# Promotion Management

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# Promotion

## Marketing Mix Component

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# Promotional Concepts

- Definition of Promotion
- Functions of Promotion
- Objectives of Promotion

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# Definition of Promotion

How a marketer communicates what has to be communicated.

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# How Communicate?

- Advertising
- Personal Selling
- Sales Promotion
- Publicity

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# What Communicate?

- Product
- Price
- Place
- Target Market
- Selected Promotion

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# Function of Promotion

- To catalize transactions

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# Objectives of Promotion

- Reinforce present attitudes of target market
- Change attitudes or behaviour of target market
- Inform
- Persuade
- Remind
- Shift/alter demand curve

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# Communication Process

## Components

- Source
- Encoding
- Message channel
- Decoding
- Receiver
- Common Field of Experience (Frame of Reference)
- Feedback
- Noise

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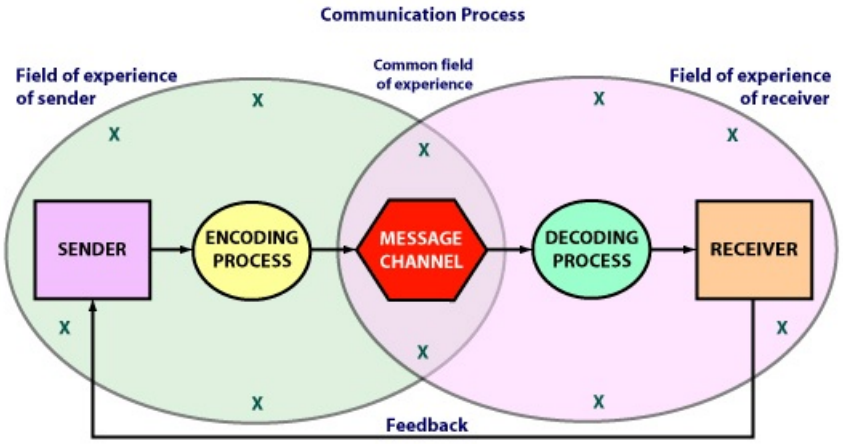
# Communication Process




X - Noise
Noise exists around the entire process.
Communication travels from sender to receiver. Feedback from receiver to sender.
Common field of experience or frame of reference where
fields of experience of sender and receiver overlap.

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# AIDA Model

- Attention
- Interest
- Desire
- Action

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# Diffusion Process

## Also known as the Adoption Curve

- Innovators (2.5%)
- Early Adopters (13.5%) - Opinion Leaders
- Early Majority (34%)
- Late Majority (34%)
- Laggards (16%)
- Non-users

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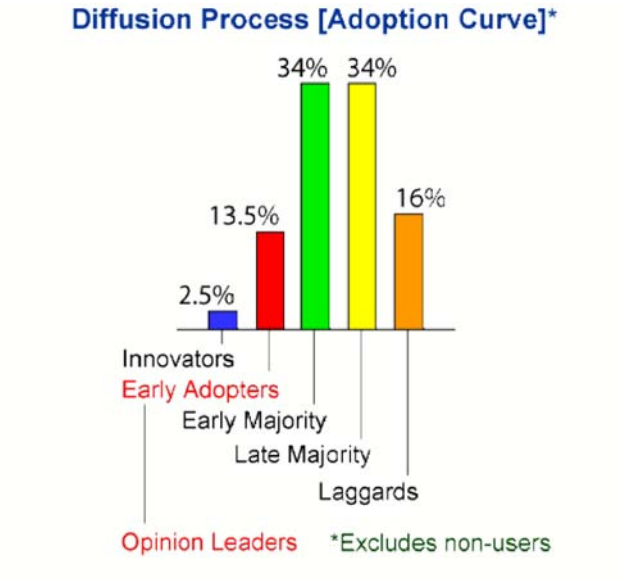
# Diffusion Process

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# Communication Channels

## Types of Channels

- Horizontal
- Vertical
- Formal
- Informal

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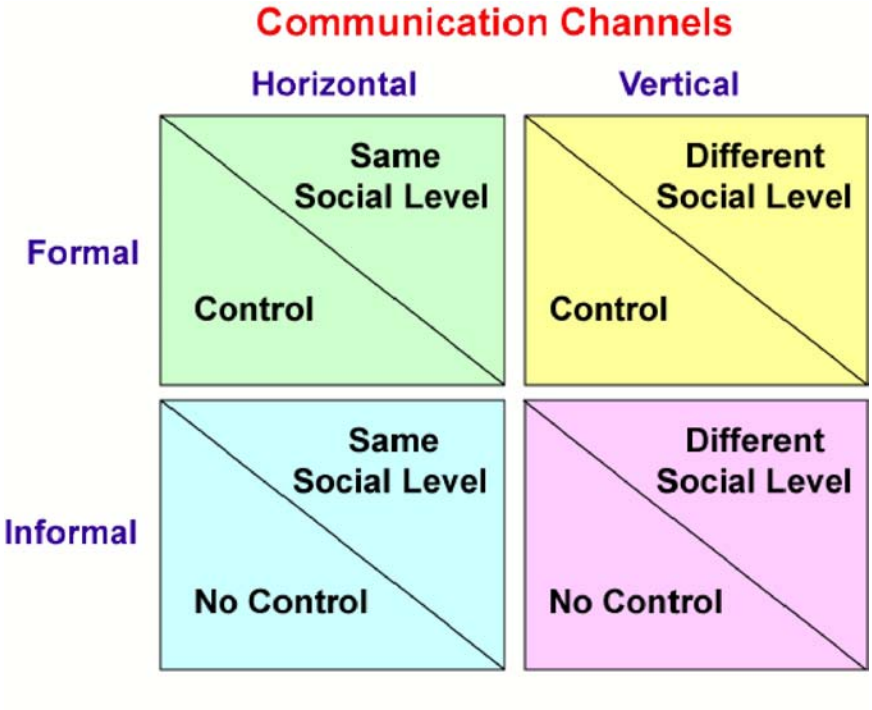
# Communication Channels

## Horizontal, Vertical, Formal, Informal

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# Communication Content, Structure, and nature of Communicator

- Immunization Effect (focus on structure, content)
  [1- sided vs. 2-sided communication]
- Sleeper Effect (focus on nature of communicator)
  [Prestige/Negative Effects]

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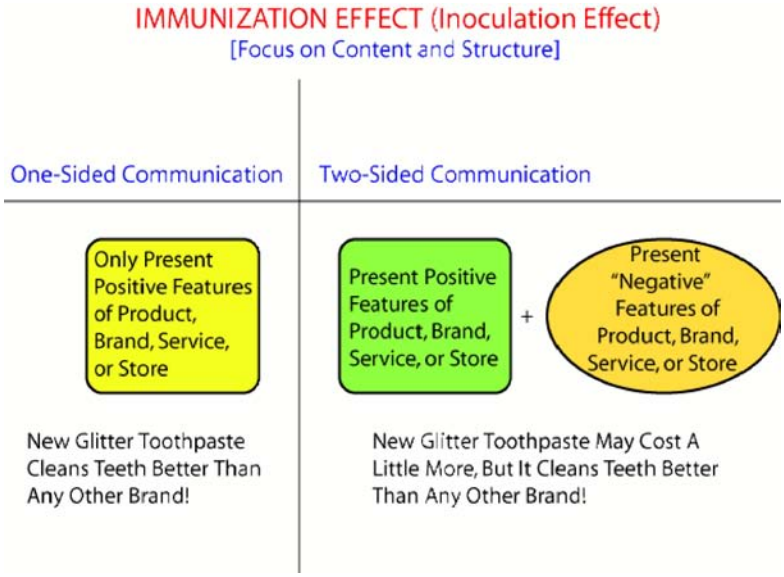
# Immunization Effect

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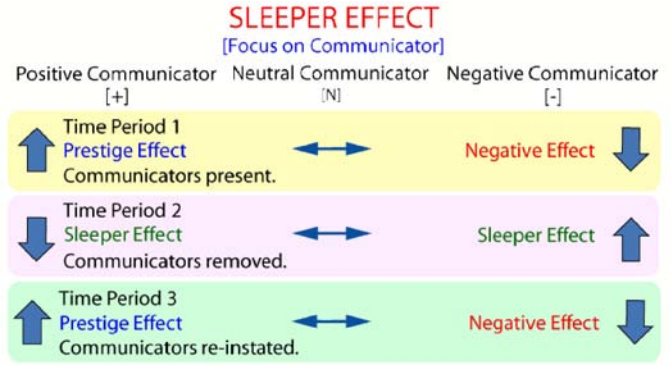
# Sleeper Effect




Prestige Effect: The effectiveness of the communication is enhanced by the presence of the Positive Communicator, relative to the Neutral Communicator (i.e., there is greater acceptance of the communication).

Negative Effect: The effectiveness of communication is degrated by the presence of the Positive Communicator, relative to the Neutral Communicator (i.e., there is lower acceptance of the communication).

Sleeper Effect: In the absence of the Positive Communicator and the Negative Communicator, the wearing off of the Prestige Effect and the wearing off of the Negative Effect, relative to the Neutral Communicator situation, is referred to as the Sleeper Effect (i.e., there is less acceptance of the communication in the Positive Communicator situation and an increase in the acceptance of the communication in the Negative Communicator situation, relative to the Neutral Communicator situation).

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# Personal Selling

## Dyadic Interaction Model: Change Agent

- Force
- Patronage
- Attractiveness
- Credibility

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# Dyadic Interaction Model

## Force, Patronage, Attractiveness, Credibility

- Attractiveness
  - Similarity
    - Physical Similarity
    - Ideological Similarity
  - Likability
- Credibility
  - Technical Expertise
  - Trustworthiness

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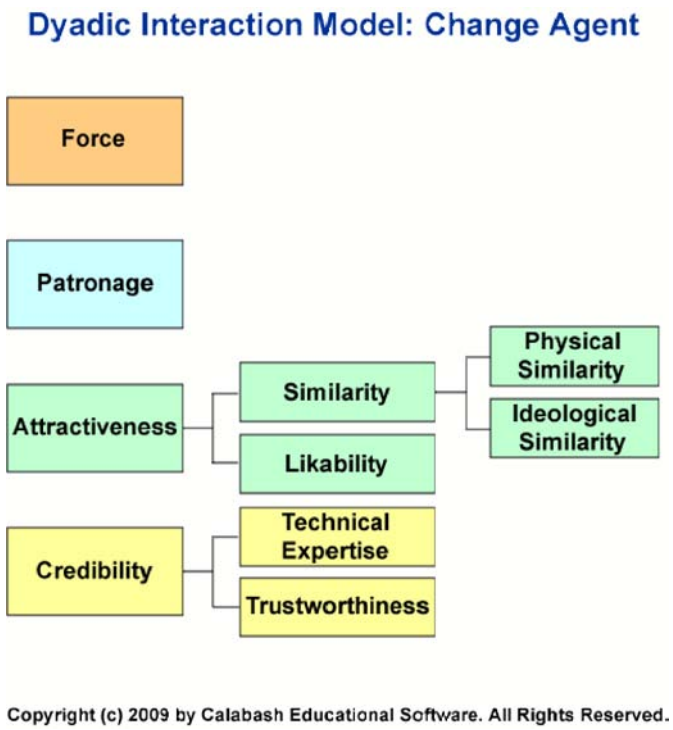
# Dyadic Interaction Model

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# Sales Force Decisions

- Company Sales Force vs. independent agents
- Compensation Plan
  - Straight salary
  - Straight commission
  - Combination
- Sales Force Size

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# Advertising Management Evaluation Approaches

## Relative Cost Evaluations

- Reach
- Frequency
- Print: column inch, run-of-paper (ROP), cost per thousand (CPM)
- Broadcast: rating point, cost per rating point, share of audience, CPM
- Internet: hits, visits, unique visitors, click-through, click fraud
- Marginal analysis (of product-linked ad)

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# Legal Aspects of Promotion

## Selected Topics

- Proportionate terms for advertising allowances
- Misleading advertising
- Testimonials
- Pyramid selling
- Referral selling
- Bait and switch
- Sales above the advertised price
- Promotional contests and sweepstakes

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