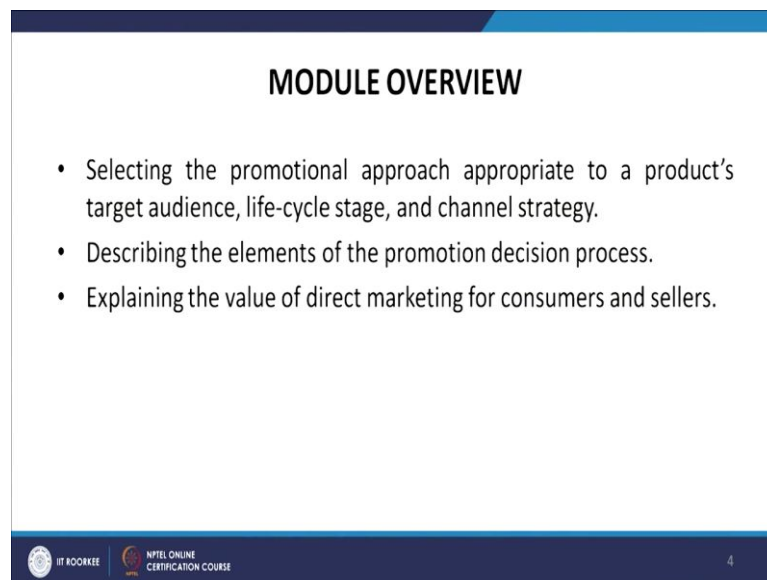


**Introduction to Marketing Essentials**  
**Prof. Zillur Rahman**  
**Department of Management Studies**  
**Indian Institute of Technology, Roorkee**

**Lecture - 32**  
**Integrated Marketing Communications and Direct Marketing – II**

Welcome to Introduction to Marketing Essentials. Now we will start with module 32. So, as can be seen in this slide module 31 and 32 are dedicated to understanding integrated marketing communication and direct marketing. So, let us see what are the things that will be covered in module 32.

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**MODULE OVERVIEW**

- Selecting the promotional approach appropriate to a product's target audience, life-cycle stage, and channel strategy.
- Describing the elements of the promotion decision process.
- Explaining the value of direct marketing for consumers and sellers.

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So, we will talk about how to go about selecting the promotional? Approaches appropriate to a products target audience, life cycle stage and the channel strategy, then we will describe the elements of the promotional decision process followed by the explanation of the value of direct marketing for consumers and sellers.

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**INTRODUCTION**

- A firm's promotional mix is the combination of one or more of the promotional tools it chooses to use.
- In putting together the promotional mix, a marketer must consider two issues:
  - First, the balance of the elements must be determined.
  - Several factors affect such decisions:
    - 1- The target audience for the promotion,
    - 2- The stage of the product's life cycle,
      - The characteristics of the product,
      - The decision stage of the buyer, and even the channel of distribution.

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To start this module, a firm's promotional mix is a combination of one or more of the promotional tools it chooses to use. In putting together the promotional mix, a marketer must consider two issues.

The first is the balance of the elements must be determined. So, one issue is that the balance of the element must be determined and there are several factors that affect such decisions. The first is so this balance is not so easy to be determined because it is affected by several factors. One of those factors is the target audience for the promotion, the second factor is the stage of the product life cycle. Then the characteristics of those product and the fourth one is the decision stage of the buyer and even the channel of distribution.

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**INTRODUCTION**

- Second, because the various promotional elements are often the responsibility of different departments, coordinating a consistent promotional effort is necessary.
- A promotional planning process designed to ensure integrated marketing communications can facilitate this goal.

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Then because the various promotional elements are often the responsibility of different departments, coordinating a consistent promotional effort is necessary. So, these are the two important things.

The first is maintaining the balance. So, first issue here is to maintain the balance which is affected by these factors and the second is the coordination between different departments, so that a consistent promotional effort is put forth a promotional planning process designed to ensure integrated marketing communication can facilitate this goal.

So, let us look at the target audience. This is the first thing. So, first factor that affect the first problem that is of establishing a balance in the elements.

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**DEVELOPING THE PROMOTIONAL MIX**

**The Target Audience**

- Promotional programs are directed to the ultimate consumer, to an intermediary (retailer, wholesaler, or industrial distributor), or to both.
  - Promotional programs directed to buyers of consumer products often use mass media because the number of potential buyers is large.
  - Personal selling is used at the place of purchase, generally the retail store.
  - Direct marketing may be used to encourage first-time or repeat purchases.
  - Combinations of many media alternatives are a necessity for some target audiences today.

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So, promotional programs are directed to the ultimate consumers or to an intermediary like a retailer, wholesaler or industrial distributor or to both of them. Promotional programs directed to buyers of consumer products often use mass media because the number of potential buyers is large.

Personal selling is used at the place of purchase. Generally, the retail store direct marketing may be used to encourage first time or repeat purchases and then combinations of many media alternatives are a necessity for some target audience.

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**DEVELOPING THE PROMOTIONAL MIX**

**The Target Audience**

- Advertising directed to business buyers is used selectively in trade publications.
- Because business buyers often have specialized needs or technical questions, personal selling is particularly important.
  - The salesperson can provide information and the necessary support after the sale.

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Today advertising directed to business buyers is used selectively in trade publications. Because business buyers are often specialized, because business buyers often have a specialized needs or technical questions, personal selling is particularly important and relevant in that condition. So, the sales people can provide information and the necessary support after the sale.

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**DEVELOPING THE PROMOTIONAL MIX**

**The Target Audience**

- Intermediaries are often the focus of promotional efforts.
- As with business buyers, personal selling is the major promotional ingredient.
  - The salespeople assist intermediaries in making a profit by coordinating promotional campaigns sponsored by the manufacturer and by providing marketing advice and expertise.
  - Intermediaries' questions often pertain to the allowed markup, merchandising support, and return policies.

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Now, intermediaries are often the focus of promotional efforts as with business buyers, personal selling is the major promotional ingredient. The sales person assists intermediaries in making a profit by coordinating promotional campaigns is sponsored by the manufacturers and by providing marketing advice and expertise.

Intermediaries question often pertain to the allowed markup merchandising support and the return policies.

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## DEVELOPING THE PROMOTIONAL MIX

### The Product Life Cycle

- All products have a life cycle, and the composition of the promotional mix changes over the four life-cycle stages (see Figure 32.1):
  - Introduction stage:** Informing consumers in an effort to increase their level of awareness is the primary promotional objective in the introduction stage of the product life cycle.
  - In general, all the promotional mix elements are used at this time.

Stage of product life cycle	Introduction	Growth	Maturity	Decline
Promotional objective	To inform	To persuade	To remind	To phase out
Promotional activity	• Publicity in magazines • Advertising • Salesforce calling on intermediaries • Sales promotion in form of free samples	• Personal selling to intermediaries • Advertising to differentiate a product from competing brands	• Reminder advertising • Sales promotion in form of discounts, coupons, and events • Limited personal selling • Direct-mail reminders	• Little heavy spend on promotion

Figure 32.1: Product Life Cycle  
Source: Roger, K., Steven, H. & William, R. (2013). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

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Another thing that affects this balance is the stage in the product life cycle. So, now let us see how this life cycle affects that balance. So, all products as we have talked about in some other earlier module, all products have a life cycle and the composition of promotional mix changes over the four life cycle stages.

So, the communication mix, the promotional mix will not remain the same. It will keep on changing depending upon the stage in the in the life cycle. So, this is the lifecycle that we have seen earlier that the product moves from introduction, growth, maturity to decline. So, these are the stages in the product life cycle.

The promotional objectives are different in different stages. So, in introduction it is to inform, in growth it is to persuade, in maturity it is to remind and in decline it is to phase out. Then there are several promotional activities that are outlined against each of the stage. For example, introduction publicity magazines are required, advertising, sales force calling on intermediaries and sales promotion in form of free samples.

As the product moves to the growth stage, the promotional objective becomes to persuade and then the promotional activity includes personal selling to intermediaries advertising to differentiate a product from competing brands. In maturity stage, the promotional objective becomes to remind and the promotional activities include reminder advertising, sales promotion in form of discount coupons and events, limited personal selling and direct mail reminders.

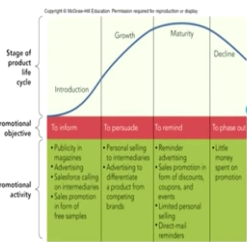
In the last stage, the promotional objective is to phase out the product. So, the promotional activity has little money to be spent on promotion. Now let us look at each one of them in detail. In the Introduction stage, informing consumers in an effort to increase their level of awareness is the primary promotional objective. In the Introduction stage of product life cycle in general, all the promotional mix elements are used at this point in time.

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## DEVELOPING THE PROMOTIONAL MIX

### The Product Life Cycle

- **Growth stage:** The primary promotional objective of the growth stage is to persuade the consumer to buy the product.
- Advertising is used to communicate brand differences, and personal selling is used to solidify the channel of distribution.



Stage of product life cycle	Introduction	Growth	Maturity	Decline
Promotional objective	To inform	To persuade	To remind	To phase out
Promotional activity	<ul style="list-style-type: none"> <li>• Publicity in magazines</li> <li>• Advertising</li> <li>• Sales promotion in form of free samples</li> </ul>	<ul style="list-style-type: none"> <li>• Personal selling to intermediaries</li> <li>• Advertising to differentiate a product from competing brands</li> </ul>	<ul style="list-style-type: none"> <li>• Reminder advertising</li> <li>• Sales promotion in form of discounts, coupons, and events</li> <li>• Limited personal selling</li> <li>• Direct-mail responses</li> </ul>	<ul style="list-style-type: none"> <li>• Little money spent on promotion</li> </ul>

Figure 32.1: Product Life Cycle  
 Source: Roger, K., Steven, H. & William, R. (2013). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

Now, let us look at what happens in the growth stage. The primary promotional objective of the growth stage is to persuade the consumers to buy the product. Advertising is used to communicate brand differences and personal selling is used to solidify the channel of distribution.

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## DEVELOPING THE PROMOTIONAL MIX

### The Product Life Cycle

- **Maturity stage:** In the maturity stage the need is to maintain existing buyers.
- Advertising's role is to remind buyers of the product's existence.
- Sales promotion, in the form of discounts, coupons, and events, is important in maintaining loyal buyers.

Stage of product life cycle	Introduction	Growth	Maturity	Decline
Promotional objective	To inform	To persuade	To remind	To phase out
Promotional activity	<ul style="list-style-type: none"> <li>• Publicity in magazines</li> <li>• Advertising</li> <li>• Sales force calling on intermediaries</li> <li>• Sales promotion in form of free samples</li> </ul>	<ul style="list-style-type: none"> <li>• Personal selling to intermediaries</li> <li>• Advertising to differentiate a product from competing brands</li> </ul>	<ul style="list-style-type: none"> <li>• Reminder advertising</li> <li>• Sales promotion in form of discounts, coupons and events</li> <li>• Limited personal selling</li> <li>• Direct mail reminders</li> </ul>	<ul style="list-style-type: none"> <li>• Little money spent on promotion</li> </ul>

Figure 32.1: Product Life Cycle  
Source: Roger, K., Steven, H. & William, R. (2013). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

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After this growth stage passes and the product enters a maturity stage, there is a need to maintain existing buyers. Advertising role is to remind buyers of the products existence. Sales promotion in the form of discounts coupons and events is important in maintaining loyal buyers.

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## DEVELOPING THE PROMOTIONAL MIX

### The Product Life Cycle

- **Decline stage:** The decline stage of the product life cycle is usually a period of phase-out for the product, and little money is spent in the promotional mix.

Stage of product life cycle	Introduction	Growth	Maturity	Decline
Promotional objective	To inform	To persuade	To remind	To phase out
Promotional activity	<ul style="list-style-type: none"> <li>• Publicity in magazines</li> <li>• Advertising</li> <li>• Sales force calling on intermediaries</li> <li>• Sales promotion in form of free samples</li> </ul>	<ul style="list-style-type: none"> <li>• Personal selling to intermediaries</li> <li>• Advertising to differentiate a product from competing brands</li> </ul>	<ul style="list-style-type: none"> <li>• Reminder advertising</li> <li>• Sales promotion in form of discounts, coupons and events</li> <li>• Limited personal selling</li> <li>• Direct mail reminders</li> </ul>	<ul style="list-style-type: none"> <li>• Little money spent on promotion</li> </ul>

Figure 32.1: Product Life Cycle  
Source: Roger, K., Steven, H. & William, R. (2013). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

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So, now you see that in maturity stage all these forms of sales promotion they come in. In the decline stage of the product life cycle is usually a period of phase out for the product and therefore, little money is spent in the promotional mix.



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## DEVELOPING THE PROMOTIONAL MIX

### Channel Strategies

- Achieving control of the channel is often difficult for the manufacturer, and promotional strategies can assist in moving a product through the channel of distribution.
- This is where a manufacturer has to make an important decision about whether to use a push strategy, pull strategy, or both in its channel of distribution.

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The third thing that affects the balance in the of the in the promotional mix is the channel. So, now let us look at the channel strategies. Achieving control of the channel is often difficult for the manufacturer and promotional strategies can assist in moving a product through the channel of distribution.

This is where a manufacturer has to make an important decision about whether to use a push strategy or a pull strategy or a combination of both of these strategies. This figure 32.2 shows how a manufacturer uses a push strategy and a pull strategy.

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## DEVELOPING THE PROMOTIONAL MIX

### Channel Strategies: Push Strategy

- Figure 32.2, shows how a manufacturer uses a **push strategy**, directing the promotional mix to channel members to gain their cooperation in ordering and stocking the product.
- In this approach, personal selling and sales promotions play major roles.
- Salespeople call on wholesalers to encourage orders and provide sales assistance.

**A. Push strategy**

**B. Pull strategy**

Figure 32.2  
Source: Roger, K., Steven, H. & William, R. (2013). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

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So, now you see that here in this A part this is about the push strategy. The product flows from the manufacturer to the wholesaler to the retailer and to the consumer. So, this is the flow of demand simulation and then, this is how on the right-hand side is how the flow of promotion mainly personal selling is directed towards the intermediary. So, here the all personal selling is directed towards the wholesaler.

Now, in the pull strategy, so again the manufacturer is here and the consumer is here, but the flow of demand in the opposite way that is from the consumer to the retailer to the wholesaler to the manufacturer, while in push strategy it is it was from the manufacturer to the consumer. In pull strategy, it is from the consumer to the manufacturer and therefore, the flow of promotion mainly advertising is directed towards the consumer because it is from where the demand is coming.

So, this figure 32.2 shows how a manufacturer uses a push strategy directing the promotional mix to channel members to gain their cooperation in ordering and stocking the product. In this approach, personal selling and sales promotion play major roles. Salespeople call on wholesalers to encourage orders and provide sales assistance.

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**DEVELOPING THE PROMOTIONAL MIX**

**Channel Strategies: Push Strategy**

- Sales promotions, such as case discount allowances (20 percent off the regular case price), are offered to stimulate demand.
- By pushing the product through the channel, the goal is to get channel members to push it to their customers.

Figure 32.2  
Source: Roger, K., Steven, H. & William, R. (2013). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

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Now, let us look at what happens in the push strategy. So, sales promotion such as case discount allowances 20 percent of the regular case price are offered to stimulate demand by pushing the product through the channel. The goal is to get channel members to push it to their customers.

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**DEVELOPING THE PROMOTIONAL MIX**

**Channel Strategies: Push Strategy**

- For example:
  - Ford Motor Company, provides support and incentives for its 3,430 Ford dealers. Through a multilevel program, Ford provides incentives to reward dealers for meeting sales goals.
  - Dealers receive an incentive when they are near a goal, another when they reach a goal, and an even larger one if they exceed sales projections.
  - Ford also offers some dealers special incentives for maintaining superior facilities or improving customer service.
- All of these actions are intended to encourage Ford dealers to “push” the Ford products through the channel to consumers.

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For example, Ford Motor Company provides support and incentives for its 3,430 Ford dealers through a multilevel program. Ford provides incentives to reward dealers for meeting sales goals. Dealers receives an incentive when they are near a goal, another when they reach a goal and an even larger one if they exceed sales projections.

Ford also offers some dealers special incentives for maintaining superior facilities or improving customer service. All of these actions are intended to encourage Ford dealers to push the ford products through the channel to consumers. Now let us look at the pull strategy in some instances. Manufacturers face resistance from channel members who do not want to order a new product or increase inventory levels of an existing brand.

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## DEVELOPING THE PROMOTIONAL MIX

### Channel Strategies: Pull Strategy

- In some instances, manufacturers face resistance from channel members who do not want to order a new product or increase inventory levels of an existing brand.
- As shown in Figure 32.2, a manufacturer may then elect to implement a **pull strategy** by directing its promotional mix at ultimate consumers to encourage them to ask the retailer for a product.

Figure 32.2  
Source: Roger, K., Steven, H. & William, R. (2013). Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.

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So, now look at this figure 32.2, a manufacturer may then elect to implement a pull strategy by directing its promotional mix at ultimate consumers to encourage them to ask the retailer for a product.

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## DEVELOPING THE PROMOTIONAL MIX

### Channel Strategies: Pull Strategy

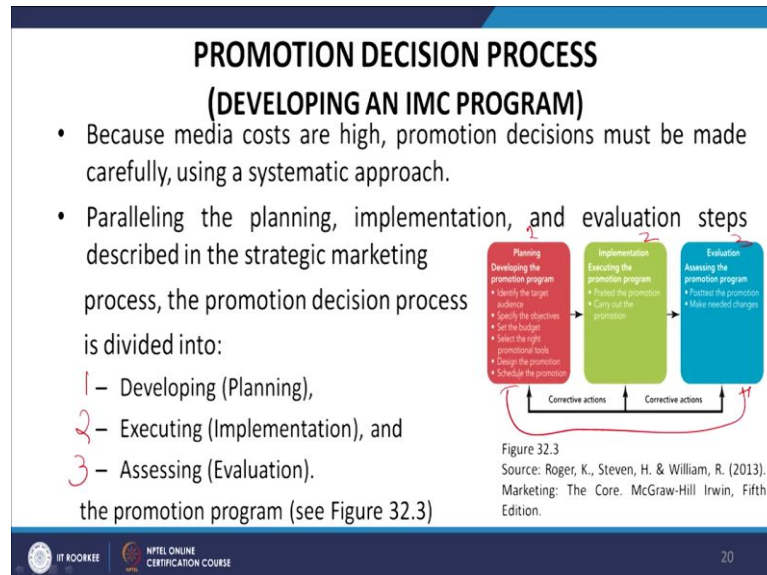
- Seeing demand from ultimate consumers, retailers order the product from wholesalers and thus the item is pulled through the intermediaries.
- Pharmaceutical companies, for example, now spend more budget annually on direct-to-consumer prescription drug advertising, to complement traditional personal selling and free samples directed only at doctors.
- The strategy is designed to encourage consumers to ask their doctor for a specific drug by name—pulling it through the channel.

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Seeing demand from ultimate consumers, retailers order the product from wholesalers and thus, the item is pulled through the intermediary pharmaceutical companies. For example, now spend more budget annually on direct to consumer prescription, drug advertising to complement traditional personal sales and free samples directed only at

doctors. The strategy is designed to encourage consumers to ask their doctors for a specific drug by name pulling it through the channel.

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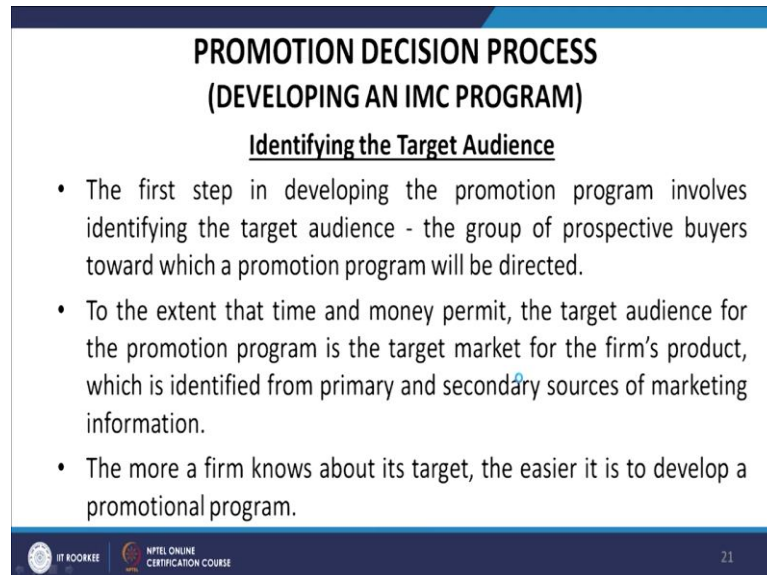
Now, we will talk about how to go about developing an Integrated Marketing Communication that is IMC program because media cost is high. Promotional decisions must be made carefully using a systematic approach paralleling the planning, implementation and evaluation steps described in the Strategic Marketing Process. The promotion decision process is divided into these three stages. The first is developing that is planning, followed by executing that is implementation and then comes assessing that is evaluation.

So, now let us look at this figure 32.3. This is the planning stage, the Implementation stage and the evaluation stage. So, in planning stage what happens is that there is a need to develop the promotional program and for that there is a need to identify the target audience, specify the objectives of this process, set the budget, select the right promotional tools followed by design, the promotion and schedule that promotion.

In the second stage that is implementation it requires executing the promotional program. So, there is a need to pretest the promotion and then carry out the promotion. In the third stage comes evaluation that is accessing the promotional program post test the promotion and make needed changes.

So, you now you see that everywhere there is a there are arrows for corrective actions. So, where wherever things have gone wrong, corrective actions may need to be taken.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

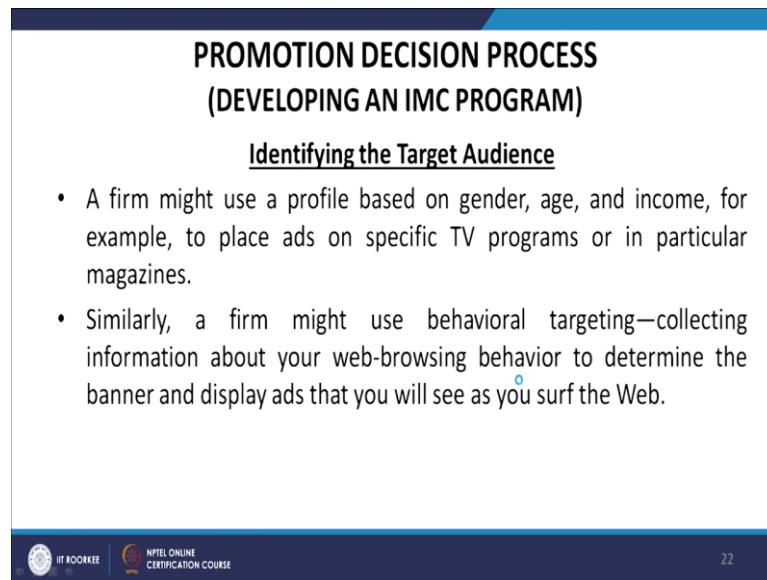
**Identifying the Target Audience**

- The first step in developing the promotion program involves identifying the target audience - the group of prospective buyers toward which a promotion program will be directed.
- To the extent that time and money permit, the target audience for the promotion program is the target market for the firm's product, which is identified from primary and secondary sources of marketing information.
- The more a firm knows about its target, the easier it is to develop a promotional program.

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Now, the first step in developing the promotional program involves identifying the target audience - the group of prospective buyers towards which a promotional program will be directed. To the extent that time and money permits, the target audience for the promotion program is the target market for the firm's product which is identified from primary and secondary sources of marketing information. The more a firm knows about its target, the easier it is to develop a promotional program.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

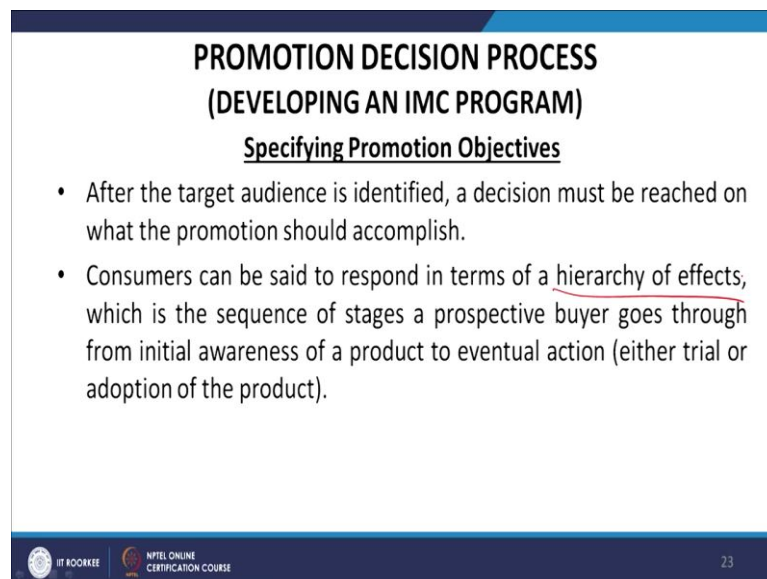
**Identifying the Target Audience**

- A firm might use a profile based on gender, age, and income, for example, to place ads on specific TV programs or in particular magazines.
- Similarly, a firm might use behavioral targeting—collecting information about your web-browsing behavior to determine the banner and display ads that you will see as you surf the Web.

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A firm might use a profile based on gender, age and income. For example, to place ads on specific TV programs or in a particular magazine. Similarly, a firm might use behavioral targeting that is collecting information about your web-browsing behavior to determine the banner and the display ads that you will see as you surf through the net.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

**Specifying Promotion Objectives**

- After the target audience is identified, a decision must be reached on what the promotion should accomplish.
- Consumers can be said to respond in terms of a hierarchy of effects, which is the sequence of stages a prospective buyer goes through from initial awareness of a product to eventual action (either trial or adoption of the product).

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Then there is a need to specify promotional objective. Now after the target audience is identified, a decision must be reached on what the promotion should accomplish. So, that is what the promotional objectives are. Consumers can be said to respond in terms of a

hierarchy of effects which is the sequence of stage a prospective buyer goes through from initial awareness of a product to eventual action either trial or adoption of this product.

So, we want to take consumers through the various stages of this hierarchy of the effects. Now the idea here, the objective here is to increase the initial awareness or the eventual action. Eventual action can be either a trial, a one-time trial or adoption of a product for all times.

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**PROMOTION DECISION PROCESS**  
**(DEVELOPING AN IMC PROGRAM)**

Specifying Promotion Objectives

- The five stages a prospective buyer goes through are:
  - 1 – **Awareness:** The consumer’s ability to recognize and remember the product or brand name.
  - 2 – **Interest:** An increase in the consumer’s desire to learn about some of the features of the product or brand.
  - 3 – **Evaluation:** The consumer’s appraisal of the product or brand on important attributes.
  - 4 – **Trial:** The consumer’s first purchase and use of the product or the brand.
  - 5 – **Adoption:** The consumer’s permanent use of the product or the brand.

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So, these are the five stages of prospective buyers goes through. The first is awareness that is the consumers ability to recognize and remember the product or brand name. It is followed by interest and increase in the consumers desire to learn about some of the features of the product or brand.

So, 1st in according to this model the marketer makes the consumer aware of this product, 2nd some amount of interest is generated in the consumer because of this information given by the company. That is followed by evaluation that is the consumers appraisal of the product or brand on important attributes. Then comes trial the consumer actual first purchase and use of the product of or the brands.



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**PROMOTION DECISION PROCESS**  
**(DEVELOPING AN IMC PROGRAM)**

Specifying Promotion Objectives

- **Trial:** The consumer's actual first purchase and use of the product or brand.
- **Adoption:** Through a favorable experience on the first trial, the consumer's repeated purchase and use of the product or brand.

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So, now he buys this product and then comes adoption. Through a favorable experience on the first trial, the consumers repeated purchase and use of the product or brand.

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**PROMOTION DECISION PROCESS**  
**(DEVELOPING AN IMC PROGRAM)**

Specifying Promotion Objectives

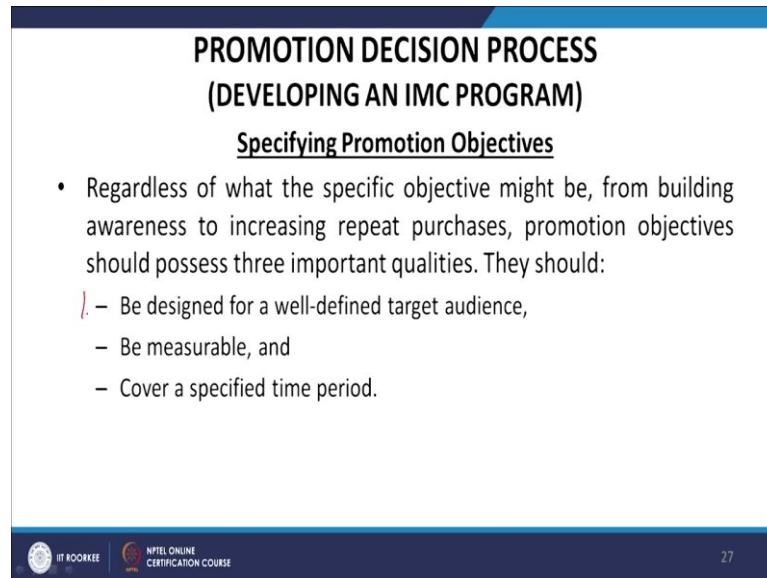
- For a totally new product, the sequence applies to the entire product category, but for a new brand competing in an established product category, it applies to the brand itself.
- These steps can serve as guidelines for developing promotion objectives.
- Although sometimes an objective for a promotion program involves several steps in the hierarchy of effects, it often focuses on a single stage.

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For a totally new product, the sequence applies to the entire product category, but for a new brand competing in an established product category it applies to the brand itself. So, if there is a new product, then this hierarchy of effects applies to the whole, all the products while when we are talking of a brand that is competing in an established product category, then this applies to that particular brand.

These steps can serve as guidelines for developing a promotional objective although sometime an objective for a promotional program involves several steps in the hierarchy of effects. It often focuses on a single stage. Now regardless of what the specific objective might be from building awareness to increase repeat purchase, promotion objectives should possess three important qualities.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

**Specifying Promotion Objectives**

- Regardless of what the specific objective might be, from building awareness to increasing repeat purchases, promotion objectives should possess three important qualities. They should:
  - 1. – Be designed for a well-defined target audience,
  - Be measurable, and
  - Cover a specified time period.

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So, the first important characteristic of a promotional objective is that it should be designed for a well-defined target audience, then it should be measurable and it should span a specified time period.

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**PROMOTION DECISION PROCESS**  
**(DEVELOPING AN IMC PROGRAM)**  
**Setting the Promotion Budget**

- After setting the promotion objectives, a company must decide how much to spend.
- Several methods used to set the promotion budget are:
  - **Percentage of sales:** In the percentage of sales budgeting approach, the amount of money spent on promotion is a percentage of past or anticipated sale.
  - **Competitive parity:** Competitive parity budgeting matches the competitor's absolute level of spending or the proportion per point of market share.

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After setting the promotion objective, a company must decide how much to spend on that. Several methods used to set the promotional budget are first is the percentage of sales that is in the percentage of sales, budgeting approach, the amount of money spent on promotion is a percentage of past or anticipated sale. The second is competitive parity that is competitive parity budgeting matches the competitor's absolute level of spending or the promotion per point of market share.

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**PROMOTION DECISION PROCESS**  
**(DEVELOPING AN IMC PROGRAM)**  
**Setting the Promotion Budget**

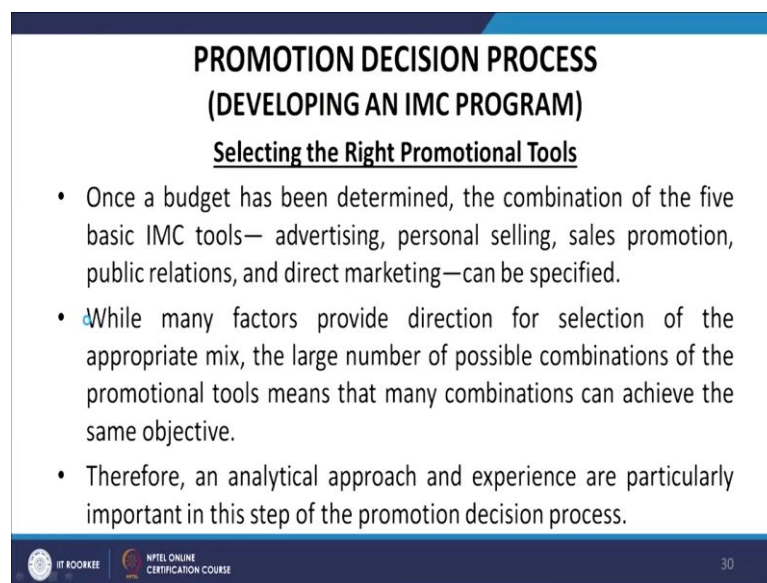
- **All you can afford:** Common to many businesses, the all-you-can-afford budgeting method allows money to be spent on promotion only after all other budget items—such as manufacturing costs—are covered.
- **Objective and task:** The best approach to budgeting is objective and task budgeting, whereby the company:
  - Determines its promotion objectives,
  - Outlines the tasks to accomplish those objectives, and
  - Determines the promotion cost of performing those tasks.

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The third objective, the third budgeting method is all you can afford common to many businesses the all you can afford budgeting method allows money to be spent on promotion only after all other budget item such as manufacturing cost are covered. The fourth of this budget method is objective and task.

The best approach to budgeting is objective and task budgeting, whereby the company first determines its promotional objectives, second outline the task to accomplish those objectives and third is determine the promotion cost of performing those tasks.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

**Selecting the Right Promotional Tools**

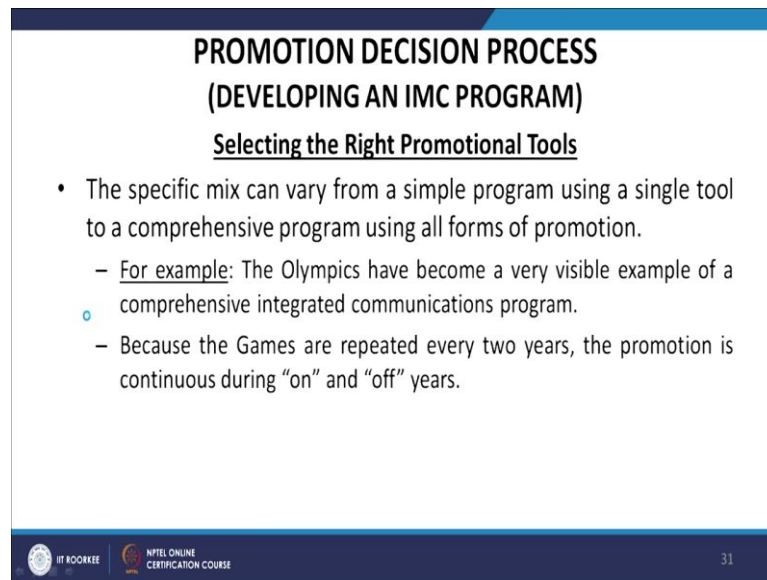
- Once a budget has been determined, the combination of the five basic IMC tools— advertising, personal selling, sales promotion, public relations, and direct marketing—can be specified.
- While many factors provide direction for selection of the appropriate mix, the large number of possible combinations of the promotional tools means that many combinations can achieve the same objective.
- Therefore, an analytical approach and experience are particularly important in this step of the promotion decision process.

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Next comes selecting the right promotional tools. Once a budget has been determined, the combination of five basic IMC tools that includes advertising, personal selling, sales, promotion, public relation and direct marketing can be specified while many factors provide direction for selection of the appropriate mix, the large number of possible combinations of the promotional tools means that many combinations can achieve the same objectives.

Therefore, an analytical approach and experience are particularly important in this step of the promotion decision process.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

**Selecting the Right Promotional Tools**

- The specific mix can vary from a simple program using a single tool to a comprehensive program using all forms of promotion.
  - For example: The Olympics have become a very visible example of a comprehensive integrated communications program.
  - Because the Games are repeated every two years, the promotion is continuous during “on” and “off” years.

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The specific mix may vary from a simple program using a single tool to a comprehensive program using all forms of promotion. For example, the Olympics have become a very visible example of a comprehensive integrated communication program because the games are repeated every two years, the promotion is continuous during on and off years.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

**Selecting the Right Promotional Tools**

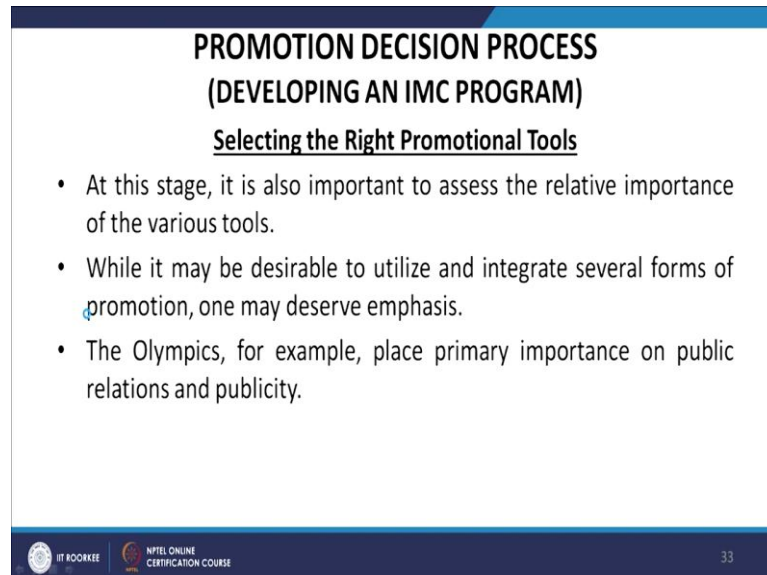
- Included in the program are:
  - advertising campaigns,
  - personal selling efforts by the Olympic committee and organizers,
  - sales promotion activities such as product tie-ins and sponsorships,
  - public relations programs managed by the host cities,
  - online and digital communication, and
  - direct marketing efforts targeted at a variety of audiences, including government organizations, firms, athletes, and individuals.

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Now, what is included in this program is first the advertising campaigns, then personal selling by the Olympic committee and organizers sales promotion activities such as product tie-ins and sponsorships, public relations programs managed by the host cities,

online and digital communications and direct marketing efforts targeted at a variety of audience including government organizations, firms' athletes and individuals.

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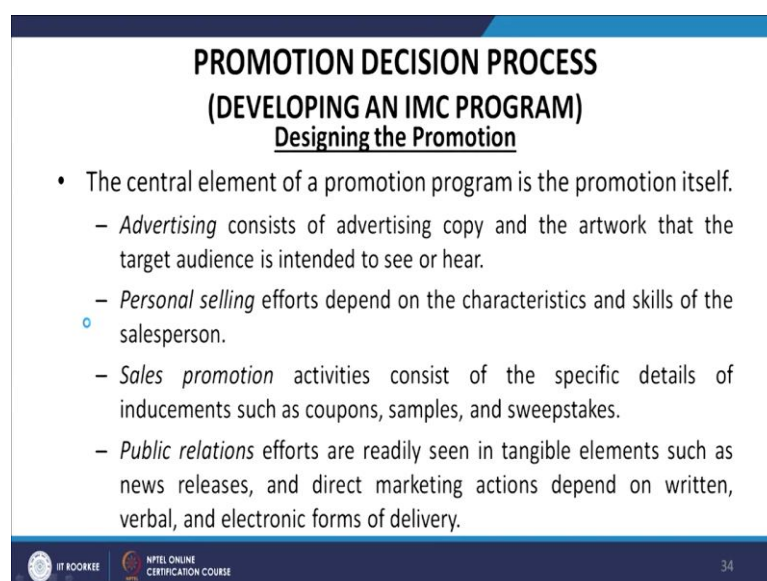
**PROMOTION DECISION PROCESS**  
**(DEVELOPING AN IMC PROGRAM)**  
**Selecting the Right Promotional Tools**

- At this stage, it is also important to assess the relative importance of the various tools.
- While it may be desirable to utilize and integrate several forms of promotion, one may deserve emphasis.
- The Olympics, for example, place primary importance on public relations and publicity.

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At this stage it is also important to assess the relative importance of the various tools while it may be desirable to utilize an integrate several forms of promotion, one may deserve emphasis. The Olympics, for example, place primary importance on public relations and publicity.

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**PROMOTION DECISION PROCESS**  
**(DEVELOPING AN IMC PROGRAM)**  
**Designing the Promotion**

- The central element of a promotion program is the promotion itself.
  - *Advertising* consists of advertising copy and the artwork that the target audience is intended to see or hear.
  - *Personal selling* efforts depend on the characteristics and skills of the salesperson.
  - *Sales promotion* activities consist of the specific details of inducements such as coupons, samples, and sweepstakes.
  - *Public relations* efforts are readily seen in tangible elements such as news releases, and direct marketing actions depend on written, verbal, and electronic forms of delivery.

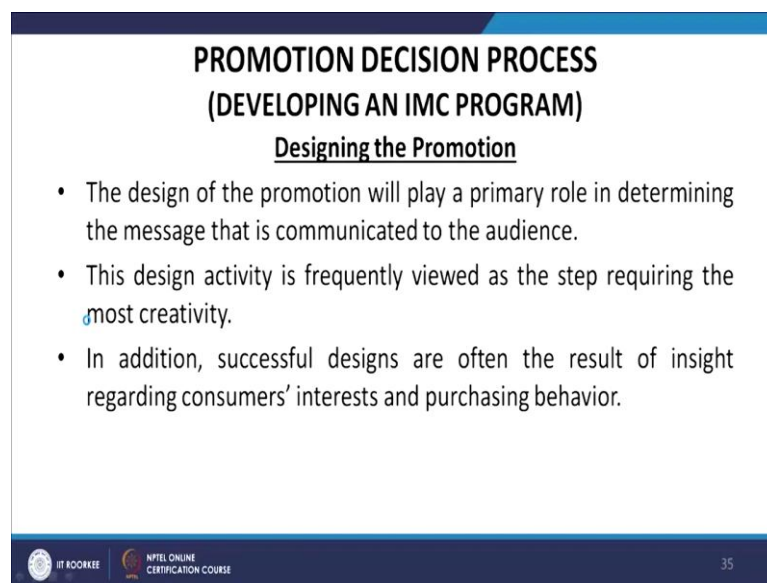
IT ROORKEE | NPTEL ONLINE CERTIFICATION COURSE | 34

Now designing this promotion, the central element of a promotion program is the promotion itself. So, the first thing that needs to be done is advertising that consists of advertising copy and the artwork that the target audience is intended to see or hear. Then comes personal selling efforts depends on the characteristics and skills of the sales people.

The sales promotion activities consist of specific details of inducements such as coupons, samples and sweepstakes. In public relation efforts are readily seen in tangible element such as news releases and direct marketing actions depend on written verbal and electronic form of delivery.

The design of a promotion will play a primary role in determining the message that is communicated to the audience. The design activity is frequently viewed as the step requiring the most creativity.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

Designing the Promotion

- The design of the promotion will play a primary role in determining the message that is communicated to the audience.
- This design activity is frequently viewed as the step requiring the most creativity.
- In addition, successful designs are often the result of insight regarding consumers' interests and purchasing behavior.

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In addition, successful designs are often the result of insight regarding consumer interest and purchasing behavior.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

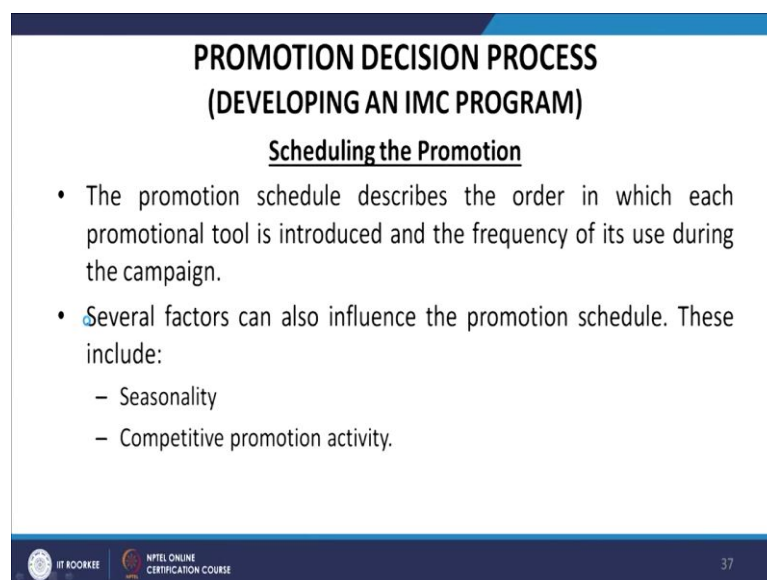
**Designing the Promotion**

- All of the promotion tools have many design alternatives.
- Advertising, for example, can utilize fear, humor, attractiveness, or other themes in its appeal.
- Similarly, direct marketing can be designed for varying levels of personal or customized appeals.
- One of the challenges of IMC is to design each promotional activity to communicate the same message.

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All of the promotion tools have many design alternatives. Advertising, for example, can utilize fear, humor, attractiveness or other themes in its appeal. Similarly, direct marketing can be designed by varying levels of personal or customized appeals. One of the challenges of IMC is to design each promotional activity to communicate the same message.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

**Scheduling the Promotion**

- The promotion schedule describes the order in which each promotional tool is introduced and the frequency of its use during the campaign.
- Several factors can also influence the promotion schedule. These include:
  - Seasonality
  - Competitive promotion activity.

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Then comes scheduling the promotion. The promotion schedule describes the order in which each promotional tool is introduced and the frequency of its use during the





campaign. There are several factors that can influence the promotion schedule. These includes seasonality, competitive promotion activity.

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**PROMOTION DECISION PROCESS  
(DEVELOPING AN IMC PROGRAM)**

**Scheduling the Promotion**

- For example, businesses such as ski resorts, airlines, and professional sports teams are likely to reduce their promotional activity during the “off” season.
- Similarly, restaurants, retail stores, and health clubs are likely to increase their promotional activity when new competitors enter the market.



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For example, businesses such as ski, resorts, airlines and professional sports teams are likely to reduce their promotional activity during the off-season. Similarly, restaurants, retail stores and health clubs are likely to increase their promotional activity when new competitors enter the market.

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**PROMOTION DECISION PROCESS  
(EXECUTING AND ASSESSING THE PROMOTION PROGRAM)**

- As shown in Figure 32.3, the ideal execution of a promotion program involves pre-testing each design before it is actually used to allow for changes and modifications that improve its effectiveness.
- Similarly, post-tests are recommended to evaluate the impact of each promotion and the contribution of the promotion toward achieving the program objectives.

**Planning**

Developing the promotion program

- Identify the target audience
- Specify the objectives
- Set the budget
- Select the right promotional tools
- Design the promotion
- Schedule the promotion

**Implementation**

Executing the promotion program

- Promote the promotion
- Carry out the promotion

**Evaluation**

Assessing the promotion program

- Promote the promotion
- Make needed changes

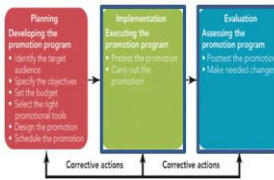




Figure 32.3  
 Source: Roger, K., Steven, H. & William, R. (2013).  
 Marketing: The Core. McGraw-Hill Irwin, Fifth Edition.



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Next comes the executing and assessing the promotional program. So, as shown in this figure 32.3, the ideal execution of a promotion program involves pretesting each design before it is actually used to allow for changes and modifications that improve its effectiveness. Similarly post tests are recommended to evaluate the impact of each promotion and the contribution of the promotion towards achieving the program objectives.

(Refer Slide Time: 23:45)



**PROMOTION DECISION PROCESS**  
**(EXECUTING AND ASSESSING THE PROMOTION PROGRAM)**

- The most sophisticated pre-test and post-test procedures have been developed for advertising.
- Testing procedures for sales promotion and direct marketing efforts currently focus on comparisons of different designs or responses of different segments.
- To fully benefit from IMC programs, companies must create and maintain a test-result database that allows comparisons of the relative impact of the promotional tools and their execution options in varying situations.

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The most sophisticated pre-test and post-test procedures have been developed for advertising. Testing procedures for sales promotion and direct marketing efforts currently focus on comparisons of different design or responses of different segments to fully benefit from IMC programs. Companies must create and maintain a test result database that allows comparison of the relative impact of the promotional tools and their execution options in varying situations.

An important factor in developing successful IMC program is to create a process that facilitates the design and use.

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**PROMOTION DECISION PROCESS**  
**(EXECUTING AND ASSESSING THE PROMOTION PROGRAM)**

- An important factor in developing successful IMC programs is to create a process that facilitates their design and use.
- A tool used to evaluate a company's current process is the **IMC audit**.
- The audit analyzes the internal communication network of the company; identifies key audiences; evaluates customer databases; assesses messages in recent advertising, public relations releases, packaging, websites, e-mail communication, signage, sales promotions, and direct mail; and determines the IMC expertise of company and agency personnel.

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The tool used to evaluate a company's current process is the IMC audit. This audit analyzes the internal communication network of the company, identifies key audiences, evaluate customer databases, accesses messages in recent advertising, public relations releases, packaging websites, email communication, signages, sales promotion and direct mail and determine the IMC expertise of company and agency personnel.

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**DIRECT MARKETING**

- Direct marketing has many forms and utilizes a variety of media.
- Several forms of direct marketing include:
  - Direct mail and catalogs,
  - Television home shopping,
  - Telemarketing, and
  - Direct selling.

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Then next element is that the direct marketing. So, direct marketing has many forms and utilizes a variety of media. Several forms of direct marketing include direct mails and catalogs, television home shopping, telemarketing and direct sales.

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**DIRECT MARKETING**  
**(THE GROWTH OF DIRECT MARKETING)**

- The increasing interest in customer relationship management is reflected in the dramatic growth of direct marketing.
- The ability to customize communication efforts and create one-to-one interactions is appealing to most marketers, particularly those with IMC programs.
- While many direct marketing methods are not new, the ability to design and use them has increased with the availability of customer information databases and new printing technologies.

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Now, let us look at the growth of direct marketing. The increasing interest in customer relationship management is reflected in the dramatic growth of direct marketing. The ability to customize communication efforts and create one to one interaction is appealing to most marketers particularly those with IMC programs.

While many direct marketing methods are not new, the ability to design and use them has increased with the availability of customer information data bases and new printing technologies.

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**DIRECT MARKETING**  
**(THE GROWTH OF DIRECT MARKETING)**

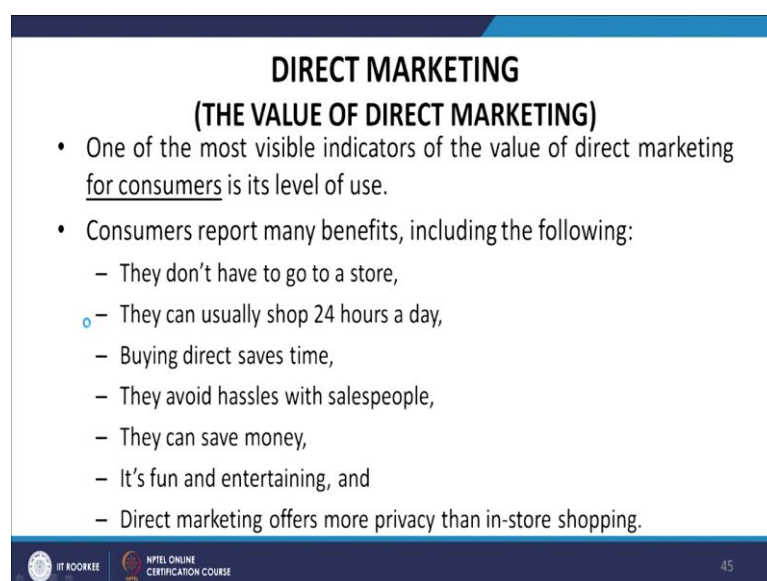
- In recent years, direct marketing growth has outpaced total economic growth.
- E-mail, the most popular form of direct marketing, is used by 93 percent of marketers and generates a 1.7 percent response rate.
- While e-mail is the most common form of direct marketing, most campaigns use several methods.
- Many companies also integrate their direct marketing with other forms of promotion.

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In recent years, direct marketing growth has outpaced total economic growth. E-mail, the most popular form of direct marketing is used by 93 percent of marketers and generates 1.7 percent response rates.

While e-mail is the most common form of direct marketing, most campaigns use several methods. Many companies also integrate their direct marketing with other form of promotion.

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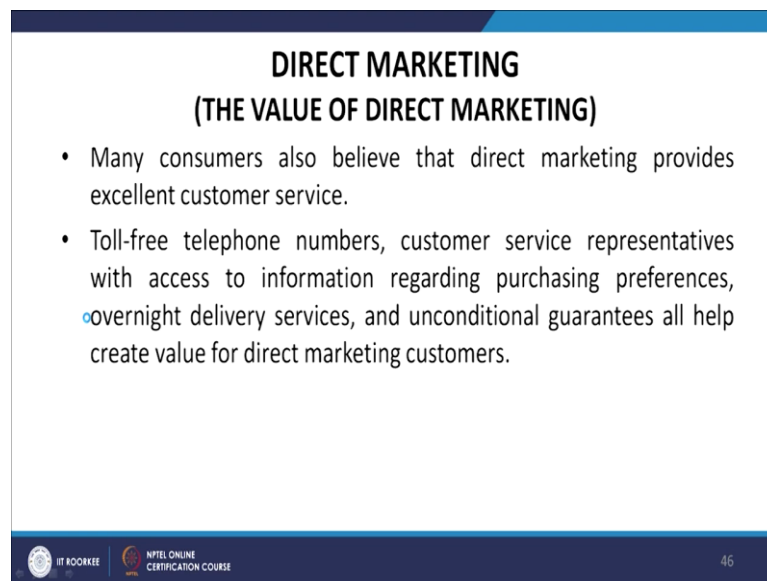
**DIRECT MARKETING**  
**(THE VALUE OF DIRECT MARKETING)**

- One of the most visible indicators of the value of direct marketing for consumers is its level of use.
- Consumers report many benefits, including the following:
  - They don't have to go to a store,
  - They can usually shop 24 hours a day,
  - Buying direct saves time,
  - They avoid hassles with salespeople,
  - They can save money,
  - It's fun and entertaining, and
  - Direct marketing offers more privacy than in-store shopping.

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What are the what is the value of this direct marketing? One of the most visible indicators of the value of direct marketing for consumers is its level of use. Consumer reports many benefits including the following that they do not have to go to a store, they can usually shop 24 hours a day, buying direct saves time, they avoid hassles with sales people, they can save money, it is fun, it is fun and entertaining and the direct marketing offers more privacy than in store shopping.

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**DIRECT MARKETING**  
**(THE VALUE OF DIRECT MARKETING)**

- Many consumers also believe that direct marketing provides excellent customer service.
- Toll-free telephone numbers, customer service representatives with access to information regarding purchasing preferences, overnight delivery services, and unconditional guarantees all help create value for direct marketing customers.

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Many consumers also believe that direct marketing provides excellent customer service. Toll free telephone numbers, customer service representatives with access to information regarding purchasing preferences, overnight delivery services and unconditional guarantees also all help create value for direct marketing customers. The value of direct marketing for sellers can be described in terms of the responses it generates.

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**DIRECT MARKETING**  
**(THE VALUE OF DIRECT MARKETING)**

- The value of direct marketing for sellers can be described in terms of the responses it generates.
- **Direct orders** are the result of offers that contain all the information necessary for a prospective buyer to make a decision to purchase and complete the transaction.
- **Lead generation** is the result of an offer designed to generate interest in a product or service and a request for additional information.
- Finally, **traffic generation** is the outcome of an offer designed to motivate people to visit a business.

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Direct orders are the results of offers that contain all the information necessary for a prospective buyer to make a decision to purchase and complete the transaction. Lead generation is the result of an offer designed to generate interest in a product or service and a request for additional information. Finally, traffic generation is the outcome of an offer designed to motivate people to visit a business.

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**DIRECT MARKETING**  
**(TECHNOLOGICAL, GLOBAL, AND ETHICAL ISSUES**  
**IN DIRECT MARKETING)**

- The information technology and databases are key elements in any direct marketing program.
- Databases are the result of organizations' efforts to create profiles of customers so that direct marketing tools, such as e-mail and catalogs, can be directed at specific customers.
- While most companies try to keep records of their customers' past purchases, many other types of data are needed to use direct marketing to develop one-to-one relationships with customers.

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Now, let us look at the technological, global and ethical issues in direct marketing. The information technology and databases are key elements in any direct marketing program.

Data bases are the results of organizational efforts to create profiles of customers, so that direct marketing tools such as email and catalogs can be directed at specific customers.

While most companies try to keep records of their customers past purchases, many other types of data are needed to use direct marketing to deliver to develop one to one relationship with customers.

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**DIRECT MARKETING**  
**(TECHNOLOGICAL, GLOBAL, AND ETHICAL ISSUES**  
**IN DIRECT MARKETING)**

- Some data, such as lifestyles, media use, and demographics, are best collected from the consumer.
- Other types of data, such as price, quantity, and brand, are best collected from the businesses where purchases are made.
- Increases in postage rates and the decline in the economy have also increased the importance of information related to the cost of direct marketing activities.

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Some data such as lifestyle, media use and demographics are best collected from the consumers. Other type of data such as price quality and brand are best collected from the businesses where purchases are made. Increases in postage rates and the decline in the economy have also increased the importance of information related to the cost of direct marketing activities.



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**DIRECT MARKETING**  
**(TECHNOLOGICAL, GLOBAL, AND ETHICAL ISSUES**  
**IN DIRECT MARKETING)**

- Direct marketing faces several challenges and opportunities in global markets today.
  - Several countries such as Italy and Denmark, for example, have requirements for mandatory “opt-in”—that is, potential customers must give permission to include their name on a list for direct marketing solicitations.
  - In addition, the mail, telephone, and Internet systems in many countries are not as well developed as they are in the United States.

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Now, direct marketing faces several challenges and opportunities in global markets today. Several countries such as Italy and Denmark, for example have requirements for mandatory opt in that is potential customers must give permission to include their name on a list for direct marketing solicitations.

In addition, the mail, telephone and internet system in many countries are not as well developed as they are in the United States.

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**DIRECT MARKETING**  
**(TECHNOLOGICAL, GLOBAL, AND ETHICAL ISSUES**  
**IN DIRECT MARKETING)**

- The need for improved reliability and security in these countries has slowed the growth of direct mail, while the dramatic growth of mobile phone penetration has created an opportunity for direct mobile marketing campaigns.
- Another issue for global direct marketers is payment.
  - The availability of credit and credit cards varies throughout the world, creating the need for alternatives such as C.O.D. (cash on delivery), bank deposits, and online payment accounts.

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The need for improved reliability and security in these countries has slowed the growth of direct mail while the dramatic growth of mobile phone penetration has created an opportunity for direct mobile marketing campaigns.

Another issue of global direct marketer is payment. The availability of credit and credit cards varies throughout the world creating the need for alternatives such as cash on delivery, bank deposits and online payment accounts. Global and domestic direct marketers, both face challenge in ethical issues today.

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**DIRECT MARKETING**  
**(TECHNOLOGICAL, GLOBAL, AND ETHICAL ISSUES**  
**IN DIRECT MARKETING)**

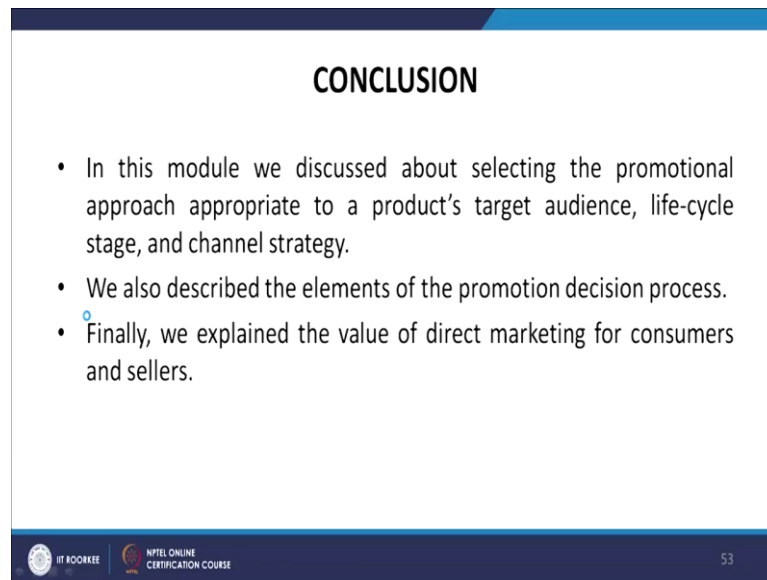
- Global and domestic direct marketers both face challenging ethical issues today.
- Concerns about privacy, for example, have led to various attempts to provide guidelines that balance consumer and business interests.
- Similarly, there are growing concerns about the web “tracking” tools used by direct marketers to segment consumers and match them with advertising.

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Concerns about privacy, for example, have led to various attempts to provide guidelines that balance consumers and business interest. Similarly, there are growing concern about the web tracking tools used by direct marketers to segment consumers and match them with advertising.

In order to conclude this module, in this model we have discussed about selecting the promotional approach appropriate to a products target audience, lifestyle stage and channel strategy.

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## CONCLUSION

- In this module we discussed about selecting the promotional approach appropriate to a product's target audience, life-cycle stage, and channel strategy.
- We also described the elements of the promotion decision process.
- Finally, we explained the value of direct marketing for consumers and sellers.

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We have also described the elements of the promotional decision process and finally, we explained the value of direct marketing for consumers and sellers.

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## REFERENCES

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And these are the three books I used for this module.

Thank you.