's strange that devices ever had to be "plugged in." To obtain that status, there needs to be "The Shift".

ON-THE-AIR-TEST

These are research services that measure responses to advertisement that are placed on actual television and radio. These are organised by research companies or consultants some of which are affiliated to some foreign firms such as Burke Marketing Service which use the method called Day-After-Recall (DAR) or Gallup and Robinson which uses – Total Prime Time (TPT). In Nigeria, researches on television viewers and radio audience are conducted, using the survey method. Advertising agencies have developed research departments that provide survey services for their clients. There are few privately owned research firms providing various research services in Nigeria for clients who need data relating to marketing and advertising.

THEATRE TEST

Television commercials are also tested in theatre environments. Advertisements are shown in the contest of a standard television show. Typical measures taken are for brand preference shift, based upon before and after exposure to test and control advertisements and recall of the copy points in the commercial.

TRAILER TESTS

This method could be used as alternative to theatre tests. Respondents are taken from a shopping centre, mall or store to a trailer nearby or a room in the centre and they are shown advertisements with or without surrounding programming, and recall, recognition and product preference measures are taken. The main problem with this method is its artificial appearance.

LABORATORY STORES TESTS

Advertisements may be tested for sales and attitude input by simulating a shopping environment or simulated test markets where a laboratory environment involving a shopping centre or mall is created. The intention of this method is to study and predict actual market sales of a product or recall of the message based upon the trial and repeat purchases, exposure, recall and recognition patterns of consumers in the simulation.

POST TESTING PROCEDURES

There are three major post-testing procedures such as:

- Recognition tests
- Recall tests
- Sales tests

RECOGNITION TESTS: the readership of print advertisement is primarily measured with recognition procedures. In the recognition method, personal interviews are conducted with a sample of 100-150 adults of each sex for each issue of a magazine. For example, if the magazine or newspaper has a youthful audience, a younger sample is recruited. The respondent is asked whether or not the specific periodical has been read. For those who answer positively, the issue is opened at a page specified in advance to prevent order bias and then three measures of recognition are taken as follows:

1. *Noted:* the percentage of readers who remember seeing the advertisement.
2. *Seen Associated:* the percentage of readers who saw or read a part of the advertisement that indicated the brand or advertiser.
3. *Read Most:* the percentage of readers who read half or more of the written material in the advertisement.

Additionally, these scores are ranked for all the advertisements in the periodical, and cost ratios are given which relate readers to the money spent on the advertisement. Standard scores for types of product classes and periodicals are also available. The limitation of recognition procedures is the possibility of respondents confusing advertisements with other similar ones, forgetting, and false claiming. Also product interest may distort memory of advertisement.

RECALL TESTS: copies of test magazines are delivered to sample of about 150 – 300 respondents and telephone interviews are arranged for the next day. Respondents are spread through 10 major geographic areas. They are asked to read the magazines in a normal pattern. In the follow-up, a list of advertisements appearing in the magazine is read; while respondents identify those they remember.

Result scores should prove name recognition, idea communication and favourable attitude. Measurement goes beyond recognition to recall of specifics of the advertisements and its impact.

Recall tests may understate the advertisement impact as cues given to simulative respondent memory are not storing. Recall does not necessarily relate to the respondent undertaking the desired buying behaviour or the advertising reaching its objectives.

SALES TESTS: sales tests measure the impact of the sales of the product. Care should be taken when using this method, since sales are influenced by so many factors. Evaluating advertisements using this method can be done with the involvement or application of the experimental and quasi-experimental procedures, plus the mechanics of test marketing or other panel procedures. (Shimp, 2000; Kotler, and Keller, 2013)

DECIDING WHEN TO USE ADVERTISING RESEARCH

Advertising research may be used at various stages of the campaign such as:

- Pre campaign research
- Research during campaign
- Post-campaign research

If the advertising campaign is of sufficient significance the approaches stated may jointly be used.

PRE-CAMPAIGN RESEARCH: this is useful to assist in defining the problem, which the advertising campaign may seek to solve, to guide creative strategy development and indicate the type and level of advertising, which might be required. The objectives for research before a campaign are to increase the effectiveness of the campaign when it does run, to screen out any negative ideas being considered and to select the best of possible alternatives.

RESEARCH DURING CAMPAIGN: this is most likely to be carried out for a long running and important advertising campaign in which specific objectives for levels of awareness have been set. The use of performance monitoring research is to expose areas that are not meeting up with objectives and fine-tuning activities toward achieving the set objectives. This research allows the firm to re-allocate resources in order to compensate for identified variances.

POST CAMPAIGN RESEARCH: this measures the degree to which advertising objectives set for the campaign have been achieved. The feedback received from post campaign research may be used as input for improving future advertising campaign. (Vanden Bergh and Katz, 1999; Warshaw, and Kinnear, 1983)

8 Sales Promotion And Publicity

SALES PROMOTION DEFINED BY AMERICAN MARKETING ASSOCIATION: *those marketing activities, other than personal selling advertising and publicity; that stimulate consumer purchasing and dealer effectiveness, such as display, shows and exhibitions, demonstrations and various non-recurrent selling efforts not in the ordinary routine. Sales promotion, involves short-term incentives to encourage purchase or sales of a product or service.*

It has some characteristics which every marketer must understand to be able to use it effectively. These characteristics include: **INSISTENT PRESENCE:** many sales promotion tools have an attention-getting, sometimes urgent, quality that can break through habits of buyer inertia toward a particular product. They tell the buyers of a chance that they won't have again to get something special. This appeals to a brand spectrum of buyers, although particularly to the economy minded, with the disadvantage that this type of buyers tend to be less loyal to any particular brand in the long run. (Stanley, 1977; Stanton, 1978)

PRODUCT DEMEANING: some of these tools suggest that the seller is anxious for the sale. If they are used too frequently or carelessly, they may lead buyers to wonder whether the brand is desirable or reasonably priced.



Join the best at
the Maastricht University
School of Business and
Economics!

Top master's programmes

- 33rd place Financial Times worldwide ranking: MSc International Business
- 1st place: MSc International Business
- 1st place: MSc Financial Economics
- 2nd place: MSc Management of Learning
- 2nd place: MSc Economics
- 2nd place: MSc Econometrics and Operations Research
- 2nd place: MSc Global Supply Chain Management and Change

Sources: Keuzegids Master ranking 2013; Elsevier 'Beste Studies' ranking 2012; Financial Times Global Masters in Management ranking 2012

Maastricht University is the best specialist university in the Netherlands (Elsevier)

Visit us and find out why we are the best!
Master's Open Day: 22 February 2014

www.mastersopenday.nl



FACTORS CONTRIBUTING TO RAPID GROWTH OF SALES PROMOTION

Certain factors have contributed to the rapid growth of sales promotion, particularly in consumer markets. These can be divided into two segments:-

- *Internal factors* – operating within the firm
- *External factors* – existing in the marketing environment.

Internal factors include the following:-

1. Promotion has become more acceptable to top management as an effective means to stimulate sales
2. More product managers are qualified to use sales promotion tools
3. Product managers are under greater pressure to obtain quick sales response

External factors include the following:-

1. The number of brands has increased.
2. Competitors have become more promotion-minded
3. Inflation and recession have made consumers more deal-oriented.
4. Trade pressure for more manufacturers' deals has grown
5. There is a belief that advertising efficiency has declined due to costs media cluster, and government control.

INFLUENCE OF SALES PROMOTION ON RELATIONSHIPS WITH CONSUMERS

Overall sales promotion techniques make three contributions to exchange relationships between the market and consumers.

- **Communication:** they give attention and usually provide information that will lead to trying the product.
- **Incentive:** they incorporate some concession, inducement, or contribution that is designed to represent value to the receiver.
- **Invitation:** they include a distinct invitation to engage in the transaction immediately.

MAJOR DECISIONS IN SALES PROMOTION IMPLEMENTATION

A marketer that is considering using sales promotion must follow these steps to plan, execute and evaluate the promotion tool.

1. Establish the sales promotion objectives
2. Select the sales promotion tools
3. Develop the sales promotion programme
4. Pre-test the sales promotion programme
5. Implement and control the sales promotion programme
6. Evaluate the sales promotion results.



Empowering People. Improving Business.

BI Norwegian Business School is one of Europe's largest business schools welcoming more than 20,000 students. Our programmes provide a stimulating and multi-cultural learning environment with an international outlook ultimately providing students with professional skills to meet the increasing needs of businesses.

BI offers four different two-year, full-time Master of Science (MSc) programmes that are taught entirely in English and have been designed to provide professional skills to meet the increasing need of businesses. The MSc programmes provide a stimulating and multi-cultural learning environment to give you the best platform to launch into your career.

- MSc in Business
- MSc in Financial Economics
- MSc in Strategic Marketing Management
- MSc in Leadership and Organisational Psychology

BI NORWEGIAN BUSINESS SCHOOL

EFMD
EQUIS
ACCREDITED

www.bi.edu/master

ESTABLISHING THE SALES PROMOTION OBJECTIVES

Sales promotion objectives are derived from basic marketing communication objectives, which in turn, are derived from more basic marketing objectives developed for the product. Within this context, the specific objectives set for sales promotion will vary with the type of target market. For consumers, objectives include encouraging more usage and purchase of large-size units by users, building trial among non-users, and attracting trial by other brand users. For retailers, objectives include inducing retailer stocking of new items or larger volume, encouraging off season buying, encouraging stocking of related items, offsetting competitive promotions, building brand loyalty of retailer, and gaining entry into new retail outlets. For the sales force, objectives include encouraging support of a new product or model, encouraging more prospecting and stimulating sales in off-season.

SELECTING THE SALES PROMOTION TOOLS

Various sales promotion tools are available to accomplish promotion objectives. The selection decision must take into account the type of market, sales promotion, objectives, competitive conditions, and cost-effectiveness of each tool. Promotion tools include:

1. Samples, coupons, price packs, premiums, and trading stamps
2. Point-of-purchase displays and demonstration.
3. Trade promotion.
4. Business conventions and trade shows.
5. Contests, sweepstakes and games.

DEVELOPING THE SALES PROMOTION PROGRAMME

A sales promotion programme involves more than selecting one or more promotions. The marketer must make some additional decisions to define the full promotion programme. The main decisions include:

- Size of incentive
- Conditions for participation
- Distribution vehicle of promotion
- Duration of promotion
- Timing of promotion
- Overall budget for promotion

PRE-TESTING THE SALES PROMOTION PROGRAMME

Sales promotion pre-tests should be conducted whenever possible to determine if the tools are appropriate, the size of the incentive is optimal, and the method of presentation is effective.

IMPLEMENTING AND CONTROLLING THE SALES PROMOTION PROGRAMME

Effective control of sales promotions requires that specific goals and implementation plans for individual promotions be established. Programme implementation must cover two critical time factors, lead time and sell-off time.

LEAD TIME is the time necessary to bring the programme up to the point of announcing the deal to consumers and the markets.

SELL-OFF-TIME begins at the date of release and ends when approximately got to 95 per cent of the deal merchandise is in the hands of consumers, which may take one to several months, depending on the deal duration.

EVALUATING THE SALES PROMOTION RESULTS

Evaluation is a crucial requirement for improving any programme. Marketing firms can use any of four methods to measure sales promotion effectiveness. The four methods include-

- **Sales Performance Movement:** this will be done before, during and after a promotion campaign. Suppose a company has a 6 per cent market share in the pre-promotional period, which jumps to 10 per cent during the promotion, falls to 5 per cent immediately after the promotion, and rises to 7 per cent after some time. In this case, the promotion evidently attracted new triers as well as more purchasing from existing customers. They loaded up on the goods, and after the promotion, sales fell as consumers worked down their inventories. The long-run rise to 7 per cent indicates, however, that the company gained some new users. In other cases, the brand's with result that the promotion only altered the time pattern of demand rather than the total demand.
- **Consumer Panel Data** can be used to examine the kinds of people who responded to the promotion and what they switched to after the promotion. A study carried out by some researchers, using consumer panel data for a sales promotion enhance brand switching, the rate of switching, depending on the type of deal offered in the sales promotion. Media – distributed coupons induce substantial switching, a discount-off deals induce somewhat affect brand switching. The study showed in addition, that consumers generally return to their preferred brand after the deal.
- **Consumer Surveys** can be conducted to learn how many recalled the sales promotion, what they thought of it, how many took advantage of it, and how it affected their subsequent brand choice behaviour.
- **Experiments:** sales promotions can also be evaluated through carefully arranged experiments. Some large companies test alternative strategies in selected market areas with each of their national promotions. Sales promotion can play an important role in the total promotion mix. Although it is used on an ad hoc and residual basis by many firms, it can be used more systematically and effectively by defining the sales promotion objectives, selecting the appropriate tools, constructing the sales promotion programme, pre-testing it, implementing and controlling it, and evaluating the results.

STRENGTHS OF SALES PROMOTION

1. Sales promotion stimulates positive attitudes from middlemen towards the product
2. Sales promotions provide additional inducements for customers purchase action
3. Sales promotion is flexible; it can be used at any stage of a new product.

CONDITIONS FOR EFFECTIVE USE OF SALES PROMOTION

1. When a new brand is being introduced
2. When a major product improvement in an established brand is being communicated to the market
3. When the brand that is being promoted is already enjoying an improving competitive trend
4. When the company is trying to increase store distribution and sales promotion is used to help to sell to middlemen.
5. When a branded product is being advertised and sales promotion is used to amplify the results of the advertising.

Need help with your dissertation?

Get in-depth feedback & advice from experts in your topic area. Find out what you can do to improve the quality of your dissertation!

Get Help Now



Go to www.helpmyassignment.co.uk for more info



Helpmyassignment



WEAKNESSES AND LIMITATIONS

1. Sales promotions are temporary in nature and short-lived
2. Sales promotion has to be used with one or more promotional tools
3. Sales promotions are frequently non-recurring time, funds and efforts put into them are usually non-reusable
4. Too many sales promotions on a branded product may hurt the product's brand image because they may suggest to consumer that such product is a less popular brand of the company or that the company is overstocked or that the product is cheap
5. Advertising creativity is usually low in sales promotion – advertisers do not put their best copy.

CONDITIONS THAT CAN CAUSE INEFFECTIVE SALES PROMOTION:

When sales promotion is used on:

1. established brands with no product improvements
2. established brands with a declining market share
3. brands where sales promotions are established as a way of doing business
4. product classes where intensive competition exists on consumer sales promotions.

FORMS OF SALES PROMOTION

1. Point-of-purchase advertising – displays
2. Premiums – free give away coupons-redeemable cash off coupons
3. Coupons – redeemable cash off coupons
4. Sampling – free trail of product or sampling
5. Deals – save money on purchases offer
6. Contest and sweepstakes – prizes and raffles
7. Advertising specialties – calendars, pens
8. Cooperative advertising – joint promotion between producers and distributors
9. Booklets, brochures and mailing pieces.

OBJECTIVES OF SALES PROMOTION

1. Supporting the sales force and its merchandising efforts
2. Gaining acceptance and active support for middlemen in marketing the product
3. Increasing the sales of the product to consumers.

DEVICES FOR PROMOTING MIDDLEMEN

1. Regular distributor and dealer's sale meeting with the producer
2. Point-of-purchase material such as posters, banners, price cards, signs and displays
3. Trade shows and exhibitions
4. Publications about the company or product distributed to middlemen.
5. Sales contest among distributors, dealers, and their sales people.
6. Push contest – monetary incentive offer to retail sales people to push a particular line or brands
7. Dealer loader – a premium given to retailers for buying a specified amount of a product.
8. Business catalogues
9. Trade deals such as buying allowance, advertising and display allowance, free goods and others

DEVICES FOR PROMOTING TO CONSUMERS

There are two types of promotion devices:

1. Promotion that reach consumers in retail stores
2. Promotion that reach consumer at home

RETAIL STORE SALES PROMOTION DEVICES

1. Packing which protects the products communicates and promotes the products' benefit to consumers
2. In store demonstration, carried out by paid employees of the manufacturer in selected stores.
3. Premiums which are free offer or merchandise or low cost product reward for buyers of a particular brand
4. Price-off promotions which gives specified amount off retail prices of a product

HOME SALES PROMOTION DEVICES

1. Sampling of products which are given as free trail
2. Coupon – certificate that consumers can present for redemption at a retail store for more specified quantity of the product free or specified money
3. Money refund offers which returns a sum of money by mail to consumers who mail in proof of purchase of a particular product to the manufacturer.
4. Contests and sweepstakes such as prizes, raffles and others. (Dwyer and Tanner, 1999; Mason and Mayer, 1984)

BELOW-THE-LINE ADVERTISING

This form of advertising involves such media as:

1. Specialty advertising
2. Exhibitions and fairs or trade shows
3. Premiums, trading deals, coupon, in-store demonstration and so on
4. Point-of-purchase display

Below-the-line advertising refers to promotional efforts not concerned with the direct traditional media. These are media, which do not normally allow commission to agencies, a SERVICE CHARGE method of billing is used.



Brain power

By 2020, wind could provide one-tenth of our planet's electricity needs. Already today, SKF's innovative know-how is crucial to running a large proportion of the world's wind turbines.

Up to 25 % of the generating costs relate to maintenance. These can be reduced dramatically thanks to our systems for on-line condition monitoring and automatic lubrication. We help make it more economical to create cleaner, cheaper energy out of thin air.

By sharing our experience, expertise, and creativity, industries can boost performance beyond expectations. Therefore we need the best employees who can meet this challenge!

The Power of Knowledge Engineering

Plug into The Power of Knowledge Engineering.
Visit us at www.skf.com/knowledge

SKF

SPECIALTY ADVERTISING

Specialty advertising is the use of products to advertise another product or company. These are often used to make good impressions on customers through gifts. It is a reminder type of promotion to which the recipient will be exposed each time he uses the gift. There are four general types.

1. **The Wall Specialty:** such as calendars, clocks, thermometers and so on.
2. **The Desk Specialty:** such as fountain pen, desk sets, time pieces, desk calendar, attachment of telephone and others.
3. **The Pocket Specialty:** like key holders and chains, pens, pencils, pocket comb, purses, matches, bill folds and others
4. **The Home Specialty:** like bottle openers, brushes, telephone book covers, baby bibs, plastic cups and others.

ADVANTAGES OF BELOW-THE-LINE ADVERTISING

1. Advertising circulation waste is avoided as they can be directed at target audience
2. They are useful for small segments of consumers
3. They maintain continuous exposure for long periods of time

DISADVANTAGE OF “BELOW-THE-LINE ADVERTISING”

The major disadvantage is the limited space available for the advert message.

ROLES OF PACKAGING IN SALES PROMOTION

Packing containing a product has been recognized as playing more than protective role. It is increasing by becoming important in its role as a promotional tool for marketing the product content.

The promotional aspects of packaging can be both long term – such as advertising or short term – such as sales promotion.

Promotional Aspects: a package has the promotional ability of identifying a product from an array of competing products; it also conveys information and meaning about the product – especially in self-service stores where impulse purchase depends greatly upon product appearance on the shelf. Packaging plays the role of attention-getter which starts the sales process. It provides information about product attributes such as price, quality, quantity, instructions for use and other product information. Package conveys emotional or psychological meaning or imagery through colour and shape.

Package Colour: the use of colour for instance, indicates the ability of package to convey psychological meaning. For example, white packages may be used to suggest purity and cleanliness, green packages suggest association with nature or natural ingredients, blue packages indicate coolness while red and yellow packages in contrast, indicate “hot” new product which demands consumer’s attention.

Package Shape: the physical form of a package in addition to providing protection, convenience, can also convey the psychological and emotional meaning deemed appropriate for the selected target market. For example, the package shape of fragrances, perfumes and some cosmetics, which suggest elegance to consumers, may also create some form of status symbol attached to the consumption of such product.

Package Size: by making different amounts of product available to different types of buyers, package size variation can increase the size of market in many situations, thus a good size of product depth can be achieved to target more segments of the market. For example, toothpaste packaged in sachet, small, medium and family large size tubes will successfully open up more marketing opportunities. This promotion strategy is very useful to marketers of consumer products.

Resellers Needs: packaging plays an important role in gaining the support of resellers – especially the support required in stocking and securing shelf position for the product to succeed in the marketplace. In order to gain adequate chance of success in competition with other similar products, three packaging conditions must be satisfied:

1. The package must be durable and easy to handle by the reseller.
2. The package must be specially designed so that it can be stacked and displayed with a minimum use of shelf or floor space.
3. The package must aid in the sale of the product to such an extent that in combination with the rest of the manufacturer’s promotional effort, the reseller’s return per unit of space allocated will be in the acceptable range of profitability.

Packages as Premiums: product packaged in containers which can be re-used as storage savers or reused for other purpose after the content has been consumed, can be used as premiums by marketer. Consumer may be induced to purchase such product because of the package’s reusable ability.

Packaging should be carefully handled because there are many places where package design can enhance or detract from the sales appeal of the product. Such appeals are: personality, psychological appeal, appetite appeal, shelf appeal, in-use appeal, package visibility, memorability, and establishment of family relationships.

CHANGING PRODUCT PACKAGE

A change in the package of a product is sometimes erroneously perceived by consumers as a change in the physical product. Two ways of effecting changes in products package are:

- **THE LONG RUN OR GRADUAL APPROACH:** changes are done over a period of time to allow for preservation of shelf-identification of the product and the process is less likely to be viewed as a change in the product. The firm changes a product's package a little, each year, until total changeover is achieved. The process may take several years or more, cause continuous, expensive changes in packaging production and provide some trade channel resistance because constant changes in the package may allow consumers to choose only the newest package from retail shelves.
- **THE EARTHQUAKE APPROACH:** this approach involves changing the product's entire package all at one time. The method demands that a large sum would be spent on advertising to prevent the loss of shelf identification that may follow such sudden change. This approach is commonly used when the package is outdated or when a change becomes necessary because of material shortages or when the product's image is undergoing change. (Stanley, 1977; Warshaw and Kinnear, 1983)

TURN TO THE EXPERTS FOR **SUBSCRIBE** CONSULTANCY

Subscribe is one of the leading companies in Europe when it comes to innovation and business development within subscription businesses.

We innovate new subscription business models or improve existing ones. We do business reviews of existing subscription businesses and we develop acquisition and retention strategies.

Learn more at [linkedin.com/company/subscribe](https://www.linkedin.com/company/subscribe) or contact
Managing Director Morten Suhr Hansen at mha@subscribe.dk

SUBSCRIBE - to the future

RESELLERS PROMOTIONAL SUPPORT

Resellers, such as wholesaler and retailers are intermediaries who perform the vital functions of effecting exchange of goods produced by various manufacturers to buyers in usable assortments.

THE PROMOTIONAL ROLE OF RESELLERS

The promotional role of resellers depends greatly on the promotion strategy adopted by the manufacturer. For example, a manufacturer who uses more of pull strategy advertising will leave a small promotional role for the reseller while the one using push strategy – personal selling – will require reseller to get highly involved in promotional efforts. Changes in the promotional role of wholesalers and retailers do occur as product mature, three basic stages in the product life cycle are very important:

- The introductory stage
- The competitive stage
- The commodity stage

INTRODUCTORY STAGE: at this stage of product development, a great deal of special selling effort is required to familiarize consumers with the new product type and to gain distribution at wholesale and retail. Some manufacturers sell directly to retailers at this stage, bypassing wholesalers until the need for special promotional effort has reduced. Other manufacturers use wholesalers, but restrict distribution so that each wholesaler will be willing to engage in the special selling required. Distribution at retail may also be on highly selective basis, to gain cooperation from individual retailers.

COMPETITIVE STAGE: as products pass from the introductory stage to the competitive stage, the manufacturer's selling task changes from building primary demand to stimulating selective demand. At this stage of the product life cycle, the manufacturer must recognize that unless special incentive is provided, wholesalers and retailers have little reason to push one brand of a product type at the expense of another. The reseller's task has changed from stimulating demand for a new product to the routine selling of an established one.

COMMODITY STAGE: this stage occurs during product maturity, brand preference weakens physical variation among competing products, and method of production stabilizes. Manufacturer strategy puts a greater reliance on price rather than non-price competition. As the price spreads among different brands of the same type of product narrows, the opportunities for wholesalers and retailers to sell on the basis of their own patronage appeals increase. At this stage, promotional efforts would be more focused on service delivery and credit extension, as reseller's important selling points.

PERFORMANCE OF PROMOTIONAL FUNCTION BY WHOLESALER

The promotional function expected from a wholesaler includes a variety of selling tools such as personal selling, samples and advertising. The success of the wholesaler depends upon his ability to distribute sufficient quantities of goods at margins high enough to cover costs and achieve a profit. It is rare, for a wholesaler to achieve a profitable volume level without exerting selling effort. The wholesaler must formulate a selling plan which will reach marketing objectives, including achieving quotas set by manufacturers, exerting special effort to gain preferential treatment from manufacturers of certain lines and building goodwill for his own establishment so that future sales will be achieved with ease.

The wholesaler is faced with problems of how to determine the type, direction and amount of selling efforts that will enable an operation to reach planned objectives. Promotional communication tools which the wholesaler can use include:

- Personal selling
- Samples
- Advertising
- Displays, shows and exhibitions
- Demonstration of products
- Publicity

FACTORS INFLUENCING WHOLESALERS ABILITY TO SELL

PRODUCT LINE: the composition of the wholesaler's product line in terms of whether it is made up of standardized or differentiated items, low unit value or high unit value items and other factors determine, to a large extent, the selling support provided for the manufacturer. Lines composed of standardized, relatively low unit-value supply items are easy for cataloguing and routine personal selling. Such product line will require little need for the wholesaler to advertise as patronage appeals like availability, prompt delivery and credit extension weigh more in customer's minds than the brand of any particular product.

Conversely, wholesaler lines composed of products which are more highly differentiated or which have unique appeal suggest different kinds and amount of selling effort. Products having industrial nature or industrial equipment will require a higher usage of personal selling effort because the wholesaler must locate customers, grant important presale services such as cost and engineering estimates and must reach the many people who influence the final purchase decision.

Wholesalers of consumer goods usually adopt a different approach to promotion, because they deal with numerous and differentiated products of low unit value with high rate of turnover. Such products require intensive distribution to sell because they are convenience goods. The importance of the economies of physical distribution makes the wholesalers in these industries concentrate on gaining coverage and on selling themselves as efficient distributors.

To ensure continued demands for their services, they devote much promotional effort on cultivating retail customers rather than stimulating demand for specific products.

CHARACTER OF MARKET SERVED: the nature of market in which the products are sold also influences the kind and amount of selling support provided for the manufacturer. Wholesaler market consists of either end users or retailers, among these two groups of buyers the type and quantity of firms may vary.

Wholesale selling programmes are also influenced by varying needs to direct effort from the creation of present sales to the cultivation of potential customers who may provide future sales.

The probability of the average order received from specific customers or kinds of customers determines the rate of personal calls and the extent of selling help which can be offered.

SERVICE REQUIREMENTS: traditionally, the services provided by wholesalers for their customers are buying, selling, transportation, storage, financing, risk taking, market information and advice. Wholesalers do not provide the same array of services or perform the same functional mix for each type of customer. This difference is what is needed to keep old customers or to gain new ones. It explains much of the variation in ability to grant specific kinds and amounts of selling effort.



"I studied English for 16 years but...
...I finally learned to speak it in just six lessons"
Jane, Chinese architect

ENGLISH OUT THERE

Click to hear me talking before and after my unique course download

FACTORS INFLUENCING WHOLESALERS' ALLOCATION OF SELLING EFFORT

1. The objectives of wholesalers.
2. The division of the selling task.
3. The type and extent of manufacturer's help.
4. The type and extent of competition.
5. The adequacy of margin.

RETAILERS AS PROMOTIONAL RESOURCES

Retailers are those marketing intermediaries that resell commodities to final users, usually for household consumption. They make up the final link in the distribution chain.

Retailers perform those marketing functions that enable them to build assortments of goods which will appeal to their markets. They perform the functions of buying and selling, act as consumer purchasing agents by anticipating and satisfying wants. They facilitate end users' transportation and storing of required products.

CLASSIFICATION OF RETAILERS

1. **STORE TYPES:** retail stores like convenience stores, shopping and specialty. A convenience store is one which customers patronize because of its excellent location or other factors which add to customer convenience. A shopping store is one which attracts customers on the basis of width and depth of assortments carried and which might also be in close proximity to other shopping stores. A specialty store is one which has developed a strong selective demand of its particular product, price, service offering and location.
2. **FUNCTIONAL MIX OF MARKETING EFFORTS:** marketing function performed at retail ends include buying, selling, storage, transportation and the granting of credit. Some retailers are organized to provide these marketing function mix; an example is the function of department stores.
3. **OWNERSHIP:** type of ownership influences the way in which retail stores sell.

There are independently owned stores and chain stores. Their ability to provide selling support depends on the size of their operation, and management.

Selling efforts at retail rely on these promotional techniques:

1. Personal Selling
2. Advertising
3. Display
4. In-store product demonstrations.
5. Special selling events within the community.

FACTORS AFFECTING RETAILER ABILITY TO SELL

1. The type of store
2. The nature of the product line carried.
3. The character of the market served.

FACTORS AFFECTING RETAILER WILLINGNESS TO SELL

1. The strategies and objectives of retailers.
2. The division of the selling task and the margin of payment.
3. The type and extent of manufacturer's help provided.
4. The nature of competition.

DEVELOPING THE SALES PROMOTION PROGRAMME

The main decision areas in developing a sales promotion programme include:

1. Size of incentive
2. Conditions for participation
3. Distribution vehicle for promotion
4. Duration of promotion
5. Timing of promotion
6. Overall budget for promotion
 - **SIZE OF INCENTIVE:** the marketer must decide the most cost effective size of the incentive, based on the assumption that sales response will increase with the size of the incentive.
 - **CONDITIONS FOR PARTICIPATION:** decision must be taken on the condition for participation. For example, a premium offer may be made available to anyone or only to those who turn in the products containers or other evidence of consumption.
 - **DISTRIBUTION VEHICLE FOR PROMOTION:** the marketer must decide how to promote and distribute the promotion programme to the target audience.
 - **DURATION OF PROMOTION:** length of the period of sales promotions to be run must be evaluated and decided. If promotion offered runs for too short a period, many prospects would not have a chance to participate, since they might not be repurchasing at the time promotion is running. If the promotion runs for a long period, then the customers may begin to view the promotion effort as a long-term price concession and the deal will lose some of its "act now" effects and also raise questions about the brand's quality in the minds of consumers.

- **TIMING OF PROMOTION:** a schedule of sales promotion will usually be constructed by brand managers or product managers, subject to sales department requirements. This schedule will be studied and evaluated by divisional marketing management in terms of total divisional marketing strategy. The schedule is a planning instrument and requires careful timing to allow for production, salespersons and distribution coordination. At the same time, some unplanned promotions will be needed under tactical pressure and will have to be prepared on short notice.
- **OVERALL SALES PROMOTION BUDGET:** the overall budget for sales promotion can be worked out in two ways:
 1. The marketer decides on the various promotions to sponsor during the year and estimates the cost of each. The cost of a particular promotion consists of the total administrative cost (such as printing, mailing and promoting the deal) plus the incentive cost (such as premium or per cent discount off, including rate of redemption of coupon), multiplied by the expected number of units that will be sold on deal.
 2. The marketer can resort to a conventional proportion of the total budget for advertising and sales promotion. (Warshaw and Kinnear, 1983)



What do you want to do?

No matter what you want out of your future career, an employer with a broad range of operations in a load of countries will always be the ticket. Working within the Volvo Group means more than 100,000 friends and colleagues in more than 185 countries all over the world. We offer graduates great career opportunities – check out the Career section at our web site www.volvogroup.com. We look forward to getting to know you!

VOLVO
AB Volvo (publ)
www.volvogroup.com

VOLVO TRUCKS | RENAULT TRUCKS | MACK TRUCKS | VOLVO BUSES | VOLVO CONSTRUCTION EQUIPMENT | VOLVO PENTA | VOLVO AERO | VOLVO IT
VOLVO FINANCIAL SERVICES | VOLVO 3P | VOLVO POWERTRAIN | VOLVO PARTS | VOLVO TECHNOLOGY | VOLVO LOGISTICS | BUSINESS AREA ASIA

MERCHANDISING

Merchandising is defined as product planning activities involving the internal company planning to get the right product or service to the market at the right time, at the right price and in the right colours, sizes and quantity.

Merchandising activities include trading, buying, selling, planning the advertising or supplying of or the selling campaign for a product. Merchandising includes all company planning activities designed to prepare an assortment of products to meet a market demand.

THE PRODUCT MERCHANDISING MANAGEMENT

Product merchandising management involves planning and control of all the activities needed to maintain a balance between inventories and sales. Strategy elements in product planning for merchandising include:

- *PRODUCT LIFE CYCLE*: the concept can provide important strategy insights for merchandise assortment planning in retailing of products.
- *MERCHANDISE ASSORTMENT POSITIONING*: retail outlet image is affected by a firm's product assortment, particularly when compared to competitors. Merchandise assortment positioning is the retailer's attempt to develop a merchandise assortment that will be perceived by consumers as superior to the assortments offered by competitors.
- *MERCHANDISE GAP STRATEGY*: some retail outlets can make judgment from practical experience and may consciously plan their merchandise assortment to satisfy consumer needs gap identified in the market.
- *IMAGE FIT ANALYSIS*: the products carried must fit with the consumer's image of the firm, to enhance the new product line to sell and maintain the retail outlet's credibility.

ESSENTIAL TERMS OF MERCHANDISE MANAGEMENT

1. *PRODUCT LINES*: are defined in terms of variety and assortments.
2. *VARIETY OR CLASSIFICATION*: means the different kinds of goods that may be present in a product line, such as food. The food product line may include such diverse classifications as bread, canned goods and cheese.
3. *ASSORTMENT*: means the range of choices available for any given classification in a product line or the number of stock-keeping units within a classification. For example, the bread classification may consist of a number of stock-keeping units or a wide assortment of choices in terms of brands, size of package and type of flour.

STOCK BALANCE

In order to avoid stock out situation and its possible adverse effects on customer attraction, outlet image and return on investment, stock balance variety and assortment mix must be considered as joint decisions in merchandise planning. The merchandise investment must be balanced with expected sales and it must be done with careful attention to planning and control; which is the key components of merchandise management and the only means of maintaining a healthy stock balance.

Stock balance can be analyzed from three perspectives:

1. *WIDTH OF MERCHANDISE ASSORTMENTS*: refers to the assortment factors necessary to meet the demands of the market and to meet competition. Decisions must be made on the number of brands, sizes, colours and similar factors.
2. *SUPPORT*: refers to the determination of units of merchandise required to support the firm's expected sales of each assortment factor. The decision must be based on expectations of the sales importance for each assortment factor.
3. *MONETARY VALUE*: the total monetary investment in inventory that top management will allow to be invested in the stock should be a final consideration in viewing stock balance. Management must strive for merchandise turnover that is fast enough to provide an adequate return and yet not so fast that frequent out-of-stocks occur.

EXHIBITIONS AND TRADE FAIRS

EXHIBITION: refers to a situation in which a firm operates a booth at a trade show or other special interest gathering, staffed by salespeople or public relations personnel.

There is no clear demarcation between an exhibition and a trade fair. A trade fair is staged for the purpose of selling goods or demonstrating new ideas and techniques. Exhibition can range from a prestige international trade promotion, world trade fair, to a small educational display in a local public library or hotel lounge. Many manufacturers of consumer and industrial goods exhibit their products at trade shows, which take place annually. For example, the Lagos International Trade Fair. Trade show visitors are able to see demonstrations of new products or innovations in existing products. Manufacturers' salespeople are able to talk to buying influences and top executives of customer firms, secure inquiries and leads for further follow-up, distribute literature to prospective customers, develop mailing lists for later use, and socialise with prospective buyers on an informal basis.

Exhibit space in trade shows is bought months in advance of the actual opening dates. Exhibits should be professionally prepared and possess considerable eye appeal. Provisions must be made for manning the exhibits during the days the trade shows are open. Usually, this trade shows run for about one week to two weeks in some cases.

ADVERTISING TRADE FAIR PARTICIPATION: the company may advertise in the media, their participation in an exhibition, furnishing details of its booth or stand in the message. The company can write the press to attend its booth and hold a press conference at the exhibition's site. The press conference will supply detail information about the company, its products and innovation to prospects and visitors to the exhibition.

THE IMPORTANCE OF TRADE SHOWS

In the promotion mix, trade shows rank high at least second only to advertising in terms of the marketing communications budget, that is, after taking out personal selling. For this reason, trade shows are important to a marketing firm, particularly where industrial products are involved. The major reasons that shows are growing in importance are that:

1. Buyers depend more on trade shows.
2. Trade shows can provide an opportunity for dialogue.
3. Trade shows reach buyers that salespeople have not.
4. Trade shows provide opportunity to strengthen customer relationships.
5. Relationships with the trade press can be developed at trade shows.

Buyers depend on trade shows: changes that take place in companies have resulted in fewer employees participating in purchasing decisions; buyers are finding it difficult to stay informed. They no longer have enough time to see salespeople unless a purchase is imminent. Thus, buyers are depending on trade shows to provide information that they used to get from other sources. At a trade show, buyers can talk to twenty or more potential suppliers in one day. These buyers include the firm's current customers as well as potential customers. Trade shows are more important to industrial marketers because buyers depend on shows to see new products and keep abreast of the latest information.

Trade shows create dialogue: the trade show experience can consist of dialogue with the prospect, though some visitors to the show may only see the formal presentation and not enter into dialogue. Prospects attending the show who are interested in the company's offerings will engage in dialogue, sharing their reactions to the offerings as well as information about their needs, decision process and budget. This useful information can be passed along to the right salesperson, and because visitors have also seen a demonstration, the sales cycle is reduced from an average of four sales calls to one. Shows provide an opportunity for high-quality dialogue.

Trade shows reach new prospects: because of cost reduction, efforts done in various firms, the only people who can afford to attend a trade show are decision-makers and key influencers. Many of these visitors can be new prospects who are having a first-time contact with the firm as news prospects. Trade shows are an important opportunity to find new customers and they are also useful for entering new markets.

Trade shows strengthen customer relationships: current customers also attend trade shows, thus providing an excellent opportunity for current customers to meet upper-level executives and offer input regarding company policies, strategies and other decisions that affect customers. Personal relationships can also begin between top executives and key customers through meeting at trade shows.

Customers also want to see product demonstrations. New products often make their first appearance at trade shows. Customers, who were not part of the product development process, or have not seen the final product, will want to view these at shows. Many companies also host customer appreciation events at trade shows in such a memorable occasions, thus providing wonderful opportunities to strengthen customer relationships.

Building relationships with trade press: with new product introduction and other key announcements headlining every trade show, the trade press is there in full force. In addition to hosting press conferences for new product announcements, exhibit managers try to create opportunities for key executive and marketing personnel to meet and build relationships with members of the trade press. Trade press representatives are often included in special events organized for the trade show. They may also seek interviews with executives concerning hot or important topics and current issues in the field. These, they can get easily because top executives participate in the show. Trade shows provide an important venue for building and strengthening relationships with the media.



gaieteye[®]
Challenge the way we run

**EXPERIENCE THE POWER OF
FULL ENGAGEMENT...**

**RUN FASTER.
RUN LONGER..
RUN EASIER...**

**READ MORE & PRE-ORDER TODAY
WWW.GAITEYE.COM**

SETTING TRADE SHOW GOALS

Trade show goals can be set for seeing current customers, creating new customers and strengthening relationships with the press. Goals should be set for each function; creating new customer goals may include the number of leads, the number of sales and the number of visitors to the booth. Goals set for current customers may include the number of current customers who attend a function or visit the booth.

Companies should also consider press goals, or goals for meeting members of the media. Set goals can include the number of interviews given, number of people who attend press conferences and number of media packets distributed. Set goals can also include the amount of press attention actually generated at a show, and evaluation of the firm's ability to actually get its story in print after the show is over. Setting goals depends on the overall marketing strategy. For example, the firm's goal may be the number of mentions of the product in the trade media. The highest priority lead goal could be the number of leads for that product. Then, based on these goals, the strategy for the trade shows is determined. Once goals are set, the next step is to select shows. Show selection is like media selection in advertising, many of the same issues such as reach, have to be considered.

SHOW SELECTION

One of the primary responsibilities of an exhibit manager is selecting shows in which to exhibit. Factors that affect the decision include the expected audience at the show, the type of show and cost of exhibiting. Selecting show is basically a process of comparing the number of potential prospects at the show with the cost of exhibiting. Like advertising, choice may be made on the basis of cost per exposure. Two measurements can be useful in predicting the number of prospects at a show as follows:

1. Net buying influences
2. Total buying plans

Net Buying Influence is the percentage of show audience that has influence in the buying process for the specific product exhibited. A trade show audience may include students, job seekers, competitors, members of the press and other non-buyers, as not every buyer in the audience buys for every exhibited product category.

Total Buying Plan is the percentage of the audience planning to buy exhibited products within the next 12 months.

Data for both total buying plans and net buying influences can be made available from show management for the most recent show and can be used to predict audience quality for the next show.

Other reasons for choosing a show may include the amount of press participation and whether competition is there. Sometimes, not exhibiting may send negative signals to a market. So, companies can get locked into exhibiting at some shows just to show that their business is healthy. In addition, buyers go to shows because of the opportunity to examine a large number of vendor's offerings in one convenient place. The more competitors present, the more buyers who will attend, thus going where competitors go can be a wise decision.

Choice may also be made on the basis of show type. There are several types of shows in which to exhibit such as:

1. Trade association conventions versus for-profit shows.
2. Regional versus national and global shows.
3. Horizontal versus vertical shows.

ASSOCIATION SPONSORED VERSUS FOR PROFIT

Association-sponsored shows are exhibitions that occur as a sideline to a conventional and conference of a trade or professional association. Sometimes, companies exhibit in association shows to support the organization.

Some shows are created and run by for-profit companies. For example, Lagos Chamber of Commerce can produce exhibition for contract manufacturers. Seminars occur in conjunction with the show, but the primary focus is on the exhibition. The exhibition portion of an association conference can be a big money-maker for the association. Attendance at the conference may be higher than at a for-profit show, but actual attendance, through the exhibitions, can be low if participants come only for the seminars. On the other hand, many marketers also seek to be present at the seminars, thus increasing their visibility.

REGIONAL VERSUS NATIONAL OR GLOBAL

Regional trade show means that several versions of the show are held in various locations around the country. Regional shows attract both regional exhibitors and regional visitors. Regional shows are usually the least expensive to participate in because they consist of smaller booths with many exhibitors displaying their offerings. Choosing a regional, national or global show depends on the firm's market and marketing strategy.

VERTICAL VERSUS HORIZONTAL

These operate as follows:

- *Vertical Show*: is one that focuses on one industry or profession only. For example, the National Dental Association organizing a trade shows. Numbers of exhibitors are well defined and focused to a particular industry or profession.
- *Horizontal Show*: these are shows that include many industries and professions. This type of show is designed to increase trade between one or two differently located areas, such as Nigeria and Taiwan. The characteristic of horizontal show is that the numbers of exhibitors are defined, and that, it will contain many industries or professions located within the two different areas that are participating. The narrower the audience, the more efficient trade show investment will be because with proper show selection, a larger percentage of the audience is more likely to be prospects.

SHOW MARKETING STRATEGY

Once a show is selected, marketing for the show involves three sets of activities:

1. Pre-show promotion
2. Show management and experience
3. Post-show follow-up

This e-book
is made with
SetaPDF

SETASIGN

PDF components for PHP developers

www.setasign.com



Every trade show must have a marketing plan that is the show must be designed, promoted and backed up by following-up with the customer. The exhibitor must put up a plan encompassing the three elements of pre-show promotion, show management and post-show follow-up.

PRESHOW PROMOTION

Activities to be done before the show; pre-show promotion activities include direct mail and advertising as well as invitations promoting booth attendance by target audience. The mailing list can be made from the company's database of prospects. It should be noted also that such invitation may carry a risk that a prospect may visit a competitor's booth, but firm can use these invitations to increase the motivation to attend and to help build stronger relationships.

THE SHOW EXPERIENCE

Strategy for the show experience usually involves three elements:

1. The attention-getter
2. The message
3. The close

These three elements should be carefully considered because they can increase the probability of success for the show and also increase the synergy of the show with other messages in other media.

- *The Attention-Getter*: the attention-getter is used to influence visitors to enter the booth. Invitations and offers for free gifts may encourage some visitors to stop by, but others, either will not receive the invitation or will throw it away. As people wander the aisles of the trade show floor, booth design should include attention getting elements that will entice visitors off the aisle into the booth.

Similarly, some attention getters can bring everybody into the booth, whether they are wanted in or not. Magic acts, free pictures with a movie star, comedy routines, all have been used as attention-getters. If the audience contains a high proportion of prospects, then these types of attention-getters can be worthwhile. At times, they can work too well, resulting in wasted time for booth staff who have to deal with unwanted visitors. The challenge then is to attract attention but only the attention of the desired audience. One strategy that can be used to get the desired visitors is to get the attention of all visitors and then move the desired visitors into another area of the booth for the appropriate interaction. Visitors who do not qualify as prospects are then free to leave as soon as the show is over. For example, a firm exhibiting may use a mind reader as the attention-getter. His show would be focused on the company's capabilities. When the show is finished, sales staff meet with interested visitors and then invite them to other areas of the booth for interpersonal conversations.

- *The Message*: constructing the message is an important element in trade show strategy. Two factors to be essentially considered are:
 1. The positioning objectives for the products and services being offered.
 2. The action objectives aimed at reaching the desired result.

Any message that would be released at the trade show must be consistent and integrated with messages sent through other channels such as advertising or personal selling. Most of the message is delivered by the booth staff. Selecting staff appropriately is a delicate decision. Because the show experience is in person and results in sales leads, salespeople may want to participate.

Salespeople, though, often may try to avoid being away from their sales territory and may resist fulfilling their trade show responsibility. Technical staff, such as product development engineers, can provide visitors with the technical information they desire.

Technical staff would need supplemental training to prepare for the selling environment of a show. Top management may also participate at the show as may be needed.

- *The Close*: because the show experience occurs face-to-face, it should end with some indication of an agreement between the booth staff and the visitor, the agreement is concerning what should happen after the trade show interaction. Asking for this agreement is in form of a close and it is actually a close. The close may be any of the following:
 - A request to have a salesperson call on the prospective visitor.
 - To send more information or whatever else is appropriate for the situation.

If the visitor is ready to move to the next stage in the purchase process, then the staff member in the booth should note that information so that the appropriate follow-up can occur. The staff member will never realize what follow-up is appropriate unless the visitor is asked. Exhibit managers should always specify how to close to staff members and how to record the information for post-show follow-up. Some companies have developed a form like questionnaire to record this vital information.

POSTSHOW FOLLOW-UP

Post-show follow-up is a critical element in the trade show marketing mix. In industries such as fashion, toys and hardware, retailers place order at the show. At most industrial marketing shows, few sales are made at the show thus getting the sales force to follow-up on leads generated at the show is an important and essential function.

Lead Follow-up: this is based on the conversation at the show, leads are categorized by most firms, using the three levels method such as A, B and C leads.

- **A level leads** are reserved for prospect or visitors who will make a purchase soon. These leads are sent to the appropriate salesperson through fax or e-mail, so that the salesperson calls as soon as the prospect returns home or office. The most important factor to A level leads is that they must have quick follow-up from a salesperson.
- **B level leads** are prospects who are interested, but will make a purchase later. The amount of time separating A leads from B leads depends on the industry and the normal sales cycle; but in most cases, the time is 90 days. If B leads are passed along to the sales force, their sense of urgency for all leads may decrease because salespeople have learnt that most leads usually result in wasted time, so it may not be with their time to call immediately. Some companies may decide to use telemarketing or direct response to follow up with B leads, while allowing the sales force to focus on hot leads available in A level.
- **C level leads** are people interested in the product but with no immediate buying plans or intention. Any follow-up with C leads will be minimal, probably direct mail may be used to follow up with these leads. A company may also send a “thank you for stopping by” letter along with a brochure.

Communication: shows provide an avenue in which a lot of useful market information is available. Getting that information shared is an important element in a learning organization, if learning is to result from the show.

Information about new competitive products and programmes, such as discount programmes or joint marketing efforts operated by other companies, can be learned at shows. Some firms use their representatives to go into competitor’s booths to spy and collect brochures as well as take notes during competitor’s presentations. This information will later be used by the sales force in order to learn and understand competitors’ strategies, which their marketing staff will also use to plan counter-strategies.

In addition to competitive information, customer information is also available at the show. The seminar agenda can provide insight into key issues the firm’s customers are facing. For example, if several seminars are presented on the subject of government regulation, then you can be sure that government regulation is an important issue for your customers.

Companies, that can respond, perhaps by helping customers comply with those regulations, will increase their market share.

Visitors to the booth respond to new products and programmes. Learning organizations can take this feedback and use it to adjust marketing programs or new product introductions. For example, prospects may suggest minor changes to the product. Such suggestions can provide an appropriate product developer with good information that changes a product, thus providing a useful learning opportunity for the firm. The potential of trade shows can be realized when post-show follow-up are used to secure orders from various leads and prospects. Effective trade show marketers are effective because they do not allow their success at the show to waste and die for lack of follow-up.

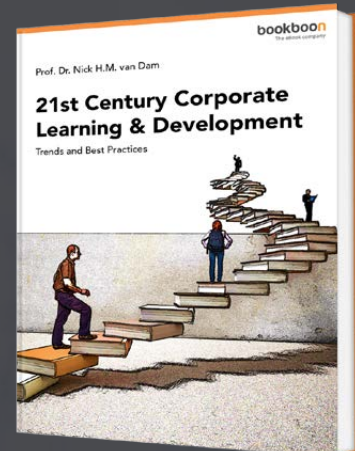
USING SPECIALTY ADVERTISING TO SUPPORT TRADE SHOWS

Specialty advertising is the use of products to advertise another product or company such as putting a company's name on pens and pencils, then giving them away. Specialty advertising, also called premiums freebies and give away, is an important part of the trade show marketing mix.

Free eBook on Learning & Development

By the Chief Learning Officer of McKinsey

[Download Now](#)



Split Premiums: are also popularly used for trade shows, it occurs when half of the premium is mailed to the prospect; the other half is given to the prospect after listening to the sales pitch at the booth. For example, a company might send one cufflink or earring in the mail, with the second available at the booth. Other popular forms of specialty advertising include premiums involving sports stars and other celebrities. Another popular form of premium is something that will be used regularly like a bottle opener, or a diary. A company in a trade show has cleverly combined its products and marketing message into a NO SMOKING sign giveaway. Any premium used regularly by the recipient has greater value to both the recipient and the marketing company.

The recipient appreciates the gift more, creating greater goodwill. The recipient also sees the marketing message more, increasing the value to the marketer. Specialty advertising can be used in a number of ways, not just at trade shows. Specialty advertising can include logo embossed merchandise given by salespeople to prospects, included in direct response mailings, or distributed through other methods. Specialty advertising is very popular in trade show marketing because of the ability of specialty advertising to lure potential buyers to the booth.

MEASURING EXHIBITION PERFORMANCE

The success of an exhibition can be measured using the following methods:

1. **TRAFFIC COUNTS:** at various times of the day, the number of visitors in the booth is counted, then multiplied by a factor of time available to determine total visitors. Simpler methods are to estimate the number of visitors based on the total number of brochures given out, business collected and so on.
2. **DIRECT MAIL REDEMPTION:** the booth staff counts the number of direct mail pieces redeemed or turned in at the booth.
3. **ATTRACTION EFFICIENCY:** is calculated by measuring the number of A leads as a percentage of the total audience. Divide the number of qualified prospects by the total visitors who meet the same profile. The number of total visitors can be received from the show organizer.
4. **TOTAL PRESS COVERAGE:** it is calculated from number of interviews given, number of visitors at press conference and press visitors at the booth.
5. **ANECDOTES:** the exhibit manager collects stories regarding which buyers came to the booth and what happened during their visit, for example volume of sales at the trade show.
6. **RECALL:** post-show surveys by independent investigator ask visitors about which booths they remember visiting. Like recall measures in advertising, recall measures examine how memorable the booth experience was. (*Stanton, 1981; Still, Cundiff, and Govoni, 1988*)

PUBLICITY

Publicity is news or information about a product, service or idea that is published on behalf of a sponsor but is not paid for by the sponsor.

Publicity involves the activity of securing editorial space, as divorced from paid space, in all media read, viewed or heard by a company's customers or prospects, for the specific purpose of assisting in the meeting of sales goals. Typically, publicity takes the form of a favourable news presentation in the manner of an insert for a product, service or organization. The insert is made in print, on radio or television or in some form of public address.

PUBLICITY DEFINED BY AMERICAN MARKETING ASSOCIATION: as non-personal stimulation of demand for a product, service, or business unit by planting commercially significant news about it in a published medium or obtaining favourable presentation of it on radio, television or stage that is not paid for by the sponsor.

THE NATURE OF PUBLICITY

1. Publicity must have news or information value before editors of newspapers and magazines or programme directors of radio or television stations will let it appear in their columns or on their programmes.
2. The media vehicle operators control the use of publicity materials and appearance of such materials are at their discretions.
3. The space or time which carries the publicity material is not sold by media vehicle operator.
4. The sponsor of the publicity pays the costs of making up the publicity and its circulation.
5. The sponsor of the publicity may, or may not be readily exposed or apparent to the reader, viewer or listener.

TYPES OF COMMUNICATION TOOLS FOR PUBLICITY

1. **NEWS RELEASE:** widely used form of publicity, usually consist of less than 300 words of typewritten copy, a photograph or line drawing, a product fact sheet, name, address and phone number of the person to call for further information. It should be news worthy or helpful to the readers of the publication.
2. **FEATURE ARTICLE:** this is a story about the company, its process, products or personnel. The feature article should appeal to a publication's reader. Feature articles are usually from 500 to 3000 words in length, typewritten for a specific magazine or newspaper.
3. **PRESS CONFERENCE:** an invitation is sent to editors and programme directors to attend a meeting at which the company has a major announcement or news event to communicate – a package of information is prepared by the company for those editors or programme directors that will attend.

4. **RECORDS AND FILMS:** these are usually interesting or helpful items the company feels radio or television programme directors will find useful. For television, they may vary from 60 minutes movies to five minutes film clips.
5. **EDITORIALS:** these are stories written by the company that appear in the editorial sections of newspapers or magazines.
Background materials for the editorial may be provided by the company for the editorial staffs of newspapers or magazines.

HANDLING NEGATIVE PUBLICITY

Negative or unfavourable publicity caused by human errors should be avoided by the firm or organization, but wherever they occur, the firm or organization should contact the press and give them available facts. The firm or organization should be open and fair in dealing with the press and when presenting their side of the story. This action will reduce or check any major problem that can arise from unfavourable or negative publicity.



www.sylvania.com

We do not reinvent
the wheel we reinvent
light.

Fascinating lighting offers an infinite spectrum of possibilities: Innovative technologies and new markets provide both opportunities and challenges. An environment in which your expertise is in high demand. Enjoy the supportive working atmosphere within our global group and benefit from international career paths. Implement sustainable ideas in close cooperation with other specialists and contribute to influencing our future. Come and join us in reinventing light every day.

Light is OSRAM

**OSRAM
SYLVANIA** 



Click on the ad to read more

NEW PRODUCT PUBLICITY

When used as a promotional tool, publicity can pave the way for a new product's acceptance long before advertising starts or salespersons start calling on prospective customers. These steps should be taken in using product publicity:

1. Establish the publicity objectives.
2. Choose the publicity messages and vehicles.
3. Evaluate the publicity results.

ESTABLISHING THE PUBLICITY OBJECTIVES

The company must have developed marketing plan for a brand, product or other marketable entity. The firm has identified the target market and the target response anticipated in the coming period. The strength of publicity objectives are in these elements:

1. **NEWSWORTHINESS:** products should support interesting stories acceptable to news editors
2. **STIMULUS FOR SALES FORCE AND DEALERS:** publicity should be used to boost the morale of the sales force and dealers. For example, news stories published about a new product before launching will help the sales force gain retailers' attention.
3. **NEED FOR CREDIBILITY:** publicity introduces an element of credibility by virtue of communicating the message in an editorial context.
4. **SMALL BUDGET:** publicity does not occur without cost but its cost is lowest for producing exposures in comparison with direct mail and media advertising. For example, a company can have publicity programme to support two major marketing objectives as follows:
 - To convince a target market about the benefits derivable from a product.
 - To improve the image and market share of the product among competing brands

These marketing objectives can be reformed into appropriate publicity objectives, such as:

- To develop magazine stories about the product and get them placed in top magazines and in newspapers.
- To develop special programmes for various identified segments within the target market.

CHOOSE THE PUBLICITY MESSAGE AND VEHICLE

Interesting stories about the product are developed. Stories should be chosen to symbolize each target segment of the market and it should support its desired market positioning.

If good stories are insufficient, newsworthy events could be sponsored; such sponsorship can be news creating like anniversary celebrations, art exhibits, bingo games, contests, dances, dinners, fairs, parties in unusual places, tours and others.

The special stories or events can be publicized in the media, using journalists to cover such special occasions.

EVALUATE THE PUBLICITY RESULTS

Publicity is usually designed with specific audience-response objectives planned by the firm. The major response measures are:

- **EXPOSURES:** the number of exposures created in the media.
- **AWARENESS, COMPREHENSION AND ATTITUDE CHANGE:** this involves using survey methodology to measure before and after levels of stated variables.
- **SALES AND PROFIT CONTRIBUTION:** sales and profit impact is the most satisfactory measure if it can be tracked by the firm. The management has to make some assumptions about the role played by publicity in the total impact. Suppose total sales have increased by \$1,500,000 and management conservatively estimates that publicity contributed 15 per cent of the total sales increase.

THE RETURN ON PUBLICITY INVESTMENT is calculated as follows:

Total sales increase	\$1,500,000
Estimated increase due to publicity (15%)	225,000
Contribution margin on product sales (10%)	22,500
Less total direct cost of publicity programme	<u>(10,000)</u>
Contribution margin added by publicity investment	\$12,500

RETURN ON PUBLICITY INVESTMENT (%) $\frac{\$12,500}{10,000} = 25\%$

RETURN ON PUBLICITY =

$$\frac{\text{contribution margin added by publicity investment}}{\text{INVESTMENT \% total direct cost of publicity program}}$$

CHARACTERISTICS ENHANCING USEFULNESS OF PUBLICITY

1. **HIGH CREDIBILITY:** publicity is believed a lot more than other promotion tools because the source usually appears to be an unbiased editor, and publicity often appears like news stories and features.
2. **MEDIA PRESTIGE CAN INFLUENCE CREDIBILITY OF MESSAGE:** publicity usually carries the authority and prestige of the media vehicle in which it appears.
3. **ABILITY TO REACH TARGET AUDIENCE OFF GUARD:** publicity can reach and influence people who are practically inaccessible by other promotion tools.
4. **DRAMATIZATION:** publicity has a potential for dramatizing a company or product.

LIMITATIONS OF PUBLICITY

1. Editors have complete control over a publicity material.
2. Editor can use all, more or part of a publicity release.
3. The source of message does not have absolute control over time of exposure.



Discover the truth at www.deloitte.ca/careers

Deloitte.

© Deloitte & Touche LLP and affiliated entities.



Click on the ad to read more

Criteria For Making A Good Publicity Release

1. **NEWSWORTHY MESSAGE:** the release must contain news or information of interest to the publication's readers.
2. **INDICATE DATE OF PUBLICITY:** the release should be dated. If it is for the future exposure, specify such future date.
3. **IDENTIFICATION OF THE SENDER:** the name and address of the issuing company and the name of person to be contacted for additional information should be inserted in a prominent place.
4. **MESSAGE MUST BE APPROPRIATE FOR THE TARGET AUDIENCE:** the publicity release should be written in conformity with the audience values, belief and attitude structure to gain good reception.
5. **CONCISE FACTUAL MESSAGE:** the publicity story should be simple, comprehensive and factual, written on letterhead size A4 or 210 × 297mm or 8.25" × 11.75".
6. **WRITE MESSAGE USING NARRATIVE STYLE:** the release should be written in a narrative form in order of descending importance. The most important information should be written first, followed by the lesser and least important information downward.
7. **PRESENT TECHNICAL INFORMATION IN COMPREHENSIBLE FORM:** technical terms should be limited to technical publication or explain such detail in a manner that target audience will understand.
8. **MESSAGE SHOULD BE SHORT:** the release should be considered and written with its contents not longer than 300 words.
9. **INCLUDE GRAPHIC ILLUSTRATION, IF ESSENTIAL:** a good quality, glossy photograph no smaller than 5" × 7" should be included, if necessary.
10. **ADD ALL NECESSARY RELEVANT INFORMATION:** other information that might be of help to editors, like technical literature, specification sheets and case histories, should be sent to the editor with the release. (Stanley, 1977; Warshaw and Kinnear, 1983; Fill, 2009)

9 Personified Promotion

PERSONAL SELLING

Personal selling is a type of interpersonal communication which brings to a prospective buyer's attention, information that will satisfy a need with hopes of achieving a response, usually in form of a purchase.

PERSONAL SELLING DEFINED: as the oral presentation in a conversation or discussion with one or more prospective purchases for the purpose of making sales.

Personal selling, which is a form of personified promotional communication is unique because it is dyadic and most effective promotional tools of certain stages of buying process, especially in building up buyer's preference, conviction and purchase action. The reason is that personal selling in comparison with advertising has three distinctive qualities:

1. **PERSONAL CONFRONTATION:** Personal selling involves an alive, immediate and interactive relationship between two or more persons. Each party is able to observe each other's need and characteristics at close hand and make immediate adjustments.
2. **CULTIVATION:** Personal selling permits all kinds of relationships to spring up, ranging from a matter of fact selling relationship to a deep personal friendship.
In most cases the sales person must use techniques and tact to entice the buyer. At times, the salesperson may be tempted to put pressure or to deceive to get an order but will normally keep the buyer's long-run interests as heart.
3. **RESPONSE:** Personal selling makes the buyer feel to be under some obligation for having listened to the sales presentation or using up the sales person's time, the buyer has a greater need to attend and respond, even if the response is a polite "thank you".

Personal selling, if used by scientifically selecting, building and managing an effective sales force as part of a total marketing mix, can provide a more cost – effective promotional tool.

A cost effective management of personal selling can be achieved by focusing adequate attention to these factors:

1. Establishment of sales force objectives.
2. Designing sales force strategy and determining types, structure, size and compensation of the sales force.
3. Recruitment and selection of sales force.
4. Provision of regular and relevant training for the sales force.
5. Provision of the right type and relevant supervision for the sales force.
6. Evaluating regularly the performance, activities and contributions of the sales force. (Stanley, 1977; Kotler, 1997; Stanton, 1978)

PERSONAL SELLING – A PERSONIFIED PROMOTIONAL PROCESS

Personal selling is personified – as communication delivery is done by professionally trained persons. It is a promotional communication process; it delivers corporate and product information to target recipients, with a view to creating positive attitudes of consumers towards product, marketer and achieving purchase response for effective repeat patronage from the consumer. Personal selling is the main element and tool used by marketers for the **push promotion strategy**.

Personal selling is a communication tool. Communication in the sales context is the process of transmitting verbal and non-verbal information and understanding between seller and buyer. It is an exchange process involved in sending messages packaged by a seller to a target receiver such as the buyer with some type of response expected between the seller and the buyer.

PERSONAL SELLING COMMUNICATION PROCESS

THE SOURCE: in personal selling process, a distinction must be made between the firm which is the real source of the message and the salesperson, who is the communicator of the message. For example, when salesperson A, representing company B calls on a prospect, the response that may be drawn out of the prospect is a function of the prospect's reaction to both the salesperson and the company.

SIMPLY CLEVER

ŠKODA



We will turn your CV into
an opportunity of a lifetime



Do you like cars? Would you like to be a part of a successful brand?
We will appreciate and reward both your enthusiasm and talent.
Send us your CV. You will be surprised where it can take you.

Send us your CV on
www.employerforlife.com



Click on the ad to read more

THE COMMUNICATOR: the salesperson is the communicator in the process. His or her message is transmitted to the prospect and the channel of message delivery consists of the spoken word or verbal presentation of product information and sometimes written proposals.

THE MESSAGE: in personal selling communication, the message is the sales presentation or the series of efforts which the salesperson puts together to provide information to the prospect.

The purpose of the message is to persuade the prospect that product and corporate offering is beneficial and the ability of the salesperson to design a customized sales presentation to the perceived needs of the prospect is one advantage that personal selling has over advertising. Additionally, sales presentation can be altered or modified to align with feedback received by the communicator or the source.

THE RECEIVER: the receiver of the message is the prospective customer or prospect. This is usually an individual when selling a consumer product or a group during the sale of industrial product. The skill of salesperson will be demonstrated by the ability to identify those individuals to whom the sales message should be directed to decide whether the recipients should be seen individually or in groups.

THE RESPONSE: for communication to have taken place some form of response must have been drawn out from the receiver. This response may be in the form of overt behaviour like a refusal to buy or more positive response such as a decision to buy. The response may also be psychological, in which case the receiver's awareness and comprehension of the message may be increased, effecting a change in the receiver's attitude toward the product offering.

FEEDBACK: this is the reverse flow of information the receiver now sends as reaction back to the source. Feedback allows message modification by the salesperson during the period of interaction with the prospect. It also enables the company to alter the content of its suggested sales message to conform better to customer information need to meet competition more effectively. Feedback also serves the purpose of monitoring the level of noise in the communication system and of indicating how clearly the message is coming through.

NOISE: Noise or distraction can occur in the communication process at the stated stages in the following ways:

1. **SOURCE:** if the product is technical or the message contains technical information not broken down to the understanding of the receiver or consumer.
2. **TRANSMISSION:** a poor sales presentation can cause message distraction or distortion.
3. **RECEIVER OR CONSUMER:** the strength of appeal built in competitor's sales message can cause a serious distraction to the communication process.
4. **CONSUMER BEHAVIOUR:** a negative attitude from the prospect towards the product, idea or the selling company can cause a substantial distraction to the communication process.

Noise includes barriers to communication between buyer and seller, such as –

- Differences in perception: if the buyer and the seller do not share a common understanding of information contained in the presentation, communication breaks down.
- Buyer does not recognize a need for product: a salesperson has been unable to convince the buyer of a need to buy.
- Selling pressure: a pushy, arrogant selling style can quickly cause the prospect to erect a communication barrier.
- Information overload: the salesperson may present the buyer with an excess of information. This overload may cause confusion, perhaps offend and the buyer will stop listening.
- Disorganized sales presentation: may cause buyer's frustration or anger. Buyers expect salesperson to understand their needs or problems and to customize the sales presentation to the buyer's situation.
- Distractions, such as telephone calls or someone walks into the office, interrupting the sales presentation.
- Poor listening: at times, the buyer may not listen to you. This, often occurs, if the salespersons do all or most of the talking. Interactive participation between buyer and seller should be encouraged.
- Not adapting to buyers' style: salesperson should use different communication styles to adapt presentation to buyers. (Stanley, 1977; Warshaw and Kinnear, 1983)

SALES FORCE STRATEGY

Sales force strategy is developed by the company through an understanding of the customer buying process and how the company can best position itself against competitors pursuing the same target consumers. The first thing to clarify is the types of selling situation that must be handled by the sales force. Five types of selling situations can be distinguished:

1. **SALES REPRESENTATIVE TO BUYER:** a single sales representative talks to a single prospect or customer using interpersonal communication or telephone.
2. **SALES REPRESENTATIVE TO BUYER GROUP:** a sales representative appears before a buying committee to make a sales presentation about a specific product.
3. **SALES TEAM TO BUYER GROUP:** a sales team, such as a company officer, a sales representative, and a sales engineer makes a sales presentation to a buying group.
4. **CONFERENCE SELLING:** the sales representative brings resource people from the company to meet with one or more buyers to discuss problems and mutual opportunities.
5. **SEMINAR SELLING:** a company team of technical people conducts an educational seminar for a technical group in a customer company about recent state-of-the-art developments. The aim is to enhance customer knowledge and loyalty rather than to make a specific sale.

Once a company clarifies the type of selling it must perform, it can use either a direct or a contractual sales force.

DIRECT SALES FORCE is owned by the firm. It consists of full or part-time paid employees who work exclusively for the company. This sales force category includes inside sales personnel, who conduct their business from their offices, using the telephone and receiving visits from prospective buyers. It also includes field sales personnel, who travel and visit customers.

CONTRACTUAL SALES FORCE consists of manufacturer's representative, sales agents or brokers who are paid a commission on the sales they obtain.

SALES FORCE STRUCTURE

Another component part of sales force strategy is how to structure the company's sales force to have maximum impact on the market. Four sales force structure have been identified as:

1. Territorial structured sales force.
2. Product structured sales force.
3. Customer structured sales force.
4. Complex sales force structure.



e-learning for kids

- The number 1 MOOC for Primary Education
- Free Digital Learning for Children 5-12
- 15 Million Children Reached

About e-Learning for Kids Established in 2004, e-Learning for Kids is a global nonprofit foundation dedicated to fun and free learning on the Internet for children ages 5 - 12 with courses in math, science, language arts, computers, health and environmental skills. Since 2005, more than 15 million children in over 190 countries have benefitted from eLessons provided by EFK! An all-volunteer staff consists of education and e-learning experts and business professionals from around the world committed to making difference. eLearning for Kids is actively seeking funding, volunteers, sponsors and courseware developers; get involved! For more information, please visit www.e-learningforkids.org.

TERRITORIAL STRUCTURED SALES FORCE: in this type of sales organization, each sales representative is given an exclusive territory in which to represent the company's full line. The advantages of this structure are:

1. It results in a clear definition of the salesperson's responsibilities. He or she bears the credit or blame for area sales for the extent that personnel selling efforts makes a difference. This tends to encourage a high level of effort, especially when management is able to gauge fairly accurately the area's sales potential.
2. Responsibility for a definite territory increases the sales representative's incentive to cultivate local business and personal ties. These ties tend to improve the quality of the sales representatives selling effectiveness and personal life.
3. Travel expenses are likely to be relatively small, since each sales representative's travel takes place within the bounds of a small geographical territory.

The territorial form of sales organization works quite well in companies that have a relatively homogenous set of products and customers. When products and markets become diversified, this form of sales force organization becomes increasingly less effective.

PRODUCT STRUCTURED SALES FORCE: the importance of sales representatives knowing their products, together with the development of product divisions and management, has led many companies to structure their sales force along product lines. Specialization of the sales force by product is particularly warranted where the products are technically complex, highly unrelated and very numerous. A major disadvantage can occur in a situation where the same firm buys all the company's products; it means that the same customer would be visited by various salespersons from the same selling firm. The selling firm's representatives will travel over the same routes, and each uses up valuable time waiting in the outer office to see the customer's purchasing agents. These extra costs must be weighed against the benefits that may result from the higher level of customer service and more knowledgeable product representation.

CUSTOMER STRUCTURED SALES FORCE: firms often specialize their sales forces along customer lines. Separate sales force may be set up for different industries, for major versus regular accounts and for current versus new business development. The advantage of this structure of customer specialization is that each sales force can become more knowledgeable about specific customer needs. The major disadvantage of customer structured sales force arises if the various types of customer's are scattered evenly throughout the country. This means an overlapping coverage of territories, which is always more expensive.

COMPLEX SALES FORCE STRUCTURE: when a company sells a wide variety of products to many types of customers over a broad geographical area, it often combines several principles of sale force structure. Sales representatives may be specialized by territory-product, territory-customer, product-customer or ultimately, by territory-product-customer. A sales representative may then be responsible to one or more line managers and one or more staff managers. The essential tasks of personal selling consist of:

1. Locating and meeting prospective customers.
2. Discovering customers' needs and attitudes.
3. Recommending a product package to fill the needs of customers.
4. Developing a sales presentation aimed at informing the customers of product attributes and persuading them to buy the recommended package.
5. Closing the sale and securing an order for the product.
6. Following up to ensure total satisfaction with the purchase.

Effective selling, either in a commercial or non-commercial context requires a very clear understanding of the nature of dyadic communication when one party is attempting to influence the response of the other. (Still, Cundiff and Govoni, 1988)

PEDDLER AND PROFESSIONAL SALESPERSON'S CHARACTERISTIC DIFFERENCES

CHARACTERISTICS OF A PEDDLER

1. A peddler will sell to you anything he can without the customer's needs, wants or satisfaction.
2. A peddler will use high pressure sales tactics to try and force the consumer to purchase even when the consumer is at a disadvantage of such purchase.
3. A peddler is often lacking in product knowledge that might be of assistance to the customer.
4. A peddler is a one-time salesperson who does not care about customer's repeat purchase. He provides no follow-up to ascertain customer's satisfaction.
5. A peddler does not have business ethics, may refuse genuine customers' complaints.

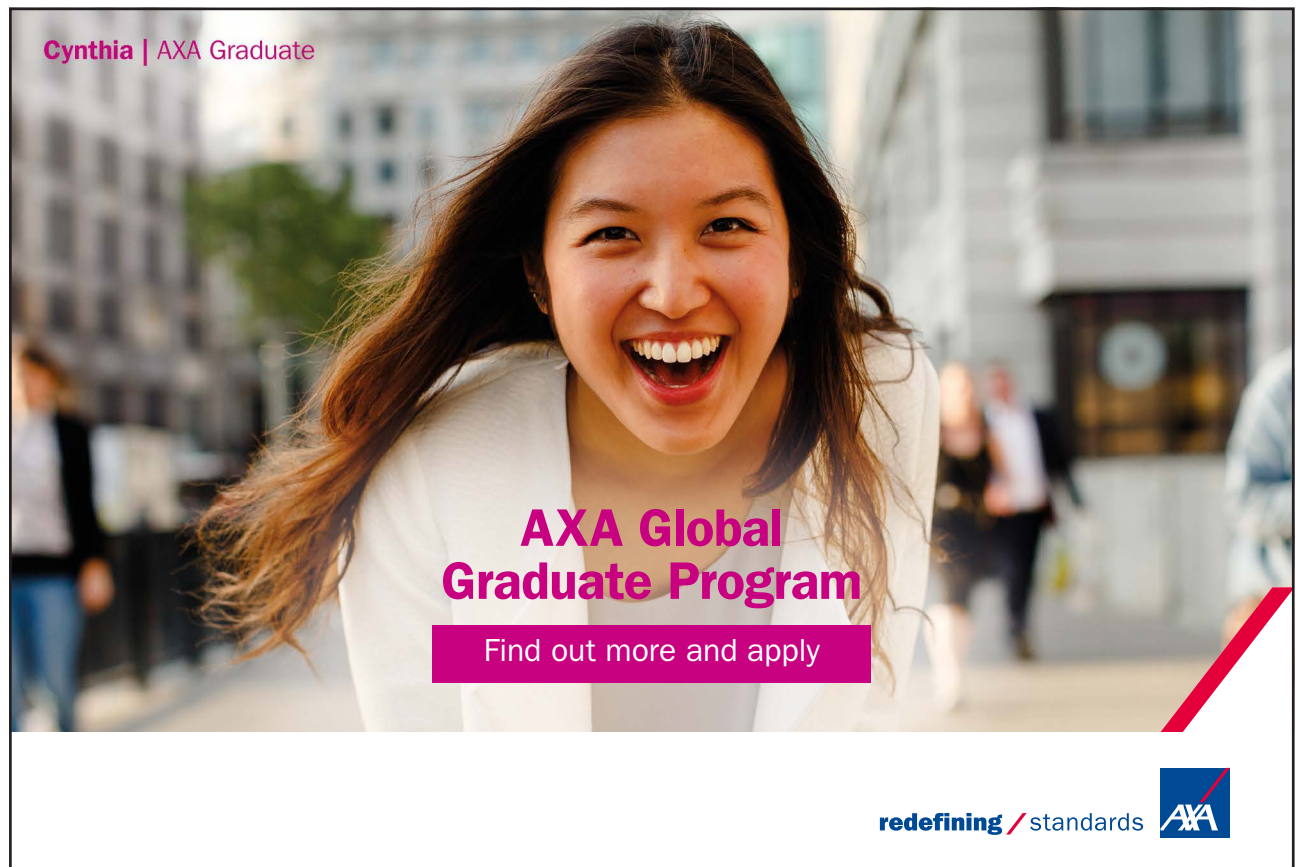
CHARACTERISTICS OF A PROFESSIONAL SALESPERSON

1. He is customer-oriented than self-oriented. He protects customers' needs, wants and satisfaction in making a sale.
2. He has vast valuable information and advice. Customers depend on him for such product information he can provide.
3. He does not use high pressure sales tactics.
4. He depends upon repeat business, provides follow-up on sales, ensures customers' satisfaction and attends to their complaints.

SKILL COMPONENTS FOR A PROFESSIONAL SALESPERSON

Customer demands facts, and the inability to supply just one important fact may cost a sale. A salesperson must have thorough knowledge about:

1. **THE SELLING COMPANY:** such knowledge as the company's growth, development, organization, key staff, policies, procedures, production, service facilities, price structure, discount and guarantee policies.
2. **PRODUCT KNOWLEDGE:** the company's product attributes such as (1) Generic-chemical and physical components (2) Aesthetic-packaging, designs, colour, price, manufacturer's, wholesaler and retailer's prestige, brand. (3) Need satisfaction attributes-product benefit to the consumer.
3. **COMPETITION KNOWLEDGE:** identification of the strength and weakness in competing products.
4. **THE CUSTOMER:** knowledge about the customer's organization, purchasing procedure, payment procedure customer's need and wants, customer's industry or the individual buying a consumer product.
5. **PERSUASION TECHNIQUES:** adequate skill in persuasion techniques, used in sales talk presentation product demonstration, customer complaints handling and order negotiation.
6. **NEGOTIATION TECHNIQUES:** sufficient skills in negotiation process are essential to provide a salesperson a huge ability to exchange ideas, change selling relationship and enhance customer's agreement.



Cynthia | AXA Graduate

AXA Global Graduate Program

Find out more and apply

redefining / standards AXA

LIMITATIONS OF PERSONAL SELLING

- High cost of developing and operating a sales force.
- Difficulty in getting the caliber of people needed to do the job.

IMPORTANCE OF PERSONAL SELLING

Selling is the specialized business of assisting and persuading prospective customers to obtain goods and services to the mutual satisfaction of both the buyers and the seller.

Personal selling is important because of private enterprises system which operates in various economies. The private enterprises system is usually influenced by these elements.

1. PRIVATE PROPERTY

The desire by entrepreneurs to make profits on services or products that they provide customers.

2. COMPETITION

The desire among entrepreneurs or businesses for buyers. It is competition-coupled with the element of consumer freedom of choice – that makes selling essential functions of marketing. Salesman must be able to differentiate between his own product and the competitors. This provides an edge for him in selling his product.

3. SUPPLY AND DEMAND

The interaction of the forces of demand and supply in determining selling prices.

- **DISTRIBUTION OF INCOME**

This is a reflection of how the society uses its factors of production (i.e. natural resources, labour, etc.) which affects wages earned for occupational skills or work output. Total income package determines each individual's disposable income and this has direct influence on buying or consumption habits.

Selling is very important part of marketing; because of the nature of private enterprises system which is becoming more dynamic as changes occur in the economic characteristics (i.e. change in products/ services, technology etc.). Salesperson must be able to identify changes, anticipate changes and devise effective ways of meeting these changes. These changes can be met by scientific marketing techniques and by creative salesmanship. (Stanley, 1977; Futrell, 1996)

FUNDAMENTALS OF SALES MANAGEMENT

Sales Management is concerned with the planning, administration and supervision of work assigned to a Sales department.

The sales manager should be a good planner, organizer and leader.

Duties of the sales manager will differ with the size and organization of the firm or country. Duties will also differ depending upon the type of firm (i.e. retailing, wholesaling or manufacturing business.)

General duties of the sales manager include:

- Recruiting the sales force.
- Training employees.
- Devising financial and non-financial incentives.
- Assigning territories and/or setting sales quotas.
- Supervising job performance.

SALES MANAGEMENT DEFINED

The definitions Committee of the African Marketing Association define Sales Management as follows:-

The planning' direction and control of personal selling, including recruiting, selecting, equipping, assigning, routing, supervising, paying and motivating, as these tasks apply to the personal sales force

OBJECTIVES OF SALES MANAGEMENT

There are three main objectives of sales management

1. Sales volume
2. Contribution to profits
3. Continuing growth.

The management delegates to marketing management which then delegates to sales management adequate authority to achieve the three objectives. Sales management provides top management with informed estimates and facts for making marketing decisions and for setting sales and profits goals.

SALES MANAGEMENT AND CONTROL

The purpose of control is to ensure that sales department objectives are met. Control can be achieved by the sales executive's regular reviews of these factors.

- Sizing up the situation
- Setting quantitative performance standards.
- Gathering and processing data on actual performance
- Evaluating performance
- Action to correct controllable variation.
- Adjusting for uncontrollable variations.

TYPES OF SALES CONTROL

- **INFORMAL CONTROL**

The sales executive's ability to analyze changes in the sales environment or situation from regular information received, though reports from salesperson, can be adequate, control in the organization is small.

- **FORMAL CONTROL**

This is achieved through formally written policies or guide lines by way of

1. Written sales policies.
2. Policy formulation and review.
3. Formal control over sales volume.
4. Budgetary control. (Still, Cundiff and Govoni, 1988)

I joined MITAS because
I wanted **real responsibility**

The Graduate Programme
for Engineers and Geoscientists
www.discovermitas.com



Month 16
I was a construction supervisor in the North Sea advising and helping foremen solve problems

Real work
International opportunities
Three work placements



SELLING PROCESS AND STAGES

The selling process is made up of certain basic steps taken in stages. For some products, some of the steps are not so important or so difficult to achieve as for others. It is very important that the salesman must cover a good ground therefore, he must check that he has successfully achieved each step before going on to the next step. Once a salesman loses control, he loses the initiative and the customer loses confidence in him, and the decision to buy such product will not be made by the customer.

STEPS AND STAGES OF SELLING

The steps and stages are as follows:

1) PRE-CALL OR PRE-APPROACH

- Planning to sell
- Identifying the customer.

2) THE SALE

STEP 1 – APPROACH OR SALES PRESENTATION

- Opening the interview.
- Getting information.
- Establishing the customer's criteria for ordering.
- Pre-handling objectives.
- Handling competition

STEP 2 – NEGOTIATION

- Selling benefits
- Overcoming objections
- Summarizing prior to close the sale

STEP 3 – CLOSE, ORDERING AND FOLLOW-UP

- Closing sales
- Keeping the customer sold, through after sales follow-up

THE USE OF QUESTIONS OR PROBING IN SELLING

The ability to ask the appropriate question during sales presentation is very essential for salesman. Without question, you can never find out what the prospective customer wants to buy, or if he has any buying motive, question allows a retain of the initiative in the discussion. If you are asking question, you hold the right to establish the product under discussion then conversation will continue along the lines indicated by your questioning. Questions give you control of the discussion.

Questioning makes you appear a pleasant and interesting person, on the principle that people prefer talking to listening.

Questions allow you to adopt your discussion and mode of expression to the characteristics of the man you are talking to.

Questions can be used to establish commitment. Obviously, every salesman seeks to commit his prospective customer to a favourable decision.

RULES FOR QUESTIONING

For a salesman to get full effects and advantages of questioning in a sales presentation, some basic rules are applicable:

- 1) Relax the customer.
- 2) Develop a quick rapport with the customer.
- 3) Get the customer to trust you.
- 4) Observe the customer.

TYPES OF QUESTIONING TECHNIQUE

There are two main types of questioning a salesman employs during sales presentation.

- 1) Direct questioning or probing using questions beginning with HOW, WHY, WHEN, WHERE, WHAT, WHO. These questions will require a qualifying response and it is these that clarify meaning and establish understanding.
- 2) Indirect questioning is useful where the level of rapport between the salesman and the customer is very high.

CUSTOMER PROFILE FOR USING DIRECT OR INDIRECT QUESTIONING

The following customer's make up profile are indications for a salesman to know which type of question to use during a sales presentation.

DIRECT QUESTIONING CUSTOMER'S PROFILE

1. Unhelpful
2. Uncooperative.
3. Low reacting
4. An Introvert
5. Unfriendly
6. Not volunteering facts
7. Not giving facts

INDIRECT QUESTIONING CUSTOMER'S PROFILE

1. Helpful
2. Giving facts
3. Volunteering information
4. Extrovert.
5. Warm and friendly.
6. Support your course
to the best of ability.

Direct and indirect questioning can also be used in the same presentation, depending on the mode of sales presentation adopted by the sales person.

THE S.P.I.N STRATEGY

In this logical sequence of question, a salesman directs a prospective buyer.

S-SITUATION QUESTION

Question about the buyer's operating contexts of business situation. Facts-finding question.

P-PROBLEM QUESTION

Question about buyers' problem with his present situation. To identify the dissatisfaction by the buyer presents present competitors' product is using.

I-IMPLICATIONS

Implications question about effect or implication of buyers problems. This question is used to bring out implicit need of the customer.

N-NEED PAY OFF QUESTION.

This is a question that offers a solution to a customer problem-probing for explicit need.

QUESTIONING TECHNIQUES, CONTROL AND INFORMATION

The sales techniques for getting information are questioning techniques.

- Questions - provide specific answers
- clarify information
- establish control

Questions are either direct or indirect, open or leading. Direct questions are used when you are happy for the customer to know the purpose behind your question. Indirect questions are used when you fear that the customer's personal attitude to your question might prejudice his answer.

Leading questions expecting YES or NO or quantitative answers are manipulative and are largely used later in the sales to lead the customer towards a "YES" decision. If the customer starts talking too much or heading for the wrong direction, the salesman must use a question to interrupt him. Interrupting with a leading question will bring a one-word answer and a pause, while he waits for your next question.

THE UNIQUENESS OF PERSONAL SELLING

Personals selling jobs are usually unique for these reasons.

1. Salespersons represent their company to the outside world, consequently, opinions of a company and its product are often formed from the impression left by the sales force.
2. Other employees usually work under close supervisory controls, whereas a sales force typically operates with little or no direct supervision. For sales persons to be successful, they must work hard physically and mentally. They must be creative, persistent, show high initiative and must be highly motivated.
3. Salespersons need more tact, diplomacy and social poise than other employees in an organization. Many sales jobs require the salesperson to mix socially with customers, who frequently are high-level executives. He must exhibit considerable social intelligence in dealing with buyers.
4. Salespersons are among the few employees authorized to spend company funds. They spend such funds for entertainment, transportation and other business expenses.
5. Personal selling jobs frequently require a considerable amount of travelling and much time spent away from home and family. Being in the field puts salespersons in solitary situations, where they deal with endless members of customers, who seem determined not to buy the sellers product. These mental stress, coupled with the physical demands of long working hours, extensive travels and poor eating habits, combine to require a degree of mental toughness and physical stamina rarely demanded in other types of job. Personal selling demands hard work.

BASIC TRAITS OF A GOOD SALESPERSON

Outstanding and successful salespersons have been identified to possess these traits:

1. A high level of energy.
2. Abounding self-confidence.
3. A chronic hunger for money, status and good things in life.
4. A well-established habit of industry.
5. The habit of perseverance – each objection or resistance is a challenge.
6. A natural tendency to be competitive.
7. Empathy – the ability to identify with customers and their feelings.
8. Ego – drive, the personal need to make a sale, as a measure of self-fulfillment and not just for the money.

RECRUITMENT SYSTEM

A planned system for recruiting a sufficient number of good salesperson should have these characteristics:

1. It operates continually, not only when there are vacancies on the sale force.
2. It is systematic – reaching and exploiting all appropriate sources of applicants.
3. It provides a continuous flow of qualified applicants in greater numbers than the company can use.
4. It is set up so that the mechanical, initial steps can be delegated and does not require the attention of a high level executive.

STAFFING THE SALES FORCE

Staffing is the system which provides, on a more or less continuing basis, qualified personnel to the Sales Organization.

ie business school

93%
OF MIM STUDENTS ARE
WORKING IN THEIR SECTOR 3 MONTHS
FOLLOWING GRADUATION

MASTER IN MANAGEMENT

- STUDY IN THE CENTER OF MADRID AND TAKE ADVANTAGE OF THE UNIQUE OPPORTUNITIES THAT THE CAPITAL OF SPAIN OFFERS
- PROPEL YOUR EDUCATION BY EARNING A DOUBLE DEGREE THAT BEST SUITS YOUR PROFESSIONAL GOALS
- STUDY A SEMESTER ABROAD AND BECOME A GLOBAL CITIZEN WITH THE BEYOND BORDERS EXPERIENCE

Length: 10 MONTHS
Av. Experience: 1 YEAR
Language: ENGLISH / SPANISH
Format: FULL-TIME
Intakes: SEPT / FEB

5 SPECIALIZATIONS
PERSONALIZE YOUR PROGRAM

#10 WORLDWIDE
MASTER IN MANAGEMENT
FINANCIAL TIMES

55 NATIONALITIES
IN CLASS

www.ie.edu/master-management | mim.admissions@ie.edu | [f](#) [t](#) [w](#) Follow us on IE MIM Experience

There are three notable points in staffing system

1. Recruiting, selection and orientation need to be assembled or combined together with the other functions of manpower development in such a way as to constitute a unitary whole.
2. Sales manpower development programmes must be viewed as investments with notable pay-off, some five to ten years off.
3. The sales manager should have formal knowledge of the type of person required by the sales job i.e. fitting the man into the job.

BENEFIT FROM STAFFING SYSTEM

Planned and systematic approach can remove costs that can result from other less effective hiring procedure. These costs can be incurred as a result of either:

1. TURNOVER

- High rate of sales person replacement can increase cost of maintaining a sales force i.e. loss of experienced and trained salesperson.
- Training costs and the salaries paid during the training period will be largely dissipated by high turnover. The reason is that resignations and discharges are most likely to occur in the early years of service preventing significant write-off of the expenses.
- Another cost of high turnover is the subtle deterioration of customer's goodwill. Customer's confidence may be shaken by the disruption in established relationships.
- Frequently overlooked as a cost is the loss of customers, hence sales volume when a salesman leaves a company. Sometimes customer's loyalty is to a particular salesman. Usually, salesperson that leaves a company has a way of carrying some customers along.

2. SALES FORCE PERFORMANCE

A costly consequence of poor hiring practice is their cumulative effects on sales force performance. Ineffective salesmen represent an immeasurable opportunity loss. Lost are the sales and/or profits which would accrue with good performance. If ineffective performances are predominant in a sale force, their presence will drive away good performers and dissuade potentially good performers from joining the company. Ineffective salesman will not be able to collect the vital information which, as a matter of procedure, will be requested by credit, customer service, and marketing research. Ineffective salesman will also not be able to follow through leads provided by advertising, customer service and inside salesman.

RESPONSIBILITY FOR STAFFING

In smaller companies, responsibility of staffing is placed on the field sales manager. In large companies, staffing is centralized at the headquarters. Regardless of where the responsibility is located, the field sales manager is usually given the opportunity to approve or disapprove a candidate. This is done to preserve the authority of line management.

ADVANTAGES OF STAFFING BY SALES MANAGER

The sales manager carries the greatest responsibility of staffing because of these advantages:-

- He has to work directly with the Salesman.
- The possibility of the sales manager obtaining men of various attitudes and background is high. This makes the sale force heterogeneous.
- The adaptation of new salesman to the organizational procedure is easier.

DISADVANTAGES OF STAFFING BY SALES MANAGER

- The dilution of uniformity of actions i.e. home office or headquarters acting against sales manager vice versa.
- The addition of more management task for the sales manager thus causing work overload. This may result in poor job by the sales manager.
- There are tendencies for the sales manager to hire in his own image. He may hire salesmen, having the same habits which may affect his suitability for the purpose.

HIRING SOURCES OF SALESMEN

1. **PRESENT EMPLOYEES:** promotion from within is a widely used source of sales manpower with industrial sellers tending to favour more than consumer sellers. A basic argument advanced for internal sources is that an individual, by coming up through the ranks, will be thoroughly familiar with the company – its products, policies, people, methods of operation and possibly even its customers. This means less training and minimum transitory disruption.

The company is aware of the candidate's personality characteristics and performance under actual business condition. This implies less risk and provides an opportunity for management to evaluate the potentials of the employee.

Internal promotion could be used as a reward for loyalty, also increased staff morale.

2. **EDUCATIONAL INSTITUTIONS:** the most popular and also the most perplexing source of sales manpower are the colleges. College graduates are recruited because of the desire by management to upgrade the sales force to meet the growing sophistication of the market. The college graduates background in training such as business and engineering. Management thinkings; that the advantage of college graduate recruits may be useful because of their poise, maturity, character, persistence and exposure to social life. The grade record of the graduate can provide some indication of mental capabilities, the ability to accomplish set tasks and the aptitude for training or school. The employer may have a top management job in field sales in view, thus college graduates are thought to have good qualities for top jobs in sales management.

Limitations in this source arose from the fact that college graduate's attitude toward sales job are not nearly favourable because of some misconception by the graduates about the job. These misconceptions can be categorized as follows:

- *POOR IMAGE:* Salesmen are described as maladjusted, shallow and insincere.
- *UNREWARDING INTELLECTUALLY AND CREATIVELY:* Selling is characterized as simply manipulation for personal gain. The financial rewards involved in selling are considered a poor substitute for a sense of accomplishment.
- *DULL, MONOTONOUS ROUTINE:* The sales job is monotonous and repulsive in personal tone. A job as salesman would be a waste of four years of college.
- *ILL SUITED FOR THE JOB:* College graduates don't feel qualified to sell; they feel they are not extrovert enough to get the sales job done.

Fresh college graduates don't usually stay with their first job thus resulting in high labour turnover for the employer. College sources increase the possibility of over-qualification, that is, the hiring of candidates who far exceed the minimum requirement of the selling job. Such new recruit may find the routine of selling job boring as a result he becomes ineffective on the job.

3. **EMPLOYMENT AGENCIES:** this is another prime source of sales manpower which is very useful where the designated manpower need is urgent and preliminary screening is desired. Candidates register their names with agency who screens and fits them into listed employment. thus, making the employment process quicker. Agencies tend to specialize in an area of labour employment; therefore, sales personnel can be recruited in an agency that specializes in listing sales personnel. Agencies can serve well where a prospective employer wishes to remain anonymous.

4. **ADVERTISING:** this is done by carrying an advert in various newspapers, professional journals or trade journals. Prospective employer tends to be more interested in experienced men than in recruits who would have to be trained. Companies used advertising because it is felt that it is the most productive and the least costly method of obtaining a large group of candidates. Maximization of the number of candidates affords the best insurance of finding the right man. The informational needs of the potential applicant should be summarized in the advert; this will reduce the possibility of application from unqualified persons. Such information can be:
- 1) Description of job and its environment
 - 2) Name of company and possibly, its products
 - 3) Specific minimums on job requirements
 - 4) Range of compensation.

5. **OTHER COMPANIES:**

- 1) The most controversial source of sales manpower is competition. The principal advantages are:
 - Competitive salesmen are thoroughly familiar with the products and customers.
 - Competitive salesmen will need little or no training.
 - Competitive salesmen are immediately productive with no break in period.
 - Competitive salesmen may bring their former customers with them, thus adding new businesses immediately to their new employer.

Hiring competitive salesman raises certain ethical considerations like whether the company is adding a salesman or buying business. There is good possibility that competitor salesman will reveal trade secrets – in most causes-unconsciously. This can result in the inception of personnel war. Competitor's salesman are usually attracted with higher pay and once employed, can have a disruptive effect on sales force morale. Other disadvantages of this process are:

- The difficulty of indoctrinating competitor's salesman in company policies and tactics.
 - The strain on relations with competitor with its accompanying deterioration of the market.
 - The failure of competitor's salesman to perform up to expectation. The fear that the bad habits of competitor's salesman will not outweigh his experience and training.
 - The possibility of legal implications, Some employment contracts prohibit salesman from taking jobs with its competitors.
- 2) Employees of customers can be good source of sales manpower; they also have good product and customer knowledge.
6. **PLACEMENT SERVICES:** Placement services are maintained by Trade Associations and Professional Organizations.

TOOLS OF SELECTION

APPLICATION FORM: A carefully designed questionnaire in form of application form will be completed by prospective candidate. Depending on the type of sales job that is up for recruitment, questionnaires are used to expose depth of applicant's interest. It provides a quick method of eliminating applicants who are not qualified. It could be used at different stages of selection process.

- 1) To weed those applicants who are applying for the sake of getting a job.
- 2) The application blank formalizes the factual data requested from applicants.

Questionnaire details will seek to find information about personal data, educational background, work history and references. Critical questions can be on the form to reveal the applicant's degree of future success or failure in a specialized sales job. Questions could be asked about (1) Too high a standard of living (2) Excessive indebtedness. (3) Instability of address or job-hopping (4) Unexplained gaps in employment record (5) Failure in own business within last two years. (6) Divorce or separation within last two years.



"I studied English for 16 years but...
...I finally learned to speak it in just six lessons"
Jane, Chinese architect

ENGLISH OUT THERE

Click to hear me talking before and after my unique course download

PERSONAL INTERVIEW

The obvious fact that personal selling is based on face-to-face communication explains the reason why interviewing is essential in the selection process of a salesman. It is important than an in-depth knowledge of the applicant's personality and interview is the only way this can be done. Observable qualities that can be graded during interview are:

1. Personality
2. Poise – (how balanced is the candidate).
3. Speaking voice.
4. Appearance.
5. Attitude.
6. Interest in position
7. Thinking ability.

A combination of three main interview processes can be used as follows:-

(1) Screening in nature (2) Diagnostic (3) Confirmation – this is usually done by the sales manager who will assemble all data about the candidate and study them thoroughly.

In the past 5 years we have drilled around

95,000 km

—that's more than **twice** around the world.

Who are we?
We are the world's leading provider of reservoir characterization, drilling, production, and processing technologies to the oil and gas industry.

Who are we looking for?
We offer countless opportunities in the following domains:

- **Operations**
- **Research, Engineering, and Manufacturing**
- **Geoscience and Petrotechnical**
- **Commercial and Business**

We're looking for high-energy, self-motivated graduates with vision and integrity to join our team.

What will you be?

careers.slb.com

Schlumberger

TESTING

The purpose of testing is to quantify the various characteristics of psychological make up that may have bearing on a candidate's future performance as a member of the sales force.

Test will focus on (1) Mental ability or intelligence (2) Personality (3) Sales aptitude (4) Interest (5) Social intelligence (6) Mechanical aptitude for engineering products.

- **MENTAL ABILITY TEST**
It is a rated test usually graded with minimum score or cut-off point to screen out intelligent candidates.
- **PERSONALITY TEST**
Such tests are concerned with identifying the mix and measuring each of the behaviour traits or aspect of personality that will permit a person to be successful in selling.
- **SALES APTITUDE TEST**
This test measures a person's innate or acquired capacity for selling. Cone type of sales aptitudes test poses various hypothetical selling situations about which questions are asked the candidates to measure his/her degree of sales sense.
- **SOCIAL INTELLIGENCE TEST**
The vast extent of interpersonal contact experiences by a salesman means an essential need for the job because of the candidate's ability of getting along with others.

SALES FORCE TRAINING

There are basically two types of training for salesperson. The initial or induction training which is concerned with preparation and orientation. The second form of training is continuous training which acts to refresh, bring improvement and update selling proficiency.

INITIAL OR INDUCTION TRAINING

The principal objective of initial training is preparation for a particular sales task. If a firm has more than one category of sales task, separate training will have to be designed for each. Initial training programmes may last from a few days to several years depending on the size of the organization and task to be assigned to the salesman.

TRAINING PROGRAMME CONTENT

Product Knowledge

Training on Product Knowledge will cover the generic components of products and their respective end users. Actual information on how the product is made is given to the trainee. The normal procedure is for sales trainee to move at stated intervals from one department or production phase to another. The trainee writes a report about each phase as he goes through. This is to evaluate his level of understanding. The report also helps to appraise the effectiveness of the training programme.

Factory training has the following advantages:

1. Pride and confidence are gained in product quality.
2. Self-assurance emanating from technical knowledge of product make-up.
3. Communication with customers through the use of the operational vocabulary peculiar to the industry.
4. Understanding of product functioning that allows effective diagnostics of customer problems. A sales trainee could also accompany a senior salesman as he calls on customers or some arrangements are made to get trainee salesman to practise selling to customers.

- **SELLING SKILLS**

Restructured training in the subject area of selling skills will be given to the new recruit or trainee. The focus of training will be on role playing, a participative approach to selling that fosters an understanding of the buyer-seller interaction in an organizational environment. He must be taught to think and react in his own manner to different selling situations; be conscientiously alert to customer's reaction. His role in information acquisition and dissemination must be stressed.

- **MARKET OR CUSTOMER KNOWLEDGE**

The salesman must have an intensive knowledge of his customer's business. Training in market knowledge provides answer to three significant questions:

1. Who needs our various products? Its answer helps salesman identify market's prospects.
2. What is the reason for the need? A given product may have a variety of purposes depending on the buyers.
3. What type of purchase procedure do the buying firms have? This will expose the buying procedure, formal and informal influences on the buying decision and organizational structure.

- **COMPANY KNOWLEDGE**

The trainee must know how his company operates. This includes knowledge about company's policies such as credit, delivery, pricing, discounts, financial or other elements of customer service. The legal implication of these policies should be taught. Guidelines provided by company on various mentioned policies permit autonomy and encourages decisiveness in the salesman's decision-making.

- **TERRITORY MANAGEMENT**

Training in territory management is usually done by the sales manager. Sales trainee works on the job with the manager by making sales calls. The trainee salesman learns the process of making sales calls, time management, establishing customer rapport, scheduling, and elimination of travel time between sales calls. The trainee learns how to schedule his daily and weekly sales routines. These schedules are submitted on weekly basis to the sales manager ahead of the period.

- **NEGOTIATION TECHNIQUES**

The trainee salesman should be taught the basic techniques involved in negotiating sales, and business.

Excellent Economics and Business programmes at:



university of
 groningen




**“The perfect start
 of a successful,
 international career.”**

CLICK HERE
 to discover why both socially
 and academically the University
 of Groningen is one of the best
 places for a student to be

www.rug.nl/feb/education

METHOD OF TRAINING

Training can be group or individual basis. One or a combination of the following methods can be used:

1. Lecture, e.g. group lecture.
2. Discussion, e.g. uses of case studies and problem-solving.
3. Role playing, e.g. practice in the job situations.
4. On-the-job, e.g. by assignment of sales tasks to the trainee.
5. Job rotation, i.e. movement of trainee through various departments – marketing, billing and production.
6. Home study, e.g. correspondence courses, programmed instruction and teaching systems with tapes.

CONTINUOUS TRAINING

The purposes of continuous training are to provide refresher training for the experienced salesman, update his marketing know-how, and re-motivate him. Daily job routine tends to make salesman develop a pattern of behaviour which affects their efficiency. Continuous training will focus regularly on

1. How to overcome objections.
2. How to close the sale.
3. How to present product information.
4. How to plan selling time.
5. How to classify prospect.

The second objection of continuous training is to keep the salesman current and avoid obsolescence.

PROGRAMME CONTENTS

Programme contents are similar to those of initial training but emphasis is laid on practice, sophisticated approach and increased experiences in:

1. Product knowledge e.g. comparing competitor's product or product analysis.
2. Selling skills.
3. Market or customer knowledge.
4. Company knowledge e.g. Access to AGM reports or policies' review.
5. Territory management.
6. Negotiation techniques.

TRAINING METHOD

- *SALES MEETINGS*

A sales meeting is the most common method of group training for experienced salesman. The meeting could be scheduled for quarterly period, half-yearly or once yearly. A psychological plus of sales meeting is the opportunity it provides the salesman to satisfy his need for belonging. He can avail himself of the chance to associate with other salesman from around the country, sales manager and executives in a relaxed atmosphere, possibly at a resort. Its limitation is the cost of gathering salesman at a point for this meeting.

- *SALES SEMINAR*

A sales seminar usually handles one topic while sales meeting handles various topics. Seminars are discussion groups and therefore relatively in-structured in comparison with unstructured meetings of any size. The purpose of a seminar is to provide a means whereby experienced salesmen have the opportunity to discuss mutual problems and exchange sales experiences.

- *COACHING*

The sales manager makes joint calls with the salesman. He functions as a helper to the experienced salesman. In the process of making a joint call with an experienced salesman, a field sales manager will take an active part in teaming with the salesman. A daily review of sales activities is held at lunchtime; end of the working day or at the end of the visit with the salesman.

- *SELF-INSTRUCTION*

The sales manager has to integrate this into the company's training programme. Self-instructions are done through programmed correspondence instructions in stage or series of steps. The individual studies at his own time and speed. Such courses are recognized by management. Trade journals, bulletins are also good forms of self-instruction.

- *TRAINING OF DISTRIBUTORS*

This form of training comes under continuous training. Seminars are mostly used for training distributors.

THE SALES BUDGET

The sales force budget is the amount of money assigned for a definite period, usually one year. It is based on estimates of expenditure during that time and proposals for financing the budget. It depends on the sales forecast and the amount of revenue expected to be generated for the organization during that period.

Budget funds must be appropriated wisely to properly support selling activities that allow sales personnel and total marketing group to reach performance goals.

Operating costs for the sales force to be calculated into the budget include:

- Base salaries for management and sales people.
- Commissions.
- Other compensations such as social securities, retirement plan and others.
- Special incentives.
- Office expenses.
- Product samples.
- Selling aids.
- Transportation expenses.
- Entertainment.
- Travels.

RETURN ON INVESTMENT

Return On Investment (ROI) is an important measurement tool that management can use in evaluating sales performance and in making marketing decisions, like setting the personal selling budget.



American online
LIGS University
is currently enrolling in the
Interactive Online **BBA, MBA, MSc,**
DBA and PhD programs:

- ▶ enroll **by September 30th, 2014** and
- ▶ **save up to 16%** on the tuition!
- ▶ pay in 10 installments / 2 years
- ▶ Interactive **Online education**
- ▶ visit www.ligsuniversity.com to find out more!

Note: LIGS University is not accredited by any nationally recognized accrediting agency listed by the US Secretary of Education. More info [here](#).



An appropriate formula for measuring return on investment is as follows:

$$\text{ROI} = \frac{\text{Net profit}}{\text{Sales}} \times \frac{\text{Sales}}{\text{Investment}}$$

INVESTMENT: is total assets employed. The first fraction expresses the rate of profit on sales, and the second fraction indicates the number of times the total investment (assets employed) was turned over. By multiplying the rate of profit on sales by the investment turnover, the return on investment is determined.

The ROI concept is particularly useful for evaluating the performance of a territorial sales manager or some other segments of the field sales organization.

The factors in the equation would be modified to make them appropriate for the organizational segment being analyzed. If management is evaluating territorial performance, for instance, sales volume, in each district, presumably is readily available for the profit figure, management can determine the contributions margin in each territory. That is, from a given territory's sales, we deduct the cost of goods sold and all operating expenses directory chargeable to (i.e. controllable by) that district. The investment (assets employed) in the territory consists of the average accounts receivable and inventory carried to serve that district. In equation form this is:

$$\text{ROI} = \frac{\text{Contribution margin}}{\text{Territory sales}} \times \frac{\text{Territorial sales}}{\text{Average accounts}}$$

Territorial managers can improve their return on investment by influencing volume contribution margin or district investment.

Thus, the ROI concept can serve field sales managers as a useful decision-making aid when they are considering the addition of new customers or products their regions. In effect, return on investment is an analytical tool that facilitates the delegation of profit responsibility to territorial sales managers.

SALES QUOTAS

A sales quota is a share of the company selling job assigned to a salesman or other making unit for use as a goal in the management of selling effort.

As standards for appraising selling effectiveness, quotas specify desired performance levels for sale volume; budget items as expenses, gross margin, net profit and return on Investment; selling and non-selling-related activities or some combination of these items.

In some companies, sales management sets quotas for middleman such as agents, wholesalers and retailers. Quotas set for sales region or other marketing units on higher organizational levels, are customarily broken down and reassigned to lower level units like sales districts or individual sales personnel.

All quotas have a time dimension; they quantify what management expects within a given period.

OBJECTIVES IN USING QUOTAS

The main objective that sales management has in mind in using quotas is to control the sales effort. These objectives can be achieved by these provisions:

1. *QUANTITATIVE PERFORMANCE CONTROL:*

Quotas provide a means for determining which sales personnel, other units of the sales department or distributive outlets are doing an average, below average or above average job. Territorial Sales volume quotas, as yardsticks for measuring territorial sales performance.

2. *TO OBTAIN TIGHTER SALES AND EXPENSES CONTROL:*

Control over expenses and profitability is tightened through quotas. Some companies reimburse sales expenses only up to a certain percentage of sales volume. The expenses quotas is being expressed as a percentage of sales.

3. *TO MOTIVATE DESIRED PERFORMANCE:*

Quotas motivate sales personnel, distributive outlets, and others engaged in the sales operation to achieve performance levels. Some managements use quotas solely for inspirational purposes, basing them, almost entirely, upon what they think individuals can be inspired to achieve.

4. *TO USE IN CONNECTION WITH SALES CONTESTS:*

Firms often use performance against quotas as the main basis for making awards in sales contests. Sale contests are strong incentives if all participants feel they have equal chance of winning. Awards are usually based on the fulfillment of a per cent of the quota.

TYPES OF QUOTAS

There are five categories of quotas.

1. **SALES VOLUME QUOTAS:** This is the commonest in terms of usage by management. It could cover geographical areas, product lines or marketing channels. Many management derive sales volume quotas from sales potentials. This procedure is more appropriate when:
 - Territorial Sales potentials are determined in conjunction with territorial design.
 - Bottom-up planning and forecasting procedures are used in obtaining the sales estimate in the sales forecast.

2. **PROFIT OR BUDGET QUOTAS:** Budget quotas are set for various units in the sales organisation to control expenses, gross margin or net profit. The intention in setting budget quotas is to make them clear to sales personnel that their jobs consist of something more than obtaining sales volume. Budget quotas make personnel more conscious that the company is in business to make profit.
3. **EXPENSES QUOTAS:** Expenses quotas emphasise keeping expenses in alignment with sales volume thereby controlling gross margin and net profit contributions. Gross margin or net profit quotas emphasise margin and profit contribution thereby indirectly controlling sales expenses.
4. **ACTIVITY QUOTAS:** This is designed to control how sales personnel allocate their time and efforts among different activities. Activity quotas are set for total sales calls, calls on particular classes of customers, calls on prospects, number of new accounts, missionary calls, product demonstrations, placement or erection of displays and making of collections.
5. **COMBINATION SYSTEM QUOTAS:** Combination quotas control performance of both selling and non-selling activities.

The quotas overcome the difficulty of using different measurement units to appraise different aspects of performance. Performances against combination quotas are calculated as percentages. These quotas are known as point systems, the points being percentage points.



DON'T EAT YELLOW SNOW

What will your advice be?

Some advice just states the obvious. But to give the kind of advice that's going to make a real difference to your clients you've got to listen critically, dig beneath the surface, challenge assumptions and be credible and confident enough to make suggestions right from day one. At Grant Thornton you've got to be ready to kick start a career right at the heart of business.

Sound like you? Here's our advice: visit [GrantThornton.ca/careers/students](https://www.grantthornton.ca/careers/students)

Scan here to learn more about a career with Grant Thornton.



 **Grant Thornton**
An instinct for growth™

© Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd

SALES TERRITORY

SALES TERRITORY DEFINED: as a number of present and potential customers, located within a geographical area and assigned to a sales person, branch or middleman that is wholesaler or retailer.

REASONS FOR TERRITORY DESIGN

1. To enable management achieve effective plans and control of marketing efforts at the lowest organisational level.
2. Sales territories will ensure organised coverage of the defined market.
3. Territorial assignments to salesperson has a reduction effect on selling expenses which accrues to maintaining a salesman in a territory.
4. The use of sales territories makes it possible to meet competition more effectively.
5. Territorial systems facilitate the allocation of revenue and expenses by market area.
6. Good territorial designs help in maintaining sales force morale.

SALES FORCE MANAGEMENT MOTIVATION MIX

Motivation mix consists of a combination of factors used in sales management to motivate salespeople. These factors are:

1. *THE BASIC COMPENSATION PLAN*: this includes salary, commission and fringe benefits.
2. *SPECIAL FINANCIAL INCENTIVES*: consist of contests, bonuses and company sponsored trips.
3. *NON-FINANCIAL REWARDS*: include achievement awards, challenging work assignments, psychological rewards such as praise and recognition.
4. *LEADERSHIP TECHNIQUE*: consists of elements such as style, personal contact methods or feedback which include national, regional, district meetings, individual meetings, letters, telephone calls and joint sales calls.
5. *MANAGEMENT CONTROL PROCEDURES*: encompasses performance evaluation, quotas and reports.

COMPENSATION PLAN

The components of a sales force compensation plan are:

1. **FINANCIAL COMPENSATION:** this is subdivided into two such as:
 - *DIRECT:* payment of money
 - *INDIRECT:* paid vacations or company financed insurance programmes and others

2. **NON-FINANCIAL COMPENSATION:** this type consists of the following:
 - Opportunity to advance on the job
 - Recognition inside and outside the firm
 - Self-respect

A compensation plan should be based on four principles:

1. Pay a meaningful incentive in a timely manner.
2. Base the incentive payment on performance.
3. Be certain that the performance is based on activities that can be controlled by the representative.
4. Use the performance criteria that are observable and measurable.

STEPS IN DEVELOPING A COMPENSATION PLAN

The steps in developing a compensation plan are:

1. Define the sales job.
2. Consider the company's general compensation structure.
3. Consider compensation patterns in community and industry.
4. Determine compensation level.
5. Provide for the various compensation elements.
6. Special company needs and problems should be considered.
7. Consult the present sales force.
8. Reduce tentative plan to writing and pretest it.
9. Revise the plan.
10. Implement the plan and provide follow-up.

TYPES OF DIRECT FINANCIAL SYSTEM

1. **FIXED SALARY:** this is a time wage paid at a flat rate per week or month.
2. **STRAIGHT COMMISSION PLAN:** this is based on the assumption that sales volume should be used to determine remuneration.
3. **COMBINATION SALARY AND INCENTIVE PLAN:** the combination salary and incentive plan is based on balancing the advantages and disadvantages in the two systems of compensation plan to be able to achieve a blend of the two basic plans. Management seeks both control and motivation of salespeople by adapting this form of compensation plan.
4. **BONUSES:** a bonus is an amount paid for accomplishing a specific sales task; it is different from commission because it does not vary with sales volume.

TYPES OF INDIRECT FINANCIAL INCENTIVES

These are extras on basic pay plan which are non cash in nature and have no direct relationship to overall sales performance. Examples are:

- Fringe benefit
- Selling expenses
- Sales contests



.....Alcatel-Lucent 

www.alcatel-lucent.com/careers

What if you could build your future and create the future?

One generation's transformation is the next's status quo. In the near future, people may soon think it's strange that devices ever had to be "plugged in." To obtain that status, there needs to be "The Shift".

EVALUATION OF SALES FORCE PERFORMANCE

- The task of managing a sales force should include the job of evaluating the efforts of the sales people. Until executives know what their sales force is doing, they are not in a position to make constructive proposals for improvement. Performance evaluation is essential for various reasons.
- Performance analysis can assist sales manager in improving efforts or contributions from individual salesperson.
- Performance evaluation can aid in determining training programme content, sales force supervision and pin-pointing specific strengths and weaknesses of the sales force.
- Performance evaluation can assist management to decide compensation packages and promotion for the sales force.
- Performance evaluation should be based on quantitative and qualitative factors.

QUANTITATIVE BASES: sales performance should be evaluated on the basis of input or efforts such as indicated by call rate, non-selling activities, product demonstration and so on. It should be evaluated on the basis of output result as measured by achieved sales volume, gross margin, and so on.

Some output-result factors that ordinarily are quite useful as evaluation bases are:

1. Sales volume – by products, customer groups territory and so on.
2. Sales volume as a percentage of quota or territorial potential.
3. Gross margin by product line, customer group and so on.
4. Orders – number, average size in monetary terms, batting average or orders divided by calls.
5. Accounts – percentage of accounts sold, number of new accounts called on and sold.

Some useful input – effort factors to measure are:

1. Calls per day or call rate
2. Direct selling expense, as a percentage of sales volume or expense quota.
3. Non selling activities such advertising displays set up and number of training sessions held with dealer and distributors.

A successful evaluation programme should appraise the sales person's performance on as many different bases as possible to avoid a misleading evaluation. For example, a high daily call rate appears good, but it tells the management nothing about how many orders per call are being written up.

QUALITATIVE BASIS: qualitative factors that influence the salesperson performance must be evaluated such factors as:

1. The sales person's knowledge of the product, company policies and the competition.
2. The management of the sales person's own time and the preparation for calls.
3. Customer relations
4. Personal appearance and health.
5. Personality and attitudinal factors such as cooperation, resourcefulness, ability to analyse logically and make decisions.

CATEGORIES OF PERSONAL SELLING JOBS

1. **SALES ENGINEER:** is an industrial salesperson who sells machinery or machines to other manufacturers. Must be thoroughly trained in engineering field and also have thorough knowledge of the product. He should be able to solve technical problems.
2. **MANUFACTURER'S REPRESENTATIVE:** he is involved with all aspects of selling and customer relations. A jack of all trades to his contacts; he is usually taken by his contacts as the manufacturer because he is well known by his customers.
3. **PIIONEER SALESMAN:** the pioneer salesman is responsible for promoting new products with which customers may not be familiar. He sells primarily to wholesalers but may sell to other manufacturers and also to retailers. For example, a pharmaceutical salesman.
4. **DEALER-SERVICE SALESMAN:** after a pioneer salesman has convinced another manufacturer's wholesaler or retailer that he should use the company's product, it is the job of the dealer – service salesman to make sure that the customer is kept adequately supplied with the products.
5. **MISSIONARY SALESMAN:** the job of missionary salesman is to help the retailer sell so that he will reorder from the wholesaler. They do not solicit direct business but solicit orders for their customers.
6. **DIRECT SALESMAN:** manufacturers who sell their products directly to the ultimate consumer through catalogue or mail order or door-to-door use direct salesman. For example, furniture manufacturer or household products.
7. **GENERAL WHOLESALE SALESMAN:** the duty of the general wholesale salesman is to persuade the retailer that he should buy part of his stock requirements from the wholesaler whom the salesman represents.
8. **MERCHANDISING SALESMAN:** the merchandising salesman is a practical sales promotion man. His job is to help his customers produce the maximum sales of the product they order from his wholesaler thereby creating reorders. He must encourage retailers to advertise and display his products and may supply advertising or display materials.

9. **DETAIL SALESMAN:** the straight detailer checks the inventory in stores which handle his merchandise, takes orders and may make suggestions to help increase sales volume. An example is the pharmacist salesman detailed to a doctor as client.
10. **RACK SALESMAN:** the rack salesmen handles food items, beauty aids in supermarkets. He checks the store's supply of his products replenishes stocks as needed and keeps displays in order.
11. **TRUCK SALESMAN:** he combines the job of a salesman with that of a delivery man. For example, soft drinks or dairy products salesman.
12. **INSIDE ORDER SALESMAN:** he is primarily an inside order taker, selling behind the office counters. They are referred to as order takers because most of the customers he makes contact with have decided to buy, the sales clerk only render customer service or sell through suggestions.



Join the best at
the Maastricht University
School of Business and
Economics!

Top master's programmes

- 33rd place Financial Times worldwide ranking: MSc International Business
- 1st place: MSc International Business
- 1st place: MSc Financial Economics
- 2nd place: MSc Management of Learning
- 2nd place: MSc Economics
- 2nd place: MSc Econometrics and Operations Research
- 2nd place: MSc Global Supply Chain Management and Change

Sources: Keuzegids Master ranking 2013; Elsevier 'Beste Studies' ranking 2012; Financial Times Global Masters in Management ranking 2012

Maastricht University is the best specialist university in the Netherlands (Elsevier)

Visit us and find out why we are the best!
Master's Open Day: 22 February 2014

www.mastersopenday.nl



Click on the ad to read more

DETERMINING SALES FORCE SIZE

The size of a sales force needed by a firm is important when planning a promotion campaign that relies on personal selling. Sales representatives are part of the most productive and expensive assets of a company. Increasing their number will increase both sales and costs. Common method used by firms to establish the size of their sales force is WORKLOAD APPROACH. This method consists of the following steps:

1. Customers are grouped into size classes according to their annual sales volume.
2. The desirable call frequencies (number of sales calls on an account per year) are established for each class. They reflect how much call intensity the company seeks in relation to competitors.
3. The number of accounts in each size class is multiplied by the corresponding call frequency to arrive at the total workload for the country, in sales calls per year.
4. The average number of calls a salesperson can make per year is determined.
5. The number of salespersons needed is determined by dividing the total annual calls required by the average annual calls made by a salesperson.

EXAMPLE

The company's customer size classes in the Nation are:

1. A accounts - 1000
B accounts - 2000
2. A accounts require 36 calls per year
B accounts require 12 calls per year
3. The above data means the company requires a sales force that can make 60,000 sales call per year. Suppose the average sales person can make 1000 calls per year. The company's requirement would be 60,000 divided by 1000, which equals 60 full time sales persons. The overall effectiveness of personal selling for promotion campaign depends on proper management of the costs of a sales force and sales generated.

DEVELOPING PERSONAL SELLING STRATEGIES

The process of developing a personal selling promotion strategy is illustrated by the ISTEAM MODEL. ISTEAM stands for the following:

- I Impression
- S Strategy
- T Transmission
- E Evaluation
- A Adjustment

This model suggests that salespeople's influence depends on their skills at performing five basic activities:

1. Developing useful impressions of the customer.
2. Formulating selling strategies based on these impressions.
3. Transmitting appropriate messages.
4. Evaluating customer reactions to the messages.
5. Making appropriate adjustments in presentation, should the initial approach fail.

According to this model, the personal selling process works as follows:

In the first activity, the sales person combines information gained through past experience with information relevant to the specific interaction to develop an impression of the customer. Sales persons can derive information about their target customers by examining past experiences with this and other customers, by observing the target customer during an interaction, and by projecting themselves into the target customer's decision-making situation.

In the second activity, the sales person analyses his or her impression of the customer and develops a communication strategy which includes an objective for the strategy; a method for implementing the strategy, and specific message formats.

Having formulated the strategy, the sales person transmits the messages to the customer. As the sales person delivers the messages he or she evaluates their effects by observing the customer's reactions and soliciting opinions. On the basis of these evaluations, the sales person can make adjustments by either reformulating the impression of the customer, selecting a new strategic objective, or changing the method for achieving the strategic objective, or the sales person can continue to implement the same strategy.

This model, initially developed for industrial marketing situations, has been found to be consistent with the communication approach to consumer promotions. The model emphasises analysis of the customer as the starting point for communication strategy. Development research confirms that impression formation (consumer analysis) and strategy formulation by salespeople improve their sales performance. This model is very useful to personal selling. It provides a good understanding of how strategic sales presentation techniques can be developed, transmitted and adjusted to the target consumer's buying situation thus enhancing strategic selling in a highly competitive marketing environment.

Strategic selling is a unified comprehensive and integrated plan that relates the strategic advantages of the sales presentation to the environmental situation and that is designed to ensure that the basic objectives of the selling firm are achieved through proper execution by the sales force. (Still, Cundiff and Govoni, 1988; Futrell, 1996; Peter, and Olson, 1999)

10 Direct Marketing

DIRECT MARKETING PROCESS

Direct marketing is the process involved in the selling of goods and services without the aid of wholesaler or retailer and such activities include direct response advertising, advertising for leads which sales people can follow through to achieve sales. Direct **door-to-door** selling is also part of direct marketing process. Direct marketing uses various media such as direct mail, publications, television, radio and computer network. Direct marketing is being increasingly used to replace mail-order business.

DEFINITION OF DIRECT MARKETING

The Direct Marketing Association of U.S.A has defined direct marketing thus:

DIRECT MARKETING is an interactive marketing system that uses one or more advertising media to effect a measurable response and, or transaction at any location, with this activity stored on database.

A critical evaluation of this definition indicates an emphasis laid on a measurable response such as typical customer order. This makes direct marketing to be sometimes, called DIRECT ORDER MARKETING.



Empowering People. Improving Business.

BI Norwegian Business School is one of Europe's largest business schools welcoming more than 20,000 students. Our programmes provide a stimulating and multi-cultural learning environment with an international outlook ultimately providing students with professional skills to meet the increasing needs of businesses.

BI offers four different two-year, full-time Master of Science (MSc) programmes that are taught entirely in English and have been designed to provide professional skills to meet the increasing need of businesses. The MSc programmes provide a stimulating and multi-cultural learning environment to give you the best platform to launch into your career.

- MSc in Business
- MSc in Financial Economics
- MSc in Strategic Marketing Management
- MSc in Leadership and Organisational Psychology

BI NORWEGIAN BUSINESS SCHOOL

EFMD
EQUIS
ACCREDITED

www.bi.edu/master

Direct marketers use this process to build long term relationship with customers by occasionally sending birthday cards, informational materials or small premiums to selected members amongst their customer. For example: hotels, airlines and some other businesses through frequent award programmes, use this procedure to create and maintain strong customer relationships – such process is referred to as **DIRECT RELATIONSHIP MARKETING**.

COMMON CHANNELS FOR DIRECT MARKETING

Direct marketers use various channels for reaching their prospective customers. Such channels include:

1. Face-to-face or Door-to-Door selling
2. Direct mail marketing
3. Catalogue marketing – mail order catalogue
4. Telemarketing
5. Television
6. Direct response media
7. Kiosk marketing
8. Online channels
9. Automatic vending machine

FACE-TO-FACE SELLING

This procedure uses sales call and door-to-door retailing approach. Companies rely heavily on a professional sales force to locate prospects, develop them into customers and grow the business. They also use manufacturer's representatives, sales agents to implement direct selling plans. This procedure enjoys wide applications such as – insurance agents, stockbrokers and sales agent working part-time or full-time for direct sales organization.

DIRECT MAIL MARKETING

DIRECT MAIL MARKETING includes the dispatch of an offer, announcement, promotional message, reminder or other material to a customer or prospect at a particular geographical location. The direct marketer develops a selective mailing list, which can be used to dispatch letters, flyers, foldouts and other materials such as audio tapes, video tapes, and in some situations, computer diskettes to prospects and customers. The diskette's menu which is used usually for high-tech products provides technical information and visual graphics about the product with answers to frequently asked questions, relating to the product.

Direct mail is a popular medium because it permits high target-market selectivity. It can be personalized and is flexible – it allows early testing and response measurement, though it costs per thousand people reached is higher than using mass media, the people reached are much better, quality prospects.

INFLUENCE OF ELECTRONIC MAIL ON DIRECT MARKETING

The advent of electronic mail systems has changed the mailing procedure. Instead of hand delivery mails, more direct marketers now use electronic mailing system. Three new types of electronic mail delivery are now commonly used, such as:

1. **FAX MAIL:** Fax machines enable one party to send a paper based message to another party over telephone lines. The message contents can be sent and received almost instantaneously. Marketers use fax mail to announce offers, sales events to prospects and customers through fax machines. Fax numbers of companies and individuals are now available from published directories but some prospects and customers may dislike receiving fax mail without prior notice from the marketer.
2. **E-MAIL OR ELECTRONIC MAIL:** allows marketers to send a message or file from one computer directly to another computer. The message arrives almost instantly and may be stored until the receiving person retrieves the message from his computer. Some e-mail programmes, offer notification feature which announces the arrival of new messages. There are software programmes to sort out the more important messages from those which can be ignored or discarded.

Marketers use this system to publish sales announcements, offers and other messages.

3. **VOICE MAIL:** is a system for receiving and storing oral messages at a telephone address. Telephone firms sell this service as a substitute for answering machines. The person with a voice mail account can check messages by dialing into the voice mail system and punching in a personal code. Marketers have set up programmes that can dial a large number of telephone lines and leave the selling message in the recipient's voice mail boxes.

Direct mail marketers can construct an effective direct mail campaign by deciding on campaign objectives, target markets and prospects, offer elements, means of testing the elements and measures of campaign success.

DIRECT RESPONSE MARKETING

The direct marketer runs an advertisement in a newspaper, magazine or on radio or television, describing the product and the customer can write or phone for the product. The direct marketer chooses those media that maximize the number of orders for the amount paid for the advertisement. This strategy is more useful to specialty retailers dealing in a specific product market such as records, tapes, books and small appliances.

DIRECT RESPONSE ADVERTISING

All forms of advertising done in direct marketing are regarded as direct-response advertising.

MAIL ORDER ADVERTISING: is a method of bringing goods from sellers to buyers by direct selling through catalogues.

DIRECT MAIL ADVERTISING: is an advertising medium for delivering message. These differentiations should be understood clearly to avoid mixing up their meaning during usage. DIRECT MAIL IS A MEDIUM, one of several used in DIRECT RESPONSE ADVERTISING, a method of selling goods and services by DIRECT MARKETING.

Need help with your dissertation?

Get in-depth feedback & advice from experts in your topic area. Find out what you can do to improve the quality of your dissertation!

Get Help Now



Go to www.helpmyassignment.co.uk for more info



Helpmyassignment



DIRECT RESPONSE COPY

Direct response copy written for direct mail has a different format from copy written for publication advertising. Direct response publication copy has a strong promise-of-benefit headline to attract immediate attention. It is done in a news of a special value to attract a selected type of audience. Subheads appear frequently, describing the offer in a different way. This is immediately followed by an abundance of clear copy, spelling out details of the offer. Provision of information is made about all forms of evidence available to give assurance to the reader, specify money-back guarantees and close with a special bonus for promptness in replying. The order form should be big enough for the reader to fill out easily. Terms should be clearly presented, including handling and shipping charges, approval offers or money-back guarantees and use of credit cards if allowed.

It is available for marketer to use professional services for the preparation of direct response copy or messages.

ADVANTAGES OF DIRECT MAIL MAREKETING

1. *SELECTIVITY*: it can be aimed directly to any group of customers or recipients whom a list is available.
2. *TIMELINESS*: direct mail advertising can be sent out as quickly as it can be prepared and addressed.
3. *INTENSELY PERSONAL QUALITY*: direct mail is not subject to the time and space limitations of other media. Each mailing material can be individualized and the message personalized to the point of being absolutely confidential.
4. *LACK OF LIMITATIONS ON FORMAT*: the direct mail material can take any size, shape or form the local mailing method will allow.
5. *COMPLETE INFORMATION*: the direct mail material can carry short or lengthy copy, diagrams and illustrations that say much about the product.
6. *NO COMPETITION*: it is not in direct competition with other types of advertisement message.
7. *TESTING*: extensive testing can be done on the product, price, appeal and other factors before the whole is sent out.
8. *RESULTS*: the result of a direct mail material can be checked by means of an offer packaged with the mailing.

DISADVANTAGES OF DIRECT MAIL MARKETING

1. *HIGH COST*: direct mail has a high cost per mail piece.
2. *DIFFICULTY OF SECURING AND MAINTAINING MAILING LISTS*: proper mailing lists are hard to secure and expensive to maintain.
3. *RECEIVER ANNOYANCE*: the receiver may be annoyed with the mail. They are usually referred to as junk mail by the recipient because its substances are purely commercial advertising with no editorial or entertainment value.

USES OF DIRECT MAIL

1. To reach a specific promotion target with little waste circulation.
2. To deliver a complicated or detailed advertising message.
3. To get samples or coupons into the proper hands.
4. To use when specific timing is necessary.
5. To use when mail-order selling is utilized.
6. To secure sales leads for salespeople.
7. To reach distributors, dealers and company salespeople.

COST STRUCTURE OF DIRECT MAIL – DESPATCHED THROUGH POST

Direct mail may carry a higher cost per thousand than some other media because mailing materials can vary from a letter to promotional package containing booklets, brochures, catalogues, posters or coupons.

CONTENTS OF DIRECT MAIL POST PACKAGE

1. *ENVELOPE*: the envelope carrying the package should be good enough to arouse the interest of the reader.
2. *LETTER*: a personal letter, establishing contact directly with the reader should accompany direct mail package.
3. *BROCHURE*: this is the big selling part of the mailing – a booklet, folder brochure with colour pictures of the product and charts to illustrate everything discussed.
4. *ORDER FORM*: the order form can be considerably large and may have the addressee's name computerized on it, needing only a signature.
5. *ACT NOW*: the ACT NOW enclosure may be a different coloured slip, offering a special bonus for prompt reply.
6. *REPLY ENVELOPE*: enclosed return envelope should be in the package which the receiver will use to send his order. The convenience of enclosed return envelope encourages the reader to reply.

ELECTRONIC CONSUMABLES USED BY DIRECT MARKETERS FOR DIRECT MAIL

1. Audio tapes – cassettes.
2. Video – tapes
3. Computer diskettes
4. Compact disc – CD

Some direct marketers package messages about their products in electronic consumables such as stated above and mailed directly to various identified, segmented and target prospects.

COMMUNICATION GOALS OF DIRECT MAIL

1. **CREATES GOODWILL:** direct mail is used to send gifts, greetings, thanks and even apologies. The goal is to enhance or create goodwill for the marketing firm.
2. **DEVELOPS FAMILIARITY AND INTEREST:** it is used to establish mail responsiveness and perhaps build or identify interest in the general product category. The use of the mail in a complex multi-step selling process also involves the generation of inquiries and leads. This approach is common when we need to better qualify our target before mailing an expensive literature packet, a costly catalogue or a demonstration system.

There are two types of lead strategies:

- **LOOSE LEAD STRATEGIES:** this approach attempts to generate as many leads as possible, relying on a qualifying process to sort out good leads from bad. Markets with high turnover among buyers or many members in the buying centre, new products and venture into new markets are situations that may make searching for a large lead necessary.
- **TIGHT LEAD STRATEGIES:** this approach seeks to generate response from individuals who are already highly qualified. In most cases, the response generated from a tight lead strategy should be closer to the actual sale, if not the sale itself. Loose lead strategies search for anyone remotely interested while tight lead strategies look for buyers. Stable markets, limited selling capacity and high-cost per sales – call situations require tight lead strategies.

Brain power

By 2020, wind could provide one-tenth of our planet's electricity needs. Already today, SKF's innovative know-how is crucial to running a large proportion of the world's wind turbines.

Up to 25 % of the generating costs relate to maintenance. These can be reduced dramatically thanks to our systems for on-line condition monitoring and automatic lubrication. We help make it more economical to create cleaner, cheaper energy out of thin air.

By sharing our experience, expertise, and creativity, industries can boost performance beyond expectations. Therefore we need the best employees who can meet this challenge!

The Power of Knowledge Engineering

Plug into The Power of Knowledge Engineering.
Visit us at www.skf.com/knowledge

SKF

A lead strategy will affect list choice and may also affect the choice of direct response medium. A tight lead strategy may combine direct mail with telemarketing aimed at a focused list, whereas a loose lead strategy may combine advertising with direct mail. In addition, the type of lead strategy will also influence the message content; for more detailed information should be known about the members of a list used for a tight lead strategy. Thus, the message can be aligned more closely to the prospects' needs.

3. **PROVIDE DEMONSTRATION:** under the right conditions, the mail can provide a product demonstration: such product demonstrations are recorded in software or videotape and dispatched to the prospects.
4. **BUILD TRAFFIC:** direct mail messages can be used to generate traffic to a trade show or exhibition.
5. **INFLUENCE THE CHANNEL:** direct mail can be used to sell to retailers or other influencers within the channel of distribution. Pharmaceutical companies are major users of mail to influence channel of distribution, such mails can be used to influence doctors, dentists and other medical professionals.
6. **DIRECT ORDER:** direct mail efforts can seek purchases. Catalogues represent a significant source of revenue for computer accessories, office furniture and supplies, books and other products.

CATALOGUE MARKETING (MAIL-ORDER CATALOGUE)

Catalogue marketing occurs when firms mail one or more products catalogues to selected prospects or potential customer or addresses who have a high probability of placing an order.

The seller mails a catalogue to a selected list of customers and also makes the catalogue available on the company premises. Big merchandisers operate catalogue counters in their stores and catalogue offices in small communities where customers can visit to examine the catalogues and place orders. The customer's order is dispatched from a central warehouse to these catalogue office location, upon the arrival of the goods, the customer is phoned and asked to take delivery of his orders.

TELEMARKETING

TELEMARKETING is defined as a marketing communication system using telecommunication technology and trained personnel to conduct planned, measurable marketing activities directed at targeted groups of consumers.

Direct marketer uses the telephone to sell direct to customers. Some telephone marketers have developed computerized phoning systems where households are dialed automatically and computerized message presented.

Telemarketing has become a major direct marketing tool used for selling products and services.

Effective telemarketing depends on choosing the right telemarketers, training them well and providing incentives to perform. Telemarketers should have pleasant voices and show enthusiasm. Women are more effective than men for many products. New telemarketers may, at the beginning, train with a script and eventually advance towards more improvisation. The opening lines are critical; they should be brief and lead with a good question that catches the listener's interest. The telemarketer needs to know how to end the conversation if the prospect seems to be a poor one. The call should be made at the right time, that is, late morning and afternoon to reach business prospects and evening hours to reach households.

The telemarketing supervisor can build up telemarketers' enthusiasm by offering prizes to the best or top performer or the first one who gets an order. An accurate and adequately selected telephone list is very essential in telemarketing.

CONSULTATIVE SELLING: the technique of consultative selling would be useful to a telemarketer. Consultative selling technique puts an emphasis on what the customer needs and wants. It involves listening more than talking; objections are addressed, not overcome.

The seller asks a series of questions to find out if and how the seller's product, service or idea will help the prospect. The questions are probing and open-ended. The telemarketer looks for needs and desires that are not being met or that can be met more fully, a greater part of this process requires that the telemarketer listens actively. Telemarketing programme can be used to assist business in its marketing functions. Benefits that a firm can derive include:

- Increased potential customer sales
- Sales upgrading
- Encouragement of multiple orders
- Old accounts reactivation
- Support for the current sales team

ADVANTAGES OF TELEMARKETING

1. **RECEPTIVENESS:** most prospects are more receptive to telephone calls than to personal contact.
2. **IMPRESSIONS:** unbiased first impression can influence sales success. The telephone can help reduce many of the prospect's biases because prejudgments can be based only on the caller's voice.
3. **MORE PRESENTATIONS:** a conscientious field salesperson may obtain one quality prospect out of five calls, but he would be able to make at least close to three calls per day, thus making the interest of contacted prospects.
4. **WIDE GEOGRAPHIC COVERAGE:** telephone salesperson can penetrate markets anywhere in the world where telephones are available.

5. *BETTER TIME MANAGEMENT*: the telemarketer uses the majority of the work day to sell, because of reduction in travelling and waiting time. The salesperson can make repeat calls within the same day.
6. *IMMEDIATE FEEDBACK*: telemarketing is the quickest means of assessing new sales strategies and allowing them to be readily tested, adjusted and retested before being applied in the field. Some firms take advantage of telephone sales' immediate feedback by including marketing research questions in sales presentations.
7. *BETTER CONTROL*: an inside sales force can be supervised more easily than a field sales force. One supervisor may cover every five or more telephone salespeople to monitor the sales team's performance.
8. *REDUCTION IN UNETHICAL PRACTICES*: inside sales personnel are not usually exposed to competitors' salespeople. This factor reduces the possibility of their getting adversely contaminated by unethical sales practices.
9. *LOWER COST OF MAINTAINING SALES STAFF*: compensation package for a telemarketer is usually lower than a field salesperson's compensation package.
10. *LOWER EXPENSE PER SALE*: a telemarketer can perform such diverse duties as handling marginal accounts, canvassing and simple order taking, more quickly than an outside salesperson, by generating more customer call per hour.

TURN TO THE EXPERTS FOR **SUBSCRIPTION** CONSULTANCY

Subscribe is one of the leading companies in Europe when it comes to innovation and business development within subscription businesses.

We innovate new subscription business models or improve existing ones. We do business reviews of existing subscription businesses and we develop acquisition and retention strategies.

Learn more at [linkedin.com/company/subscribe](https://www.linkedin.com/company/subscribe) or contact
Managing Director Morten Suhr Hansen at mha@subscribe.dk

SUBSCR✓**BE** - to the future



DISADVANTAGES OF TELEMARKETING

1. Poor telephone techniques can defeat the telemarketing strategy.
2. Bad personal telephone habits such as vagueness, rudeness, dishonesty and protracted discussions can frustrate the effectiveness of telemarketing.
3. Dissension between the field sales staff and telephone sales personnel can arise; adequate guidelines and coordination should be established.
4. Rapid turnover of telephone staff can occur because the work can be monotonous, with people frequently leaving to find more interesting and challenging work.
5. Poor telephone systems can frustrate the telemarketing strategy.

DIRECT MARKETING THROUGH TELEVISION

Television is used in three ways to market products directly to consumers. These ways are:

1. Direct-Response Advertising
2. At-home Shopping Channels
3. Videotext

DIRECT-RESPONSE ADVERTISING: marketers air television spots, often 60 to 120 seconds long, that persuasively describe a product and provide customers with telephone number which is toll-free for ordering or where a customer has to pay for telephone an incentive may be given to encourage prospect's call.

AT-HOME SHOPPING CHANNELS: these are entire television channels dedicated to selling goods and services, which broadcast 24 hours a day. These channels show home shopping programmes, with the programme host offering bargain prices on various products. Viewers are asked to call a toll-free telephone number to place order for goods.

Orders are dispatched and delivered within a short time, usually 48 hours.

VIDEOTEXT: the consumer's television set is linked with a seller's computer databanks by cable or telephone lines. The videotext service consists of a computerized catalogue of products offered by producers, retailers, banks, travel organizations and others. Consumers place orders through a special keyboard device connected to the system by two-way cable.

DIRECT MARKETING THROUGH PRINT AND RADIO

MAGAZINES, NEWSPAPERS and RADIO can also be used in direct-response selling channels. The buyer hears or reads about an offer and dials a toll-free number to place an order.

KIOSK MARKETING

A few companies have designed “customer-order-placing machines” called KIOSKS. These machines are placed in stores, airports and other locations to take orders from customers. For example, a shoe company based in the U.S named Florsheim Shoe company includes a machine in several of its stores in which the customer indicates the type of shoe he wants, along with the colour and size. Pictures of Florsheim shoes appear on the screen that meet the customer’s criteria. If the particular shoes are not available in the store, the customer can dial an attached phone and type in his credit card number and where the shoes should be delivered.

This method is different from vending machines, which dispense actual products.

AUTOMATIC VENDING MACHINE

Automatic vending machine is operated with coins, which are dropped into the machine and actual products are dispensed by the machine directly to the customer. Automatic vending machine is also called automatic merchandising or ROBOT RETAILING.

ONLINE DIRECT MARKETING CHANNEL

ONLINE MARKETING CHANNEL is one that a person can reach through computer and modem. A modem connects the computer to a telephone line so that the computer user can reach various online information services. Online services are now available in some banks in Nigeria.

TYPES OF ONLINE CHANNELS

1. **COMMERCIAL ONLINE CHANNELS:** various companies have set up online information and marketing services which prospects or customers can access after signing a contract for the service and paying a fee agreed on monthly basis.
2. **THE INTERNET:** this is a global web of a large number of computer networks that has made instantaneous and decentralized global communication possible. Users can send e-mail, exchange views, shop for products, access news, food recipes and business information. The internet requires users to pay some amount for commercial service and be connected up to the network.

BENEFITS OF DIRECT MARKETING TO CONSUMER

1. **CONVENIENCE:** home shopping offered by direct marketing creates fun, convenience and trouble-free-shopping environment for consumer.
2. **ACCESS TO TIME-SAVING INFORMATION:** it saves time and introduces consumers to a larger selection of merchandise. Comparative shopping can be done by consumer browsing through mail catalogues and online shopping services.
3. **FEWER WORRIES:** consumers can learn about available products and services without spending too much time meeting salespeople, and avoid opening themselves up to persuasion and emotional factors in personal contact selling.

BENEFITS OF DIRECT MARKETING TO MARKETERS

1. *ACCESS TO SEGMENTED PROSPECT LISTS*: direct marketers can buy a mailing list containing the names of any group – well segmented which allows them to personalize and customize their messages.
2. *CUSTOMER RELATIONSHIP BUILDING*: direct marketers can build a continuous relationship with each customer.
3. *REACHING TARGET PROSPECTS ON TIME*: direct marketers can time and reach target prospects at the right moment.
4. *HIGHER READERSHIP OF MARKETING MATERIALS*: direct marketing materials receive higher readership because it is sent to more interested prospects.
5. *TESTING FOR COST-EFFECTIVE PROMOTION APPROACH*: direct marketing permits the testing of alternative media and messages in search of the most cost effective approach to promotion campaign.
6. *SCREENING OF PROMOTION STRATEGY FROM COMPETITOR*: direct marketing offer and strategy appear less visible and explicit to competitors.
7. *RESPONSES MEASUREMENT*: direct marketing can measure responses to their campaigns thus deciding and determining which methods have been the most profitable.

ETHICAL PROBLEMS IN THE USE OF DIRECT MARKETING

1. *IRRITATION*: many people or customers find the increasing number of hard sell and direct marketing solicitation to be a nuisance.
2. *UNFAIRNESS*: some direct marketers take advantage of impulsive or less sophisticated buyers, when using television shopping shows.
3. *DECEPTION AND FRAUD*: some direct marketers design mails and write copies intended to mislead buyers.
4. *INVASION OF PRIVACY*: this results from the direct access to consumer database which some consumers now view as an invasion on their privacy. It is feared that such access may expose too much of their personal information. (Warshaw, and Kinnear, 1983; McTavish, and Maitland, 1980; Mason, and Mayer, 1984; and Fill, 2009)

11 Public Relations

DEFINITIONS OF PUBLIC RELATIONS

There are many definitions of Public Relations. Some are based on what Public Relations is, while others attempt to define it in relation to other business processes, such as Marketing and Advertising. Public Relations can also be defined based on what it does as distinct from some other communication arts such as propaganda.

In the definition based on what Public Relations is, professional bodies such as British Institute of Public Relations and other practitioners have provided various definitions.

The British Institute of Public Relations defines it as the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its public.

In the United States, other individual efforts have sought to define Public Relations. One persistent effort has been the Public Relations news, a commercial newsletter that worked on its definition.



"I studied English for 16 years but...
...I finally learned to speak it in just six lessons"
Jane, Chinese architect

ENGLISH OUT THERE

Click to hear me talking before and after my unique course download

The Newsletter's Definition of Public Relations is the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest, plans and executes a programme of action to earn public understanding and acceptance.

A scholar has put serious efforts in the United States to find a comprehensive definition in 1976. Dr. Rex F. Harlow, a social scientist, author and practitioner through the sponsorship of the Foundation for Public Relations Research and Education came up with this definition:

PUBLIC RELATIONS is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an organization and its publics; involves the management of problems or issues, helps management to keep informed on an responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest, helps management to keep abreast of and effectively utilize change, serving as an early warning system to help anticipate trends and uses research and sound and ethical communication techniques as its principal tools.

WORKING DEFINITIONS

The International Public Relations Association came up with its own definition, that is:

Public Relations is management function, of a continuing and planned character, through which public and private organizations and institutions seek to win and retain the understanding, sympathy and support of those with whom they are or may be concerned by evaluating public opinion about themselves, in order to correlate as far as possible, their own policies and procedures to achieve by planned and wide-spread information more productive cooperation and more efficient fulfillment of their common interest.

Further attempts made through individual approach state that:

Public Relations is an effort by a person or an organization to influence attitude and opinion formation favourably towards it through methods of relating with target publics.

The Public Relations Society of America declares a definition for its members that:

the public relations profession in serving, the legitimate interests of clients or employees is dedicated fundamentally to the goals of better mutual understanding and cooperation among the diverse groups, institutions and elements of our modern society.

The problem of definition continues, but in the meantime – Public Relations defines itself by what it does. (Warshaw and Kinnear, 1983; Cutlip and Center, 1971; and Black, 2011)

PUBLIC RELATIONS IN MARKETING AND ADVERTISING

Good public relations put the interests of people first in matters relating to the conduct of the company and its business. The company must seek out and determine the attitudes and opinions of its publics if it has to serve their interests. The company's right to operate is a privilege that has been granted by society and may be withdrawn at any time. For a company to deserve this privilege, it must fully adhere to the principle of public service and must function to serve the needs of people dependent upon it for employment, income, products and services.

Advertising seeks to promote sales while public relations attempts to create a favourable environment for the good reception of advertising messages, thus it promotes sales indirectly. Advertising uses controlled messages in a medium for which the advertiser pays in respect of a specific space or time. Public relations does not pay for space and does not control the message but it uses the media for paid advertisement.



What do you want to do?

No matter what you want out of your future career, an employer with a broad range of operations in a load of countries will always be the ticket. Working within the Volvo Group means more than 100,000 friends and colleagues in more than 185 countries all over the world. We offer graduates great career opportunities – check out the Career section at our web site www.volvogroup.com. We look forward to getting to know you!

VOLVO
AB Volvo (publ)
www.volvogroup.com

VOLVO TRUCKS | RENAULT TRUCKS | MACK TRUCKS | VOLVO BUSES | VOLVO CONSTRUCTION EQUIPMENT | VOLVO PENTA | VOLVO AERO | VOLVO IT
VOLVO FINANCIAL SERVICES | VOLVO 3P | VOLVO POWERTRAIN | VOLVO PARTS | VOLVO TECHNOLOGY | VOLVO LOGISTICS | BUSINESS AREA ASIA



PUBLIC RELATIONS IN BUSINESS

The company must formulate good public relations policies to enhance its relationship with its business publics such as:

1. **EMPLOYEES:** employees want fair wages, good working conditions, steady employment, opportunity for promotion and retirement programmes. If these wants are satisfied, management may receive greater productivity, a loyal and stable work force and good employee relations.
2. **CUSTOMERS:** customers want a dependable supply of quality products, good service and fair prices. In return, they offer more purchases, better product promotion and support of the company and its policies.
3. **STOCKHOLDERS OR SHAREHOLDERS:** this public wants dividends, growth in owners' equity and a fair return on investment. In return, it offers a ready source of new capital and support of the company and its actions.
4. **SUPPLIERS:** suppliers to the company want fair dealings, adequate profits, and a continuing relationship. The meeting of these interests by the company will, in return, make suppliers to deliver on good time, grant credit and give the company favourable word-of-mouth publicity.
5. **FINANCIAL COMMUNITY:** this community wants adequate information on the company, so that it can advise investors about the firm's record and capabilities. In return, the finance community offers lower interest rates on debt securities and an active market in equity securities.
6. **THE PRESS:** the communication media want open lines of communication with the company and fair, honest treatment and in return, the firm enjoys fair and equitable news coverage and the opportunity to present company's viewpoints to the general public.

PUBLIC RELATIONS IN GOVERNMENT

In its everyday operations, a company should try to serve the interests of its various governments like the federal, local and state governments.

GOVERNMENT: local, state and federal governments want the company to obey regulations, pay taxes on time and act in the public interest. Fair taxes, proper legislation and services are given by government in return.

LOCAL COMMUNITY: The communities, in which a company maintains plants or offices want the company to pay its fair share of taxes, provide jobs, support local charities and schools and actively participate in community affairs. If a company satisfies these wants, it can expect a good business climate, necessary utilities and police protection and an adequate labour supply.

A COMPANY'S PUBLIC RELATIONS PROGRAMME

The company builds up a good reputation over a period of years; therefore a company must plan and carry out a long term, continuous public relations programme in order to earn the respect and goodwill of its publics. A company's public relation programme could take the form of these six steps or parts:

1. Conducting a formal public relations audit to determine the attitudes and opinions of each important public in regard to the company.
2. Correcting any flaws in the company's way of doing business, in the treatment of its publics and in other areas that influence the company's reputation.
3. Setting the public relations objectives.
4. Formulating the public relations programme.
5. Carrying out the programme.
6. Determining the programmes effectiveness.

Good public relations can be achieved by using one or more of these promotional tools to communicate with the target publics:

1. Publicity
2. Corporate Advertising
3. Community activities
4. Company contributions to the community
5. House organs – e.g. company's house magazine
6. Company literature
7. Plant or factor tours

HISTORY OF PUBLIC RELATIONS

The history of public relations could be traced to specific events and the efforts of some individuals in the United States of America and Britain.

There is ample evidence to show in the records of the early Greek and Roman empires, that great care and attention was given to the influence of public opinion up to 1914. The importance of public opinion in those ancient times was demonstrated in their usual slogan which says: "the voice of the people is the voice of God". Recent history shows that American Revolution through a small group of men like Thomas Paine, Benjamin Franklin and others, revolutionized public opinion through the use of voice and written materials to create effective impact on public opinion. They circulated pamphlets, wrote in the press, lectured and spread their ideas of revolt by word of mouth.

HISTORICAL DEVELOPMENT OF PUBLIC RELATIONS IN UNITED STATES

The phrase **Public Relations** was thought to have been used in 1807 when President Thomas Jefferson, drafting his “seventh address to congress” in his own hand, scratched out the word **state of thought** and replaced it with **Public Relations**, thus starting the modern development of public relations.

In 1903 Ivy L. Lee, left a poorly paid reporter’s job and started as a press agency. He became a personal adviser to John D. Rockefeller in December 1914 and he publicly began to use the term Public Relations in 1919. Lee contributed many of the techniques and principles that characterize today’s modern public relations. He successfully transformed the public image of John. D. Rockefeller from poor to positive good image.

The 1914–18 war gave public relations a big impetus in the United State when President Wilson set up the committee on Public Information in response to a suggestion by a journalist friend, George Creel. The Creel Committee grew into a big enterprise which demonstrated the strength of organized publicity.

Edward L. Bernays worked in the Creel committee and introduced the term **Public Relation Counsel** and published a book in 1923 titled **Crystallizing Public Opinion** which was the first full length book dealing with public relations. During this period, public relations grew remarkably in every activity affecting American life.

DEVELOPMENT OF PUBLIC RELATIONS IN GREAT BRITAIN

In Britain, public relations first surfaced when the insurance commission in 1911, under the instructions of Mr. Lloyd George – had a responsibility to organize and explain the National Insurance Act. The outbreak of war in 1914 led to a rapid expansion of official publicity in Britain and overseas. By early 1918 publicity was conducted by three main organizations:

- 1) Ministry of Information: responsible for publicity work in the Dominions and in Allied and Neutral countries;
- 2) National War Aims Committee: which carried out patriotic propaganda in Britain;
- 3) Lord Nortcliffe’s Committee which was responsible for propaganda in enemy countries. It should be noted that work done at that time used public relations and propaganda. Between 1926 and 1931, Sir Stephen Tallents who was reputed to be the first notable practitioner of public relations in Britain, was employed by the Empire Marketing Board.

Sir Stephen Tallents who was founder president of the Institute of Public Relations was employed and charged with the responsibility of “bringing the Empire alive to the mind of people in Britain”.

The Empire Marketing Board used films, posters, exhibitions, the press and the British Broadcasting Corporation to publicize its objectives.

The Empire Marketing Board, at short notice, was ordered to launch a full-scale campaign in support of the Prime Minister's appeal to "Buy British". All media of communication received widespread support. This success proved for the first time in Britain, the benefits that can come from a well-conceived and thoroughly administered public relations campaign.

THE CONCEPT OF PUBLIC RELATIONS

Public Relations believes that every organization has an environment or an atmosphere in which it is operating. Such environment should be conducive and peaceful to ensure continued, happy survival of the organization and the consistent achievement of its objectives.

All organizations must be socially responsible and accountable to the society in which it operates and the immediate community where it is situated – by obeying laws and regulations, contributing to policies, pay taxes and providing job opportunities. All organizations must endeavour to maintain mutual understanding with their environment and publics.

gaieteye[®]
Challenge the way we run

**EXPERIENCE THE POWER OF
FULL ENGAGEMENT...**

.....

**RUN FASTER.
RUN LONGER..
RUN EASIER...**

**READ MORE & PRE-ORDER TODAY
WWW.GAITEYE.COM**

The emphasis on mutual understanding can be seen from the working definitions stress of public spirit – opinion, goodwill, acceptability, cooperation and others. All these attributes of the public spirit which assumes a good working and operational environment for any organization. Another basic concept of public relations is that organizations have a social responsibility to contribute to the development and welfare of the local communities where they operate. Organization that embraces these concepts is creating for itself a good public image, which secures its enjoyment of the environment's public cooperation.

Public relations beliefs, through its concept of creating goodwill, understanding, acceptability and others, that good corporate image resulting from public relations activities will assist in ensuring (1) organization's survival in the environment – with good profit assurance in businesses (2) peaceful governance for governments (3) achievement of the people's welfare by advancing an idea for non-governmental organization (NGO). Public relations performs the business of implanting the corporate body in the mental system of its publics where the image created is stored.

PROPAGANDA

A clear distinction must be made between public relations and propaganda.

Goebbels described propaganda as an instrument of politics, a power for social control. The function of propaganda is not essentially to convert, rather its function is to attract followers and to keep them in line – the task of propaganda, given suitable avenues, is to blanket every area of human activity so that the environment of the individual is changed to absorb the movement's world view. Propaganda does not necessarily call for an ethical content and the world is used in modern times mainly to describe those types of persuasion which are based entirely on self-interest and in which it may be necessary to distort the facts or even to falsify the information in order to achieve the purpose.

Public relations recognizes a long-term responsibility and seeks to persuade and to achieve mutual understanding by securing the willing acceptance of attitudes and ideas. It can succeed only when the basic policy is ethical and the means used are factual and truthful.

PUBLIC RELATIONS MEDIA

There are three categories of media commonly used by public relations practitioners:

1. *MASS PRINT MEDIA*: consisting of newspapers, magazines, professional journals and technical journals.
2. *ELECTRONIC MEDIA*: which comprise radio, television and the internet.
3. *WRITTEN, ORAL OR VISUAL COMMUNICATION MEDIA*: this category consists of spoken words, printed materials such as newsletters, exhibitions, public speeches and others.

PUBLIC RELATIONS – TOOLS OF COMMUNICATION

The public relations practitioner utilizes the printed word, the spoken word and the image. He uses three ways:

1. Personal contact
2. Controlled media
3. Public media

PRINTED WORDS

HOUSE PUBLICATIONS: the house organ or internal publications which carry news and written articles about the organization. It is circulated among staff of the organization and it is versatile. It can be narrowly edited to massage the ego of its sponsor. It can be broadly edited to shed light on human objectives or public issues only remotely associated with its sponsor. It can adopt the mix of the two styles in format as simple as a memorandum or a popular newsstand magazine.

PAMPHLETS, BOOKLETS, MANUALS BOOKS: there are three general types of booklets and pamphlets:

1. *Indoctrination booklets:* welcoming new employee, association member, student, supplier or visitor. Literature for the customer or product owner which goes with sales, is among this type.
2. *Reference guides:* a type of handbook which is useful to all members. They are concerned with the group insurance plan, pension, plan, suggestion system, profit-sharing, housekeeping and safety, recreation programme and facilities. It provides specific information about an issue easily.
3. *Institutional booklets, books and brochures:* it has subject matter devoted to an idea or a philosophy, a total concept. Messages such as enterprise system, security, benefits, charitable aims, reports of dedications, celebrations, awards, history, success, expansion and developments are printed in this type of booklets or brochures.

LETTERS AND BULLETINS: individually written and addressed letters are very useful in communications between organizations. It encourages a direct, speedy line of communication with specific publics. Letters are used on a regular or spot-news basis to reach employees dealers or workers in a fund-raising or legislative campaign.

NEWSLETTERS: in dealing with publics which have fragmented interests. This tool of communication is very useful. Newsletters are directed at the interest of such public, carrying a major news item about the sender in a fast delivery and quick to read form.

INSERTS AND ENCLOSURES: it is a type of printed material such as the one mailed in the annual reports to shareholders which may make a statement of the organization's posture on a public policy or a social problem. Inserts are used in public relations to solicit the public's support.

POSITION PAPERS AND PRINTED SPEECHES: printed papers and packets containing an organization's public posture on controversial matters are sent to the public. Such papers or packets usually carry the genesis in public speeches or statements of top officials reprinted and circulated to correct controversy or explain a situation, and the organization's position on the matter.

THE BULLETIN BOARD, POSTERS, BILLBOARD: the bulletin board offers a good place to corroborate information with brief messages. It provides quick access for dispelling rumours and for making desirable information stick to the receiver.

INFORMATION RACKS: the information rack is used primarily for morale and employee education with emphasis on economic education. Booklets and reprints of magazine articles are supplied in sizeable quantity and they are distributed free to employees from these racks on a "take what you want" basis. The racks are usually placed in reception rooms, near factory and office exits so employees may pick up a few items on their way home.



This e-book
is made with
SetaPDF

SETASIGN

PDF components for PHP developers

www.setasign.com

INSTITUTIONAL ADVERTISING: spaces or air time are bought in print and broadcast media for messages to be relayed to the public. Publicity, through same media could also be utilized.

THE SPOKEN WORDS

This tool of communication is used in these ways.

MEETINGS: bringing people together, face-to-face, providing an opportunity to communicate to a selected audience, who will listen. This method relies on the two-way communication oral process.

THE SPEAKER: a renowned personality who has adequate knowledge of the subject is invited to make a public speech to invited audience.

TELEPHONE NEWSLINES AND PUBLIC ADDRESS: telephone newlines and public address systems are utilized to link the front office with many others. Establishment of a telephone newline from which people can get late, authentic information, simply by dialing, is very helpful in organizations caught up in conflict.

THE GRAPEVINE: this is an informal method of communication which relies mostly on word-of-mouth process. The grapevine is a potent line of transmission; it carries information much more exciting than simple facts or truth. Sometimes it may be harmful, such as when it carries rumours of retrenchment or layoff or friction among officials about troubles which can hurt.

Public relations personnel usually stays tuned on the grapevine, when the gossiping and rumouring are harmless, they are ignored but the information signals organizational trouble, a release of full facts on the topic is published.

THE IMAGE

MOTION PICTURES, NEWS FILM CLIPS AND FILMS: sponsored films are conceived within and commissioned by an organization for a sales, training or public relations purpose to develop favourable ideas, motivation, attitudes or reactions in the viewing audience.

Other forms of image communication tool used by public relations practitioners are:

1. Closed-circuit and cable television staged and sponsored by the sender or the message for a target audience.
2. *DISPLAYS AND EXHIBITS*: using showroom, reception room to display or exhibit the message.
3. *STAGED EVENTS*: the sender may stage and sponsor a popular event target at a particular audience.
4. *ART AS A PUBLIC RELATIONS TOOL*: by sponsorship of art and cultural pursuits, the public goodwill further the identity of an organization and the cultural support makes an employer's community more attractive. Such sponsorship are: painting collections, travelling collections, landscaping, sculpture, concerts and public lectures. Organizations support the arts and link themselves in the public's mind with the finer things of life.

PUBLIC RELATIONS USAGE OF THE MEDIA

Public relations use the media to spread information to its public through these systems:

1. **NEWS RELEASE**: message sent to the public through the print and broadcast media. It is usually written message.
2. **MEDIA CONFERENCE**: inviting journalists together a particular venue for the purpose of giving out some information for publication or broadcast.
3. **MEDIA FACILITY VISIT**: the media are allowed to tour physically the convener's organization, after which a publication or broadcast is made on the tour.
4. **SUPPLEMENT AND SPOTLIGHT**: it is a packaged information neatly put together with illustrations. It carries information like history, operations, achievements, intentions, aspirations and problems experienced by the organization.
5. **DOCUMENTARY**: a spotlight or supplement put in the broadcast form.
6. **FEATURE ARTICLES AND PROGRAMMES**: these are expositions on a particular topic written against a background of facts and figures.
7. **INTERVIEWS**: they could be arranged by the practitioner or a medium, interviews present an opportunity to say more than a release conference.
8. **PAID ADVERTISEMENT**: buying of space or time in the print or broadcast to carry the message.
9. **BILLBOARDS**: for educative information.
10. **DRAMA AND MUSIC IN THE BROADCAST MEDIA**: the use of music and drama sketches to disseminate public relation information. For example, as the National Population Commission did it during the last census in Nigeria.

Other non mass information dissemination methods are: letters, books, brochures, conferences, meetings, exhibitions and in the local communities, the town crier, handbills, posters, banners, sign posts, stickers, rural advertising using vehicles with speakers mounted on it or transit advertising, congregations as in church, mosque, village and town meetings.

PUBLIC RELATIONS FOR NEW PRODUCTS

Public relations about new products are usually built into the company's overall marketing plan. The marketing plan should indicate the extent each communication tool would be involved in the programme.

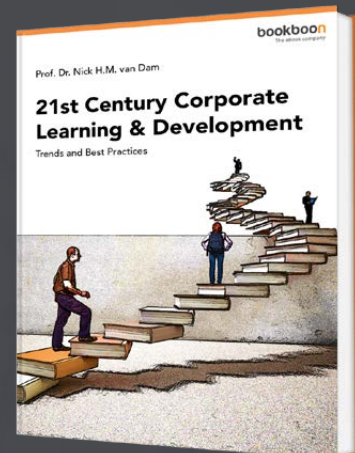
USING PUBLIC RELATIONS CONSULTANCY SERVICE

In using the services of a public relations' consultant, the organization should carefully select the practitioner. The qualifications, ability and experience of the consultant providing the public relations service is very important to achieving a successful public relations campaign.

Free eBook on Learning & Development

By the Chief Learning Officer of McKinsey

[Download Now](#)



FACTORS FAVOURING THE SELECTION OF CONSULTANT

1. The cost bears a direct relationship to the work commissioned and the budget can be varied easily annually.
2. The executives engaged on the account have worked on other types of public relations for other clients and can use their wide experience to service of each client.
3. The principals of the consultancy are independent and can give unbiased and impartial advice.
4. If the results are unsatisfactory, it is an easy matter to terminate the contract by giving due notice to the consultant.

DISADVANTAGES OF CONSULTANCY SERVICE

1. An outside firm may have little practical knowledge of the organization's policy or daily activities and will require detailed briefing at the outset and at every new development.
2. There may be a lack of continuity in operations, for, the personnel in consultancy firms is likely to change more frequently than staff employed by the organization.
3. Queries from the press which are of any complexity will usually have to be referred to someone at the headquarters of the organization and this hinders the provision of a speedy service to the press.

IN-HOUSE PUBLIC RELATIONS DEPARTMENT

Organizations that appreciate and value the functions of public relations may sometimes consider setting up an in-house public relations department or take counsel from a public relations consultant. The desirability of establishing a public relations department or relying on the services of outside consultants will obviously depend on the size of the organization and the nature of the public relations activities it is proposed to undertake. An experienced public relations consultant is well qualified to advise an organization on the pros and cons of the adoption of a campaign or public relations programme, or to investigate and report on the effectiveness of existing activities in this field.

Large organizations take recommendations from the public relations consultant and use an in-house public relations department to implement the programme, while a smaller organization may use the services of smaller public relations consultants available in their environment.

These advantages of setting up an internal public relations department:

1. The public relations staff become identified with the aims and objects of the organization and have a personal stake in its success.
2. They are able to assist the press without the constant need to refer to other executive in the organization.
3. Being members of the staff themselves, they are able to move freely within the organization and to establish friendly relations at all levels. This facilitates the promotion of internal public relations activities.
4. If the size of the organization warrants it, economy and efficiency can be increased by having specialist subsections to deal with the press, publications, films, photograph and other related activities.

CHARACTERISTICS OF A GOOD PUBLIC RELATIONS DEPARTMENT

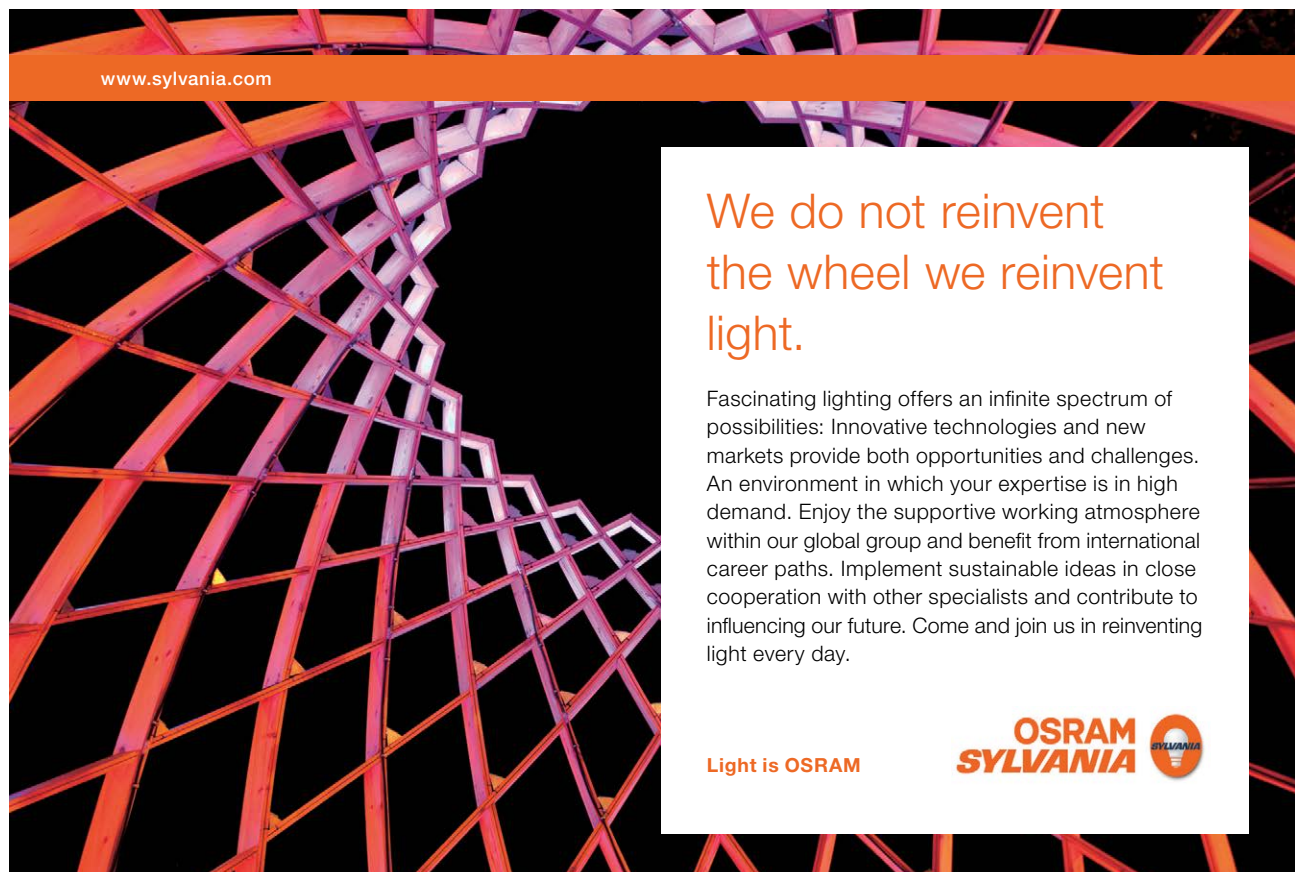
1. The department must have a good organization that enables best use of available staff and facilities.
2. Simple printing and book-binding facilities should be provided for the department and such equipment as – recording and copying machines, telex machine, video camera and others.
3. Work allocation should be flexible within the department to avoid delays in programme implementation; adequate back-up staff should be employed. The department must be reliable.
4. Staff working in the department must have adequate public relations skills – in terms of communication, programme planning and implementation.
5. The head of the department must have good personality and his attitude to the work must collaborate with his subordinates, superiors and other departments he has to contact for the public relations programme implementation.
6. The department should provide training opportunity for staff in order to understand the function of public relations and the manner in which it fits in with other departments such as personnel and welfare, labour relations, advertising, sales and marketing.
7. The public relations department should make room for sub-divisions or sub-department such as:
 - 1) *PRESS OFFICE*: to liaise with the press and the media.
 - 2) *PUBLICATIONS*: taking care of house journals, annual reports and others.
 - 3) *PUBLICITY*: in charge of films, exhibitions, displays and other special events.
 - 4) *GENERAL SECTION*: which will concern itself with the face, voice, research and general administration of public relations programme.
 - 5) *COMMUNITY RELATIONS*: the sub-department responsible for visits, organization tours, intelligence and community-related matters.

Each subdivision may have a head if the organization can afford such arrangement. Head of subdivision reports to the head of the public relations department. The head of the public relations department reports to top management of the organization and he is saddled with the responsibility of preparing the annual public relations budget, its disbursement and complete annual public relations plan for the organization.

FUNCTIONS OF A PUBLIC RELATIONS MANAGER

The head of public relations department may be called – (1) Public Relations Manager (2) Public Affairs Manager (3) Corporate Affairs Manager. He is charged mainly with these responsibilities:

1. Formulation and implementation of public relations policy.
2. Management of information in the interest of good public opinion.
3. Arrangement of publicity for corporate activities and programmes.
4. Liaison activities with corporate publics – customers, government agencies, professional organizations, the media, community and opinion leaders.
5. Community relations.
6. Organization of and representation in, conferences and seminars.
7. Arrangement of exhibitions, participation in fairs and other events.
8. Production of mementos such as calendars, diaries and other gift items.




www.sylvania.com

We do not reinvent
the wheel we reinvent
light.

Fascinating lighting offers an infinite spectrum of possibilities: Innovative technologies and new markets provide both opportunities and challenges. An environment in which your expertise is in high demand. Enjoy the supportive working atmosphere within our global group and benefit from international career paths. Implement sustainable ideas in close cooperation with other specialists and contribute to influencing our future. Come and join us in reinventing light every day.

Light is OSRAM

**OSRAM
SYLVANIA** 

DUTIES OF A PUBLICATIONS MANAGER

1. Collection of news from the organization and its units.
2. Conducting interviews.
3. Writing features.
4. Editing publications.
5. Production of publications from manuscript to final artwork.
6. Writing news releases.
7. Assisting the public relations manager in duties assigned by the public relations manager.
8. Production of calendars, diaries, complimentary cards, letterheads and other public relations publications.

FUNCTIONS OF THE PRESS RELATION MANAGER

The press relation manager has these functions:

1. Maintaining regular contact with the media.
2. Writing media releases.
3. Gathering materials and preparing them for documentaries, supplements and others.
4. Organizing media conferences, exhibitions and special events.
5. Other duties which may be assigned by the head of public relations department.

FUNCTION OF COMMUNITY RELATIONS

Corporate responsibility to the larger society.

Sponsoring of programmes, projects to identify with societal aspirations. The major purpose is to integrate with the society in which the company operates.

EXHIBITION

Preparation for and attendance at trade fairs, outdoor displays, display of corporate products and others. It also involves the production of models, charts, maps and electronic devices designed to promote company's goods.

RESEARCH AND GENERAL ADMINISTRATION

This sub-division carries the responsibility for planning and organizing opinion research, among employees, customers, shareholders and the general public. The aim of opinion research is to determine their reaction to companies' policies and report findings to top management.

Responsibility for general administration of the department, preparation of policies, project and programmes and budgets.

QUALITIES REQUIRED BY PUBLIC RELATIONS PRACTITIONER

1. A practitioner must have adequate academic training in public relations and mass communication skills. He must also have a good command of written and spoken English.
2. Abundant common sense.
3. Good judgment, objectivity and keen critical ability.
4. Imagination and the ability to appreciate the other person's point of view.
5. Calm, not capable of being excited.
6. Infinite capacity for taking pains.
7. A lively inquisitive mind.
8. Willingness to work long, at inconvenient hours when necessary.
9. Resilience and a sense of humour.
10. Flexibility and the ability to deal with many different problems at the same time.
11. Pleasant voice and the ability to speak in committee or in public.

THE PUBLIC RELATIONS OPINION SURVEY

This audit formally appraises the status of human relations between the company and each of its important publics. It attempts to determine the present attitudes and opinions of each of these publics towards the company and its operations. The basic question to be answered is "How is the company perceived by its major publics?"



Discover the truth at www.deloitte.ca/careers

Deloitte.

© Deloitte & Touche LLP and affiliated entities.



Click on the ad to read more

The audit of each public is frequently an opinion survey with questions designed to probe the attitudes and opinions of a public as they pertain to the company. Public relations audits should be standardized to enable management compare the results on yearly basis.

TECHNIQUES OF OPINION SURVEY

The techniques employed conducting opinion surveys are:

1. *MOTIVATION RESEARCH*: This is concerned with the causes of people's behaviour. It seeks to relate behaviour to underlying motives, desires and emotions. It is concerned with finding out how the environment sees the organization and how the environment sees itself. The research procedures used in motivation research come from the techniques used in psychoanalysis and from Gestalt psychology.
2. *OPINION RESEARCH*: opinion research techniques involve beliefs, attitudes, feelings and knowledge of the organization's public and the environment. The mathematical basis of sampling, preparation of quotas and the evaluation of results should be done by research experts.

Another method of researching public opinion is by using the PANEL technique – a number of persons are asked to serve as a panel and to express their views on various questions which are put to them. The technique is valuable for following changes in public opinion if the same panel is called together from time to time.

3. *MARKET RESEARCH*: this approach is the systematic gathering, recording and analyzing of data about problems relating to the marketing of goods and services within the marketing environment. This approach relies mostly on survey, sampling and mathematical analysis which should involve research expert.

EVALUATION OF PUBLIC RELATIONS PROGRAMMES

The total public relations efforts must be reviewed periodically and its results measured against assigned objectives.

Public relations evaluation has posed much problems in practice because its effect on the organization's publics could not be directly quantified, except expressed by the public in terms of goodwill.

One American practitioner has suggested some check-points as a guide in periodically evaluating a public relations programme.

1. **OBJECTIVES:** These are clearly stated and understood throughout the company. Are there areas in which agreement on goals is needed?
2. **ORGANISATION:** They are related public relations functions organized as a single unit, or scattered throughout various departments. Does the public relations director have adequate management backing to see that public relations responsibilities are considered throughout the company? Is size and training of staff adequate to achieve desired public relations objectives?
3. **CONTENT:** do your programmes and activities give adequate considerations to all segments of the public?
4. **MEASUREMENT OF RESULTS:** do you have adequate staff, budget and management backing to gauge results of your work? How do these activities compare with those of others in your industry and in other industries? Have you considered an outside specialist to review your public relations programme?
5. **CONTROL:** what steps have you taken to improve future public relations activities in the light of audit findings? What steps need to be taken in succeeding years?

CODE OF ETHICS FOR PUBLIC RELATIONS PRACTITIONERS

The code of ethics sets out the moral considerations which must be observed by all in public relations to preserve the integrity of free communication between peoples, organizations and nations. Codes of professional conduct govern the professional behaviour of public relations practitioners in relation to people and need.

(Warshaw and Kinnear, 1983; Cutlip and Center, 1971; Cutlip, Center, and Broom, 2000; Black, 2011)

REFERENCES

- Belch, G.E. and Belch.(2004). M.A. Advertising and Promotion. Boston: Irwin/McGraw-Hill.
- Black, S. (2011). Introduction to Public Relations. Lagos: West African Book Publishers Ltd.
- Cutlip, S.M. and Center, A.H. (1971). Effective Public Relations. 4th edition. Englewood, Cliffs, N.J: Prentice Hall.
- Cutlip, S.M., Center, A.H. and Broom, G.M. (2000) . Effective Public Relations. 8th edition. Englewood, Cliffs, N.J: Prentice Hall.

Dominick, R.J. (2011). *The Dynamics of Mass Communication: Media in Transition*. (International Edition) 11th edition. New York: McGraw-Hill.

Dwyer, F.R. and Tanner, J.F. Jr. (1999): *Business Marketing: Connecting Strategy, Relationships and Learning*. Irwin/McGraw-Hill.

Engel, J.F., Blackwell, R.D. and Kollat, D.T. (1973), *Consumer Behavior*, Holt, Rinehart and Winston, New York.

Engel, J.F., Blackwell, R.D. and Miniard, P.W. (1990), *Consumer Behavior* (6th ed). Fort Worth: The Dryden Press.

Fill, C. (2009). *Marketing Communications: Interactivity, Communities, and Content*. 5th edition. Essex: Prentice Hall/Financial Times.

Futrell, C.M. (1996): *Fundamentals of Selling: Customers for Life*. Irwin McGraw-Hill.

Hawkins, D.I., Roger, J.B. and Coney, K.A. (1986): *Consumer Behaviour: Implications for Marketing Strategy*. Business Publications Inc.

Heath, L.R. and Vasquez, G. (Eds) (2001). *Handbook of Public Relations*. California: Sage Publications, Inc.

Keegan, W.S. and Green, M.S. (2000). *Global Marketing*, 2nd ed., EnglewoodCliffs, NJ: Prentice-Hall.

Kelley, E.J.: *Marketing Planning and Competitive Strategy*. New Jersey: Prentice-Hall.

Kinnear, T.C. and Taylor, J.C. (1983): *Marketing Research: An Applied Approach*. McGraw Hill.

Kleppner, O. (1979): *Advertising Procedure*. New Jersey: Prentice-Hall.

Kotler, P. (1980): *Principles of Marketing*. New Jersey: Prentice-Hall

Kotler, P. (1997): *Marketing Management: Analysis, Planning, Implementation and Control*. 9th Edition. New Jersey: Prentice-Hall.

Kotler, P. and Keller, L.K. (2013). *Marketing Management*. 14th edition. Essex: Pearson Education Ltd.

Kuratko, D.F. and Hodgetts, R.M. (1992): *Entrepreneurship: A Contemporary Approach*. Fort Worth: The Dryden Press.

- Mason, J.B. and Mayer, M.L. (1984): *Modern Retailing*. Texas: Business Publications Inc.
- McTavish, R. and Maitland, A. (1980): *Industrial Marketing*. New York: The Macmillan Press Ltd.
- Moriarty, S. Mitchell, N. and Wells, W. (2009). *Advertising Principles and Practice*. 8th edition. New Jersey: Pearson Education International.
- Onkvisit, S. and Shaw, J.J. (1993): *International Marketing: Analysis and Strategy*. New Jersey: Prentice Hall.
- Peter, J.P. and Olson, J.C. (1999). *Consumer Behaviour and Marketing Strategy*. Boston: McGraw Hill/Irwin.
- Peter, J.P. and Olson, J.C. (2004). *Consumer Behavior Strategy*. 7th edition. Boston: McGraw-Hill/Irwin.
- Rogers, Everett M. "New Product Adoption and Diffusion". *Journal of Consumer Research*. Volume 2 (March 1976) pp. 290–301.
- Rogers, Everett M. (1983), *Diffusion of Innovations*, 3rd Edition, New York: The Free Press.
- Rogers, Everett M. *Diffusion of Innovations*, (5th ed.). (2003) New York: Free Press.
- Scheuing, E.E. (1974): *New Product Management*. Fort Worth: The Dryden Press.
- Shimp, A.T. (2000). *Advertising & Promotion: Supplemental Aspects of Integrated Marketing Communications*. 5th edition. Fort Worth: The Dryden Press.
- Smith, P.R. and Taylor, J. (2010). *Marketing Communications: An Integrated Approach*. 4th edition. London: KoganPage.
- Stanley, R.E. (1977): *Promotion, Advertising, Publicity, Personal Selling and Sales Promotion*. New Jersey: Prentice-Hall Inc.
- Stanton, W.J. (1981) *Fundamentals of marketing*. 6th ed. New York: McGraw Hill.
- Stanton, William J. (1978), *Fundamentals of Marketing*, 5th ed. New York: McGraw-Hill Book Company.
- Still, R.R., Cundiff, E.W. and Govoni, N.A.P. (1988): *Sales Management: Decisions, Strategies and Cases*. New Jersey: Prentice-Hall

Subroto, S. (1997): *Brand Positioning: Strategies for Competitive Advantage*. New Delhi: Tata McGraw-Hill Publishing Co. Ltd.

The Process of Innovation and the Diffusion of Innovation. Thomas S. Robertson. *Journal of Marketing* Vol. 31, No. 1 (Jan., 1967), pp. 14–19: [American Marketing Association](#)

Vanden Bergh, G.B. and Katz, H. (1999). *Advertising Principles: Choice, Challenge and Change*. Lincolnwood, Illinois: NTC Business Books.

Warshaw, R.M. Engel, J.T and Kinnear, C.T. (1983). *Promotional Strategy*. Homewood, Illinois: Richard D. Irwin.

OLUJIMI OLUSOLA KAYODE (JIMI KAYODE)

Olujimi Olusola Kayode is presently a lecturer in the Journalism department, Adebola Adegunwa School of Communication, Lagos State University, Lagos Nigeria. He was born in 1955 in Lagos, Nigeria. He obtained a Bsc and Msc., Mass Communication from the University of Lagos, Nigeria, and has been teaching Journalism for more than two decades. His area of specialization is Marketing Communication, Journalism Ethics and Health Communication. He has been, at various times in his career, the Director of the Nigerian Institute of Journalism, and Head of Department- Journalism, Lagos State University. He is currently a PhD student at the University of Lagos.