

Principles of Marketing

17-1

Session 17

Sales Promotion and Public Relations

Text: Chapter 15



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Outline

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- I. Sales Promotion**
- II. Public Relations**



I. Sales Promotion



I-1 Sales Promotion Defined

17-4

A mass communication technique that offers short-term incentives to encourage purchase or sales of a product or service.

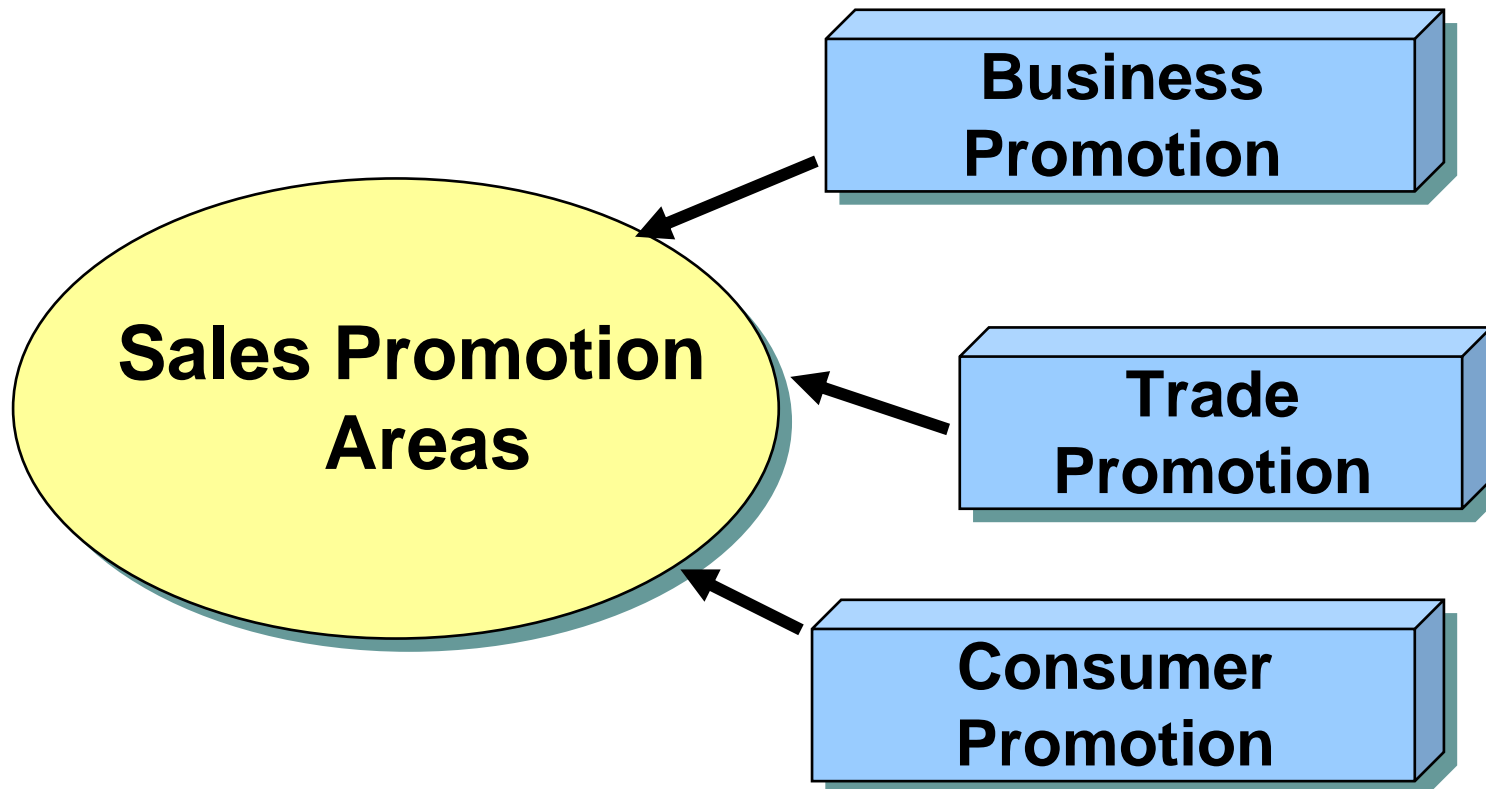
Offers reasons to buy now.

-- Kotler & Armstrong



I-2 Sales Promotion Areas

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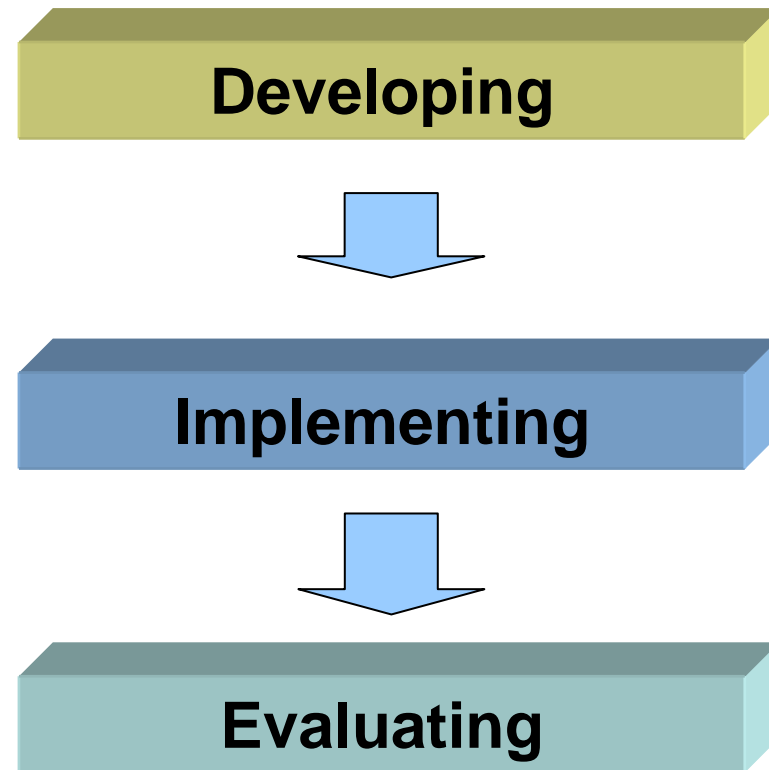
I-3 Sales Promotion Tools

17-6

- **Contests and games of skill and chance**
- **Point-of-Purchase**
- **Patronage Rewards**
- **Advertising Specialties**
- **Premiums**
- **Cents-off deals or Price Packs**
- **Cash-back offers**
- **Redeemable coupons**
- **Samples**



I-4 Developing Sales Promotion Programs



1-5 Objectives of Consumer Promotion

17-8

- Obtaining trial and repurchase
- Increasing consumption of an established brand
- Defending current customers
- Targeting a specific market
- Enhancing advertising and marketing efforts



I-6 Consumer Promotions

- Samples
- Coupons
- Premiums
- Contests/sweepstakes
- Refunds/rebates
- Bonus packs
- Price-offs
- Event sponsorship

I-7 Objectives of Trade Promotions

17-10

- Obtain distribution for new products
- Maintain trade support for established brands
- Encourage retailers to display established brands
- Build retail inventories

1-8 Trade Promotion Tools

17-11

- Contests and dealer incentives
- Trade allowances
- Point-of-purchase displays
- Training programs
- Trade shows
- Cooperative advertising



1-9 The Sales Promotion Trap

17-12

	Our Firm	
All Other Firms	Cut back promotions	Maintain promotions
Cut back promotions	Higher profits for all	Market share goes to our firm
Maintain promotions	Market share goes to all other firms	Market share stays constant; profits stay low



II. Public Relations



II-1 Public Relations Defined

17-14

PR involves building good relations with the company's various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events.

-- Kotler & Armstrong



II-2 Value Added by Marketing Public Relations (MPR)

17-15

- **Building marketplace excitement before media advertising breaks**
- **Creating advertising news where there is no product news**
- **Introducing a product with little or no advertising**
- **Providing a value-added customer service**
- **Building brand-to-customer bonds**
- **Influencing the influentials**
- **Defending products at risk and giving consumers a reason to buy**



II-3 Advantages and Disadvantages of PR

17-16

Advantages:

- credibility
- low cost
- less clutter
- lead generation
- ability to reach specific groups
- image building

Disadvantages:

- not completing the communication process
- redundancies with the marketing effort

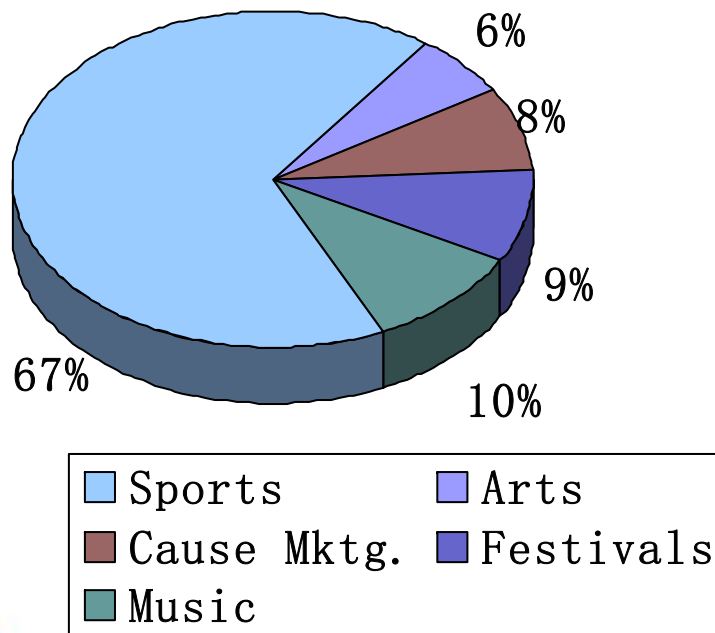


Tools of Public Relations

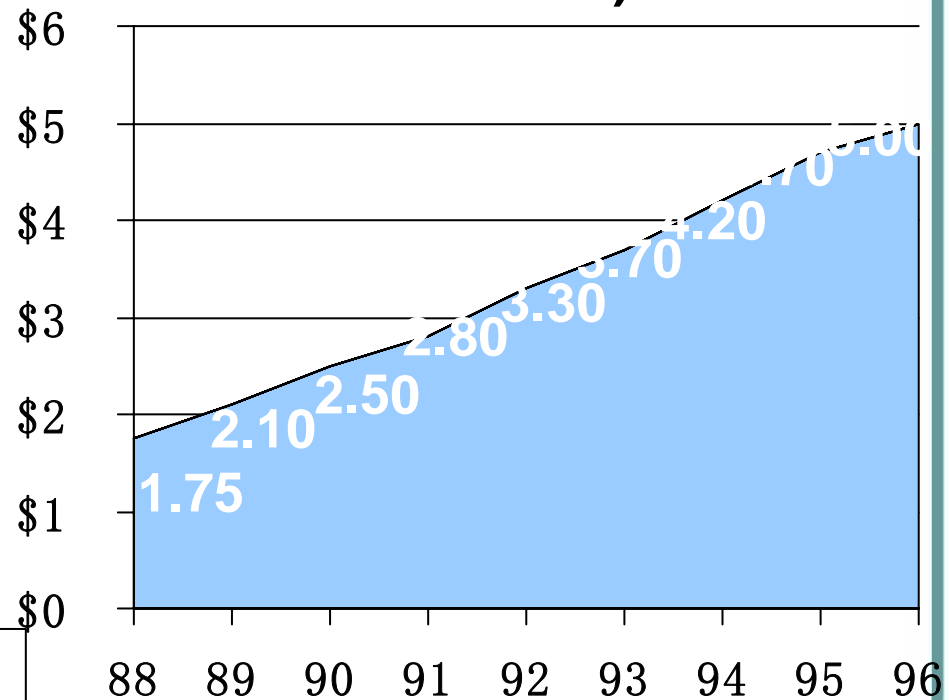
- **Product Publicity**
- **Special Events**
- **Public Service Activities**
- **Materials**
- **Lobbying**
- **Corporate**
- **Communications**

I-10 Breakdown of Spending on Event Sponsorship

Where they spend



How much they spend (in billions)



Key Public Relations Decisions

- Objectives
- Messages
- Implementation
- Evaluation

II-6 Additional Means for Measuring PR's Effectiveness

17-20

- Personal observation and reaction
- Matching objectives and results
- The team approach
- Management by objectives
- Public opinion and surveys
- Audits



Questions

17-21

1. What promotional tools have been taken in the following cases?

2. To bring high ROI for each, what efforts are usually required?

- 海尔加盟体育营销, 聘请篮坛巨星作形象代言人
- 中石化成为2004-2006年F1中国站的独家赛事赞助商

