

Session 17

Sales Promotion and Public Relations

Text: Chapter 15



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

I. Sales Promotion

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

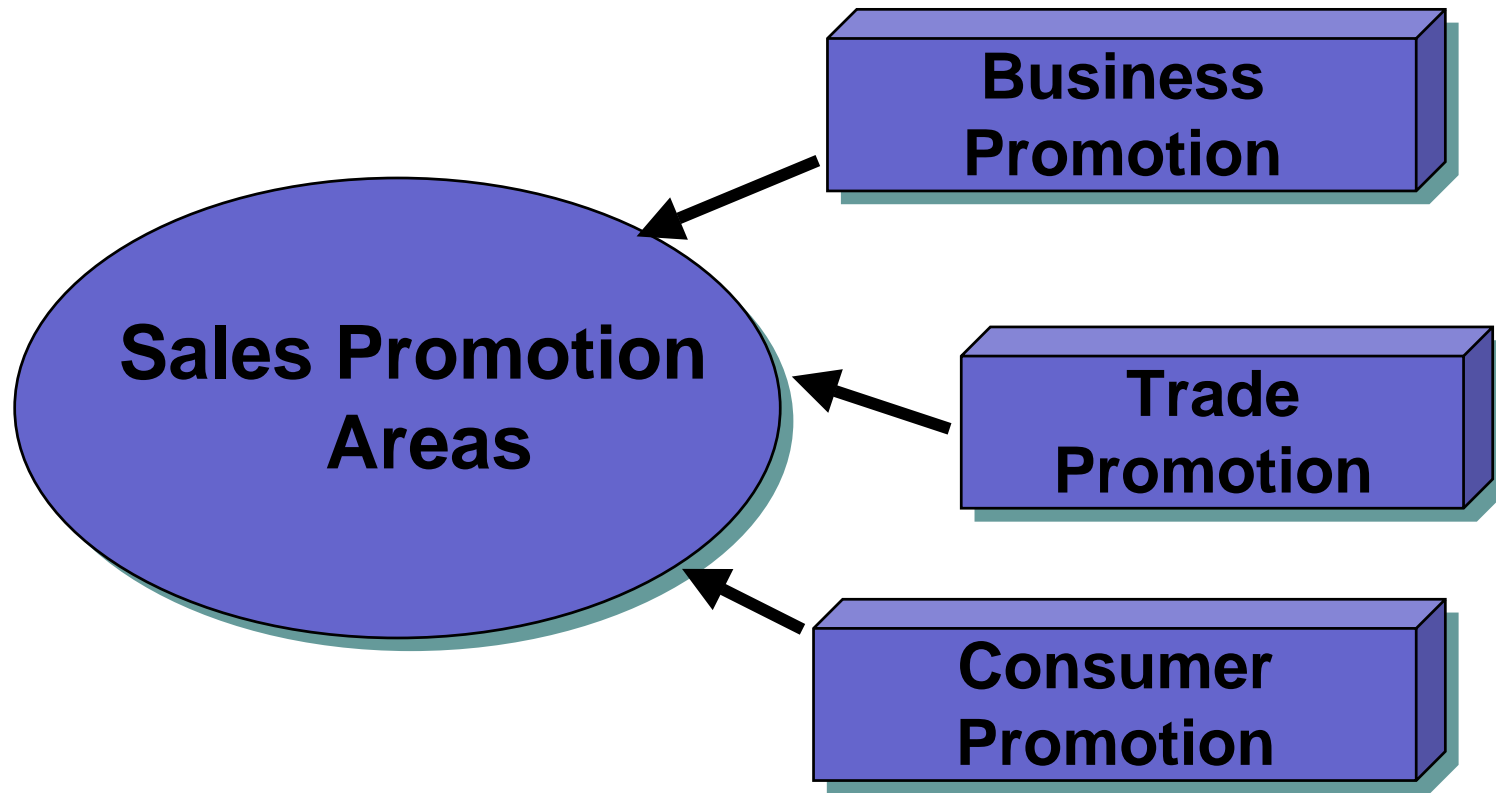
Offers reasons to buy now.

-- Kotler & Armstrong



I-2 Sales Promotion Areas

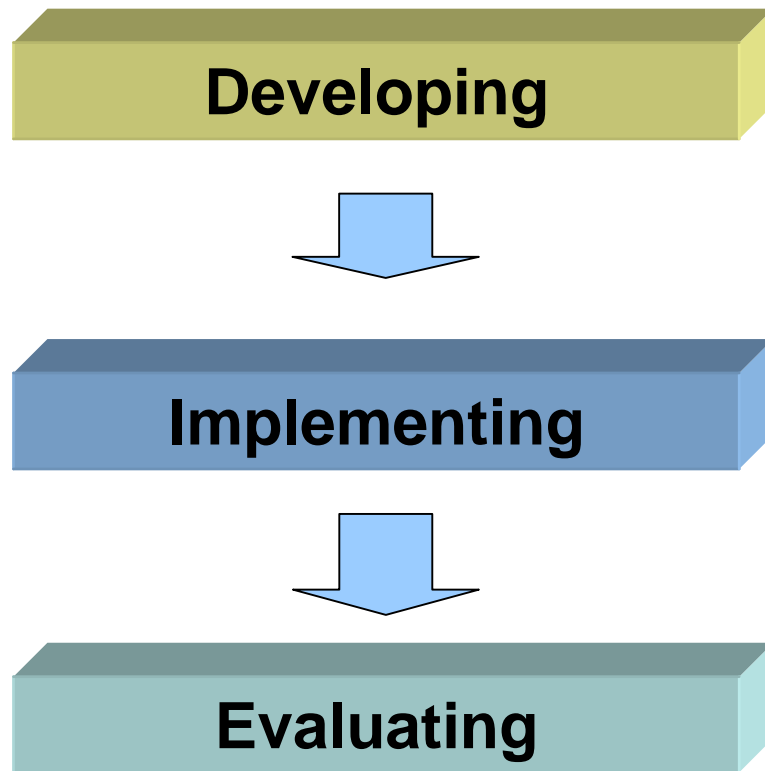
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I-3 Sales Promotion Tools

- **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



- 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

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- 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

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

1-9 The Sales Promotion Trap

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| | 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



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)

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- 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

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Advantages:

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

Disadvantages:

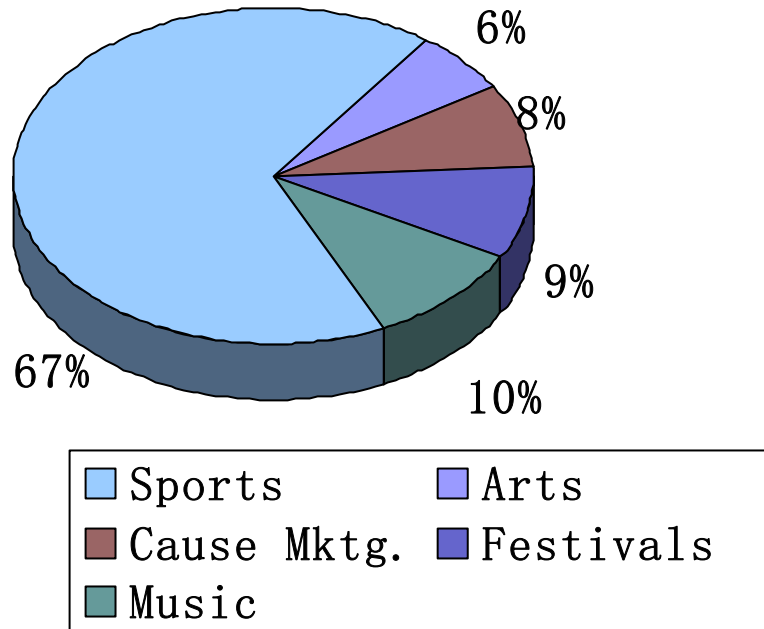
- not completing the communication process
- redundancies with the marketing effort

Tools of Public Relations

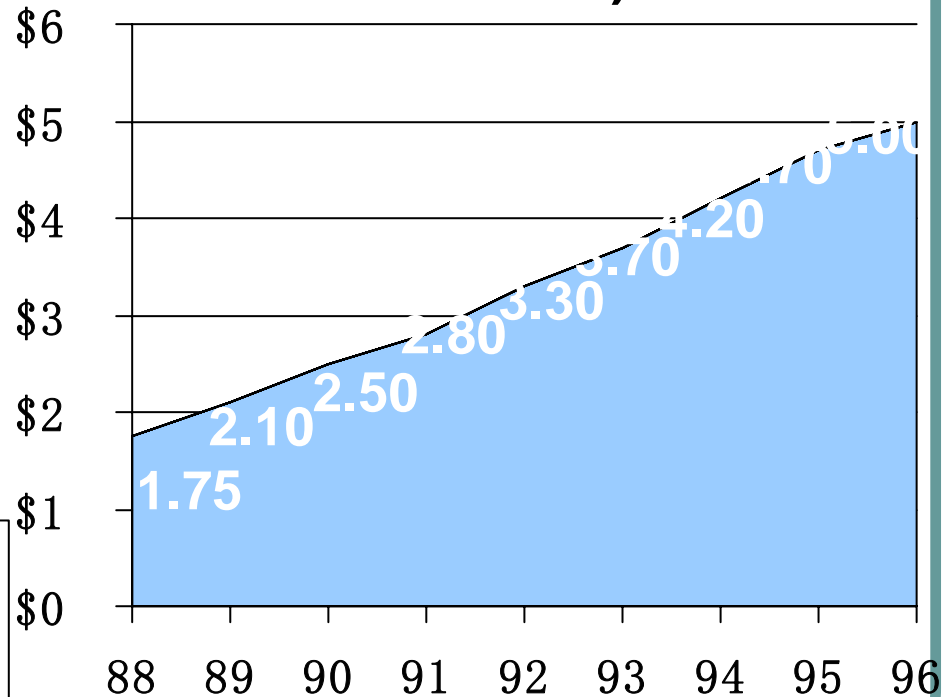
- **Product Publicity**
- **Special Events**
- **Public Service Activities**
- **Materials**
- **Lobbying**
- **Corporate**
- **Communications**

I-10 Breakdown of Spending on Event Sponsorship

Where they spend



How much they spend (in billions)



II-5 Public Relations Decisions

Key Public Relations Decisions

- Objectives
- Messages
- Implementation
- Evaluation

II-6 Additional Means for Measuring PR's Effectiveness

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

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