

CHAPTER 6



CAREERS IN MARKETING

TARGET STORES

In 1962 Target was the first retailer to begin selling national brands at discount prices. Target has an aggressive fashion focus and offers the basic merchandise that families need and use most. The average shopper is a female, age 42, with children at home and an average household income of about \$49,000.

An Advertising Copywriter at Target brings ideas to life through the store's print, radio, television, and Internet ads. Working with merchandisers, in-store marketing, and public relations teams, an Advertising Copywriter's goal is to increase store traffic and drive sales by maintaining Target's distinctive image.

Advertising Copywriters need to be creative, versatile, detail-oriented, and have good desktop publishing skills. They need a four-year degree in advertising, journalism, or English. They also should have a portfolio of samples of their work and ideas. One to two years of copywriting experience is preferred.

THINK CRITICALLY

1. Why is an Advertising Copywriter important in maintaining Target's image as a fashion-oriented basic merchandise retailer?
2. Why does the job require a person who is both creative and detail-oriented?

PROMOTION

LESSONS

6.1 PROMOTION AND ADVERTISING

6.2 PERSONAL SELLING

6.3 SALES PROMOTION, PUBLICITY, INTERNET

LESSON 6.1

PROMOTION AND ADVERTISING

GOALS

DISCUSS the role of promotion in marketing

IDENTIFY ways to use advertising effectively



THE ROLE OF PROMOTION IN MARKETING

Promotion of products in the United States is everywhere. Consumers are exposed to thousands of promotional messages each day from newspapers, radio, billboards, and even advertisements mounted on taxis or painted on city buses. To be successful, a company's promotions must interest people in buying its products and services and help them purchase the product.

Promotion refers to the methods used and information communicated to consumers. It results in a consumer's decision to purchase and in increased customer satisfaction. One of the primary reasons a company's products fail is that customers are not aware of the product or how it will satisfy their needs. Ensuring customer satisfaction is a very important part of promotion.

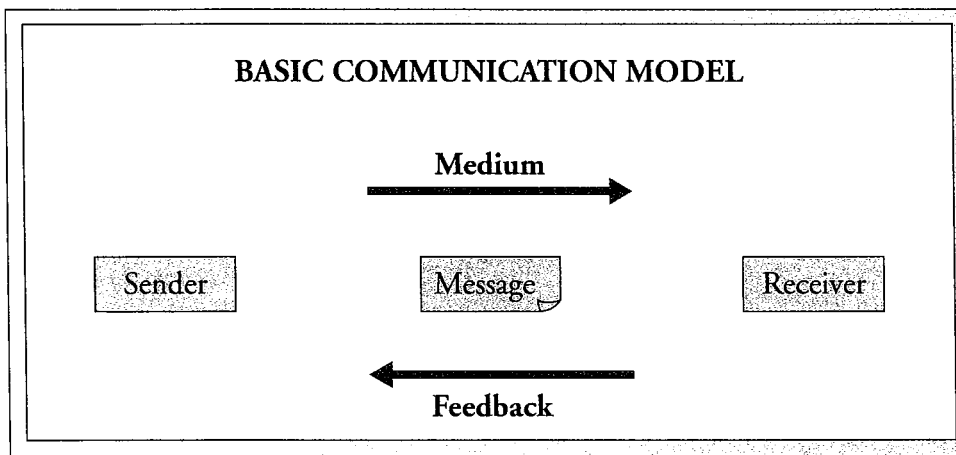
ON THE SCENE

Michael travels with his family each year to their summer beach home in North Carolina. For the past three years, he and a few other friends have operated a business where they provide three-hour walking tours of the resort town where they vacation. They charge \$5 for adults and \$3 for children ages 5 to 12. Each summer he makes enough money for spending and a small amount of savings. Michael would like to expand the business to attract even more tourists and thinks promotion might be helpful. What recommendations would you make to Michael about when, where, and how to promote his business?

Each of the other elements of the marketing mix are important to effective promotion. Consumers need to know the product is available. They also must know where they can purchase it. They must be able to easily recognize the uses and the unique features of the product and be able to compare differences among brands. They will want to know the cost of the product and be able to determine if it is a good value in satisfying their needs.

MODEL OF EFFECTIVE COMMUNICATION

Effective promotion is based on effective communication. Communication is a two-way process between a sender, the person or organization providing the information, and the receiver, one or more people with whom the sender wants to communicate. Receivers can send feedback to the sender indicating whether they understand the message or not, ask questions, or provide additional information. A basic communication model is shown below.



In promotion, the company communicating with consumers is the sender. The information in the promotion is the message. The method of promotion—advertising, personal selling, sales promotion, publicity—determines the communication medium. The prospective customer is the receiver. Feedback from the receiver will help the sender determine whether the promotion was successful and whether additional promotion and communication is needed.

ROLES OF PROMOTION

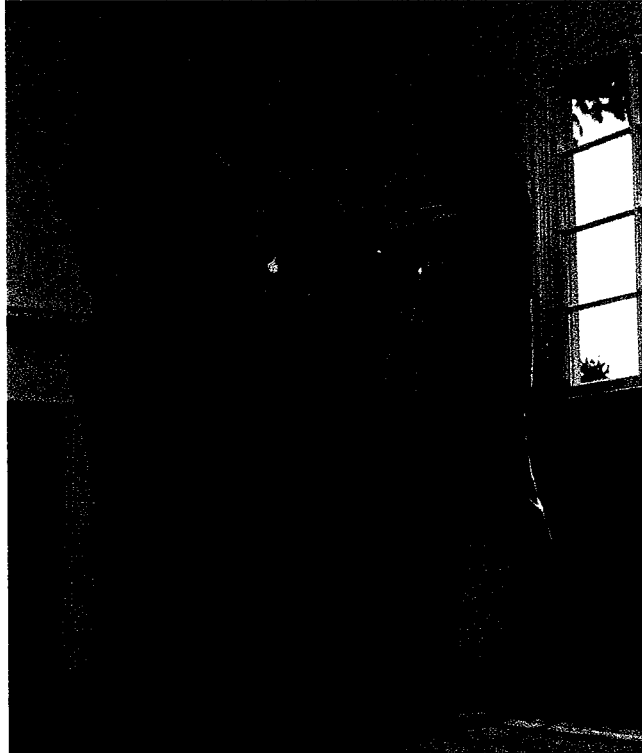
Promotion has three possible roles in marketing. It can inform, persuade, or remind. The first role of promotion is to *inform*. Customers need to be aware of a product, its features, and marketing mix elements. They must be able to identify what needs the product will satisfy.

Persuasion encourages a customer to take a specific action such as visit a store, request additional information, or purchase a product. Persuasion is an important promotion task as customers compare brands to determine those that they believe are the best value or provide the greatest satisfaction.

Finally, promotion can *remind* customers who have purchased a product about the satisfaction they received and encourage them to continue to purchase the product. Satisfied customers are important to businesses. They should not be ignored when planning promotion.

COMMUNICATION METHODS IN PROMOTION

Companies can communicate with consumers in many ways. New and creative forms of communication and promotion are regularly developed by businesses. The common forms of promotion that businesses use to communicate with customers are advertising, personal selling, sales promotion, and publicity. Media frequently used for promotion are television, newspapers, magazines, radio, direct mail, outdoor advertising, and the Internet. In addition, companies can communicate through sales letters, telephone, and face-to-face meetings with consumers.



Depending on its communications goal, a company may choose to use either personal or mass communication. **Personal communication** involves a very small number of people in direct two-way information exchange. With personal communication, the people involved in the information exchange have the ability to interact with each other. Personal selling is an example of personal communication. Customers can ask the salesperson questions and get specific

information related to their needs. Personal selling is an effective way to communicate, but it also is very expensive.

Mass communication involves communicating with a large number of people at the same time with limited or no interaction. Most advertising is an example of mass communication. With this type of communication, companies do not receive feedback. It also is more general than personal communications. However, because so many people can be reached with the same message, it is more efficient.

CHECKPOINT

Name four common forms of promotion.

ADVERTISING AS A PROMOTIONAL TOOL

Television, radio, newspapers, magazines, direct mail, Internet—there are so many choices of ways to advertise. Each has its strengths and weaknesses and differing costs. Advertising is the most frequently used type of promotion. **Advertising** is any paid form of communication sent through a mass medium by an organization that delivers a message to many people at the same time.

Because advertising messages are designed to appeal to many people, they can be rather impersonal. A company's advertising message appears in mass media such as television and newspapers. It must compete with many other advertisements and messages also appearing in the medium. To obtain and hold the attention and interest of consumers, advertising must be unique and creative.

Organizations spend more money each year in the U.S. on advertising than on any other type of promotion. While the average business spends less than 2 percent of total sales annually on advertising, some businesses spend 20 percent or more. Companies selling products such as beverages, cosmetics, and electronics depend on advertising. They spend a significant amount of money throughout the year to keep their brand names in front of consumers.



TYPES OF ADVERTISING

Businesses use both organizational and product advertising. **Organizational advertising** promotes the company and its image rather than any specific product. **Product advertising** is designed to sell a specific product or service. When McDonald's promotes its family image it is using organizational advertising. If the company encourages customers to purchase a specific product such as a Big Mac or a Quarter Pounder, it is using product advertising.

FORMATS OF ADVERTISEMENTS

Several common formats of advertisements are available to meet the specific communications needs of businesses. The formats represent how the company is attempting to influence consumers to purchase their products.

Slice of Life These advertisements show people using the product in an everyday setting. The people in the advertisement should look and act like the target market the company has selected.



Obtain copies of five newspaper or magazine ads. For each ad, identify the format being used. Share your ads with other students and discuss the effectiveness of each based on the theme used.

did you KNOW?

Tired of “clutter” on TV? Clutter is the television industry’s term for anything other than programming on the air waves. A recent study showed that the average amount of clutter during the day was more than 20 minutes per hour. Clutter in prime time averaged more than 16 minutes per hour. To combat clutter, advertisers must come up with ways to make their advertising stand out from the crowd.

Musical Musical advertisements feature a song, jingle, or popular entertainer and attempt to establish a memorable connection between the product and the music. Hot music groups or nostalgic songs may elicit positive images for consumers.

Technical or Scientific Information Some consumers want specific information about the product, its construction, use, or durability. Advertisements featuring technical information presented by a scientist, engineer, or other expert are designed to meet that communication objective.

Fantasy Fantasy ads create an ideal vision for the consumer and connect that vision to the use of the product. This format is frequently used to sell perfume, vacations, or expensive automobiles.



Testimonial Somewhat like the technical advertisements, testimonials provide endorsements about the use of the product. Entertainers, athletes, and other celebrities often provide the testimonial. Other advertisements feature the testimonials of ordinary people who represent the target market for the product.

Mood or Image

These advertisements are designed to elicit emotions from the consumer making them happy, nostalgic, or excited. Companies that sell greeting cards, film for cameras, flowers, and long-distance telephone service often try to appeal to emotions connected with the use of their products.



BUSINESS MATH CONNECTION

In order to compare the costs of various media, the cost of advertising often is expressed as cost per thousand (CPM) people reached. For example, a national magazine may have 800,000 subscribers and sell an additional 225,000 individual copies each edition. If a full-page advertisement costs \$125,000, what would be the CPM for the ad?

SOLUTION

Number of subscribers	+	Number of individual copies	=	Total number of customers
800,000	+	225,000	=	1,025,000

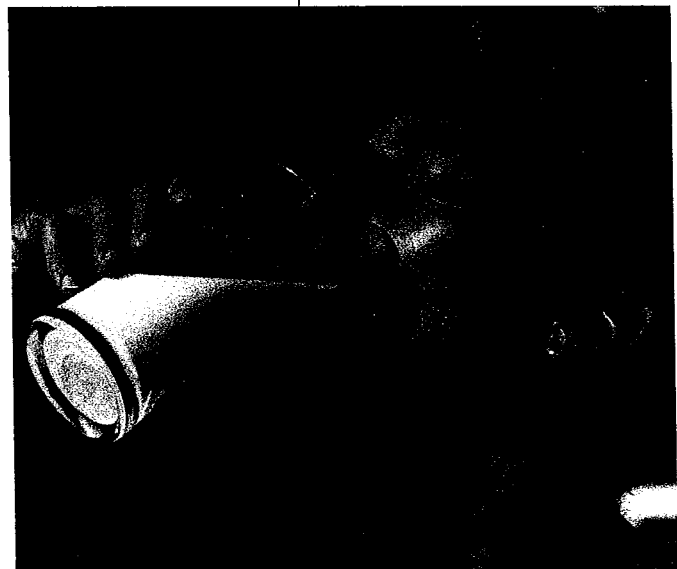
Cost of advertising \div (Total number of customers \div 1,000) = CPM
 $\$125,000 \div (1,025,000 \div 1,000) = \$125,000 \div 1,025 = \$121.95$

Character Some companies create a fictitious character to represent their product or service. The Keebler Elves produce cookies and other snacks in their tree. Smokey the Bear asks you to prevent forest fires. Popular characters from movies and cartoons are featured in advertisements to call attention to a company's product.

DEVELOP AN ADVERTISING PLAN

Companies will place advertising in several media. They will run it for weeks and months to achieve the objectives they have set. In order to coordinate the advertising activities and to make sure the desired results are achieved, companies prepare an advertising plan. The following steps are followed in creating an advertising plan.

- 1. Set Objectives** Objectives are the desired results to be accomplished. Advertising objectives should support the marketing plan and identify the message to be communicated, the target market, the result expected, and the time frame.
- 2. Determine the Budget** Because advertising is expensive, the company must decide how much money it can devote to promoting the product. Advertising budgets usually are based on a percentage of expected sales or by determining the amount competitors are expected to spend. The budget must be spread across the activities to be completed and the media that will be used.
- 3. Develop a Theme** A consistent message should be communicated to consumers in all of the advertisements. A theme is one idea, appeal, or benefit that will be the focus of the advertising plan. You can probably identify memorable advertising themes that have been successfully used.



4. **Select the Media** Usually companies use several media for their advertising. Media are selected based on their appeal to the target market, the ability to communicate the message, costs to prepare and run the advertisements, and the time required to prepare the ads. Media frequently used for advertising and promotion are television, newspapers, magazines, radio, direct mail, outdoor advertising, and the Internet.



5. **Create the Advertisements** This is the creative process that you often think of as the work of advertisers. Very different procedures are needed to create effective advertisements for newspapers, magazines, radio, television or outdoor advertisements.

6. **Schedule the Advertisements** A specific schedule of when each advertisement will appear in the media must be developed. The ads should appear at the time the business wants customers to buy the product. If a sale is scheduled in a store and the advertisement appears a week late, the objective will not be achieved.

7. **Evaluate Advertising Effectiveness** A company will want to know if the advertising plan achieved its objectives.

- Did customers see the ad in the media?
- Did they understand the message?
- Did their opinion of the product change as a result?

The company usually will track the sale of the products before and after the advertising appears to see if the ads influenced customer actions.

CHECKPOINT

List the steps in developing an advertising plan.



THINK CRITICALLY

1. How can promotion increase or decrease customer satisfaction?

2. Why is feedback important when delivering promotional messages to customers?

3. Why would companies want to spend money for organizational advertising rather than product advertising?

4. Why is it important to establish a budget when developing an advertising plan?

MAKE CONNECTIONS

5. **COMMUNICATION** Identify five different advertisements, each of which uses a different medium for delivering the message to the consumer. For each advertisement, identify each part of the communications model—sender, receiver, message, medium, method of feedback. Use a word-processing or graphics program to illustrate the communication model for each of the five advertisements.
6. **DECISION MAKING** Work in groups. Each group will act as an advertising planning group. The task is to promote marketing as a career choice and encourage students in your school to enroll in marketing classes. Each group has a budget of \$1,000. The advertising will run for one month before students register for classes. Prepare a two-page advertising plan for the task. Present your plan to the other students in your class. Compare the plans and discuss their similarities and differences.



LESSON 6.2

PERSONAL SELLING

GOALS

DISCUSS the advantages and disadvantages of personal selling.

IDENTIFY the steps in the selling process.



THE NEED FOR PERSONAL SELLING

All promotional methods involve communication with customers. Much of the promotion is directed at large groups of customers. This communication typically is general because it is designed to meet the needs of many people. Consumers may not receive the information they need for specific purchases they wish to make. Unless customers are willing to gather a great deal of information on their own and determine how a company's products will meet their needs, mass communication by itself may not be effective.

ON THE SCENE

Ramona is a member of a sales team that works with large business clients to sell computer systems. She spends about one-third of her time working with engineers, accountants, and technicians planning the right system for each customer. She does a great deal of research to learn about the customers' business and changes in its industry. She meets regularly with several people in the business who can help identify the technology needs. She carefully prepares reports and plans to outline customer solutions. She often spends several months of work with one company before the plan is presented, a contract is negotiated, and a sale is made. The final system may have a price of more than a million dollars. Ramona must make sure it will meet the customer needs and that her company can make a profit on the sale. Does Ramona's work fit your perception of a salesperson? Why or why not?

Personal selling is direct, individualized communication with one or a very few customers with the goal of assessing and meeting their needs with appropriate products and services. Direct communication means the salesperson can meet and talk with the customer. Individualized communication means the salesperson can provide specific information that responds to the unique needs of the customer. As a result of using direct communication, the salesperson is able to obtain immediate feedback from the customer and respond to any questions and concerns that are expressed. The salesperson also can provide additional information needed to help the customer make the best decision.

ADVANTAGES OF PERSONAL SELLING

There are several advantages of personal selling over advertising. Most forms of advertising allow only a limited amount of information to be communicated. A salesperson spends more time with a customer and so can offer more detail. Advertisements are necessarily more general to appeal to larger numbers of customers. Personal selling is individualized and so can be very specific. Advertising is frequently one-way communication. It is difficult for the business to determine if the customer understands the information. Also consumers cannot ask questions or ask for more information in most advertising. Customer feedback is an important part of personal selling.

DISADVANTAGES OF PERSONAL SELLING

The disadvantages of personal selling include the high cost and amount of time needed to communicate with each customer. Each salesperson is responsible for contacting customers and presenting the information so the company has less control over communications. Selling is a complex and difficult job. It requires a high level of knowledge, energy, and training. It may not be easy for companies to hire and keep effective salespeople.

USES OF PERSONAL SELLING

Personal selling is used by companies that have high priced, complex, and technical products. It is often used in business-to-business marketing or in selling expensive consumer products such as houses, automobiles, expensive clothing and jewelry, and higher priced home products and electronic equipment. Effective salespeople are usually among some of the highest paid employees of a business. To justify the cost of personal selling, the promotional task must be important and the potential profit to the business high.



CHECKPOINT

What are advantages and disadvantages of personal selling to a business?

THE PERSONAL SELLING PROCESS

Personal selling is promotion through direct, personal contact with a customer. The salesperson usually makes direct contact with the customer through a face-to-face meeting. There are many types of customers, and a salesperson must be able to adjust to each. Some customers know exactly what they want, while others are in the early stages of decision-making. Salespeople must understand each customer and then follow a set of steps to complete the selling process.

STUDY THE WANTS OF CUSTOMERS



Buying motives are the reasons people buy. Individuals are motivated to buy for different reasons. To be successful, the salesperson must determine a particular customer's buying motive and then tailor the sales presentation to appeal to it.

In many cases, the salesperson can appeal to more than one buying motive. For instance, an automobile salesperson may emphasize the roominess and safety

features of a van to a family. The same salesperson selling the van to a businessperson may show how the seats can be removed quickly to be able to load and haul equipment. Both customers may be interested in the economy and low-cost maintenance of the van. Providing customer satisfaction through a sale is the ultimate goal of a salesperson. This does not require high-pressure selling. It requires intelligent customer-oriented selling.



TECH TALK

A DIFFICULT SALE Can you sell computers and Internet software in the poorest rural towns of Costa Rica or Senegal? That would seem impossible for even the best salesperson. But Hewlett Packard is doing just that, in a unique way. A large durable shipping container with screens for windows and doors sits in the middle of the village connected to the outside world by a satellite dish mounted on the roof. Inside are six PCs, a scanner, and a television. Local citizens line up outside to check e-mail, to use the Internet to obtain agricultural and health information, and to watch training videos on the television. Hewlett Packard salespeople work with the countries' government and foundations that pay for the information centers. Hewlett Packard believes even though it is a small sale, if it is the first to establish technology in the towns, it will have an advantage in those countries as their economies grow.

THINK CRITICALLY Why do salespeople work with governments and foundations rather than the local citizens? What needs of the local citizens is being satisfied with the products? What needs of the government and foundations that pay for the equipment are being satisfied?

PRESENT AND DEMONSTRATE THE PRODUCT

Customers are interested in what the product will do for them and how they can use it. Salespeople must have a thorough knowledge of the product so that they can provide accurate information and answer questions. For example, customers might ask: "What type of wood should I purchase to construct a durable deck on my home?" "Can this fabric be laundered, or do I have to have it dry cleaned?" "Why is this model of television priced \$200 higher than the competing brand?"

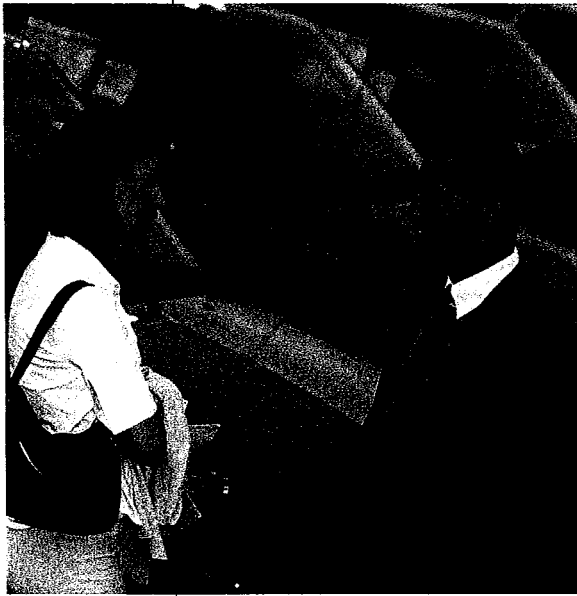
Different customers value different types of information about the same product. Salespeople should study the products they sell as well as the competition's products so that they can be prepared to answer any questions customers might ask. In addition to giving customers information, salespeople should be able to demonstrate the use of the product so that customers can determine whether or not the product will meet their needs. The salesperson can focus the customer's attention on the product while explaining its features and benefits.



ANSWER CUSTOMER QUESTIONS

A customer usually has many questions during the salesperson's presentation. The salesperson should not be concerned by the questions but should view them as an opportunity to better understand the customer's needs and help to make the best decision. Questions may represent real concerns or may be an effort to avoid making a purchase decision. It is difficult to try to second-guess a customer to determine if the question is real or not. It is best for the salesperson to listen carefully and help the customer make the best decision.

CLOSE THE SALE



For many salespeople, the most difficult part of the selling process is asking the customer to buy. If the salesperson has involved the customer in the sales presentation and has listened carefully to the customer's needs, the customer's interest in buying should be clear. Effective salespeople give the customer the opportunity to buy several times during the sales presentation by asking for a decision on a specific model, color, price, or type of payment. If the customer continues to ask questions, the salesperson will answer them and continue the discussion until the customer appears satisfied. Then the salesperson will attempt to close the sale again. Salespeople should work with customers until it is clear they do not want the product or until the sale is made.



Work with another student. Select a product. Then prepare and present a role play of a salesperson making a successful sales presentation to a customer. Present the role play to the class.

FOLLOW UP

The selling process is not complete just because the customer agrees to purchase a product. Remember that effective marketing results in satisfying exchanges between a business and a customer. Therefore, selling is successful only when the customer is satisfied. After the sale, the salespeople should check with the customer to be sure the order is correct, the customer knows how to use the product, and that it meets the customer's needs. If the customer has problems with the product, the salesperson should correct them immediately. If the customer is satisfied, the salesperson's follow-up contact will remind the customer where the product was purchased, so that the customer may choose to buy from the same business again.



What are the steps in the selling process?



THINK CRITICALLY

1. Why is it important for salespeople to have a good understanding of customers?

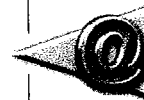
2. Why are professional salespeople often among the highest paid employees in an organization?

3. What are some ways that salespeople can determine the needs and buying motives of customers?

4. How can follow-up activities of salespeople result in higher sales for the company?

MAKE CONNECTIONS

5. **TECHNOLOGY** List each of the steps in the selling process on a sheet of paper or in a word-processing document. For each step, identify one way that technology can be used to aid a salesperson to complete each step. Search the Internet to see if you can identify an example of computer hardware and software that are promoted as tools to assist salespeople with the selling and sales management process. Print information on the products you locate and share the information with other students.
6. **RESEARCH** Salespeople have the responsibility to gather information about the products they represent as well as competitor's products so they can provide customers with complete and accurate information. Select one of the following products—automobile, laptop computer, high definition television—or a product your teacher assigns. Use the Internet, magazines, and other resources to research at least two comparable brands of the product selected. Prepare a written outline of product features that compares similarities and differences of the two brands.



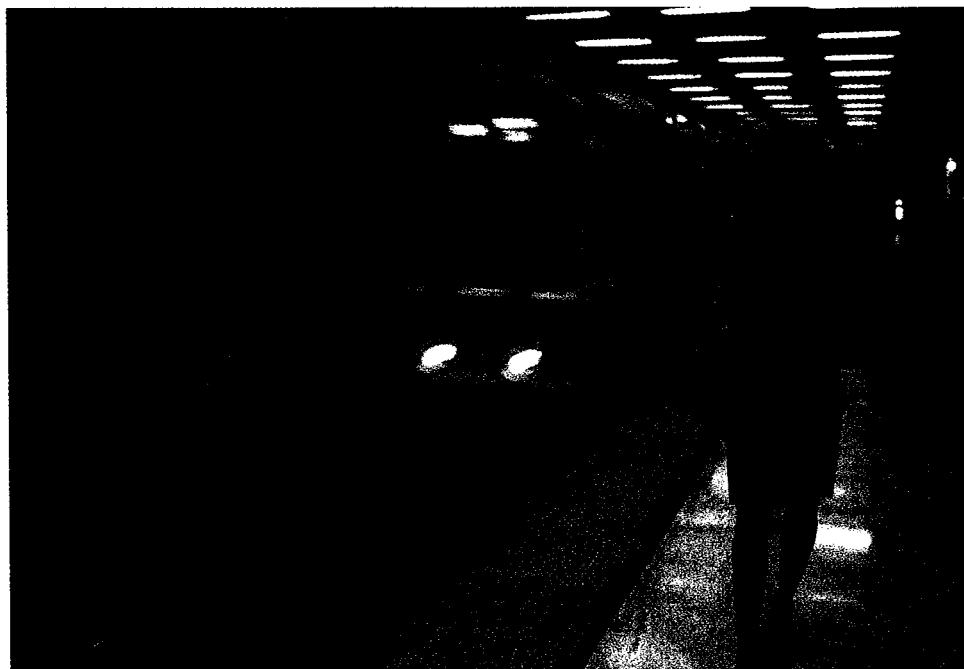
LESSON 6.3

SALES PROMOTION, PUBLICITY, INTERNET

GOALS

IDENTIFY uses of sales promotion and publicity

EXPLAIN how the Internet is used for promotion



SALES PROMOTION AND PUBLICITY

Advertising and personal selling are the primary methods of promotion used by businesses. There are many other ways for companies to communicate with prospective and current customers as well. Important communication goals are to make the company and its products memorable in the minds of consumers and to build a positive image for the company. Sales promotion and publicity are important promotional tools used to accomplish those goals.

ON THE SCENE

A new children's movie is about to be released featuring a cartoon character. Suddenly the stores and other businesses are filled with products that feature the character. Parents can buy lunch boxes and backpacks and all types of clothing with the image and name of the character. New games are introduced and children are encouraged to send an e-mail to receive a gift and set of coupons to be used at businesses that are part of the promotion. What advantages do companies hope to obtain when they become a part of promotional campaigns tied to movies? Do you believe these types of promotional campaigns are effective? Why or why not?

USES OF SALES PROMOTION

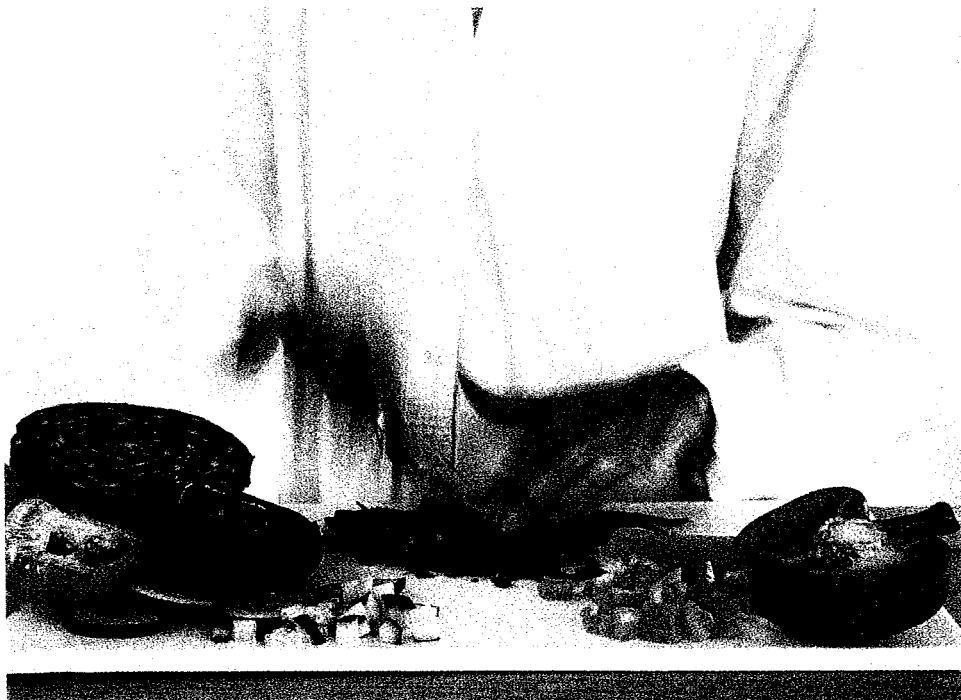
Sales promotion is the use of activities or materials that offer customers a direct incentive to buy a product or service. Examples of sales promotions are coupons, games or contests, free samples, and rebates.

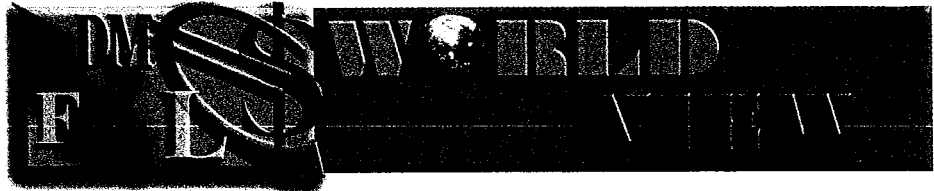
Coupons are an effective method of increasing sales of a product for a short time. They are frequently used to introduce a new product or to maintain and increase a company's share of the market for established brands. Coupons usually appear in newspaper and magazine advertisements. They also are distributed by direct mail and the Internet.

When producers are introducing a new product, they may distribute samples through the mail. The purpose of this activity is to familiarize people with the products to create a demand for them in local businesses. Coupons often accompany the samples to encourage the consumer to go to a local store and buy the product.

Manufacturers often cooperate with wholesalers and retailers by providing promotional materials. Promotional materials include window displays, layouts and illustrations for newspaper ads, direct-mail inserts, display materials, and sales presentation aids. Some of these promotional materials are commonly furnished without cost or at a low price. Companies may offer consumer demonstrations in stores. For example, demonstrators may cook and distribute samples of a new food product in the store. This practice usually helps the retailers sell the new product so the retailer gives the brand location or pricing preferences.

An effective type of sales promotion is giving items to consumers that promote the company or product. A home repair service may give a calendar or refrigerator magnet to a customer as a reminder to call the next time the service is needed. A dentist may provide a small toothbrush and tube of toothpaste to a child as a reminder of the importance of good dental care.





HOW TO MARKET A WASHING MACHINE

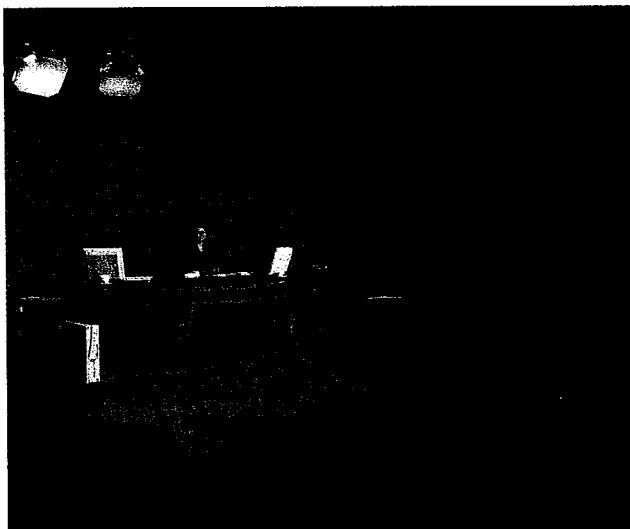
U.S. companies have never had success selling home appliances in India. To compete in the market for washing machines there, Whirlpool developed a full marketing campaign for its White Magic machine. Because keeping clothes from discoloring from local water in rural India is a problem, Whirlpool emphasized that the White Magic machine is especially good at washing white clothes. The marketing campaign features an advertisement showing a young girl winning a local beauty contest with a dress that is much whiter than the other contestants' dresses. Her mother, of course, used a White Magic machine. Whirlpool gives retailers higher incentives to stock and promote the machines. The company uses a network of local contractors selected because they speak one of the 18 native languages of the country. They deliver the machines using trucks or even oxcarts and install them in the buyer's home. They collect payment when they are finished.

THINK CRITICALLY From the information, why do you think the U.S. companies have not been successful in this market? Why is the advertising message an important part of marketing the washing machines?

Many consumer products are promoted using t-shirts or other apparel items that include the company's name and logo. Fast-food restaurants provide low-cost or inexpensive toys for children as an incentive for parents to visit regularly.

MANAGE PUBLICITY

An often-overlooked form of promotion that can have both positive and negative effects on a company is publicity. **Publicity** is information communicated through a mass medium that is not paid for or controlled by the company. Publicity is usually in the form of a news story carried in a newspaper or magazine or featured on television or radio. The news story may be prepared by a writer or reporter hired by the medium. It may feature positive or negative information. If a company is





introducing an innovative product, it will often get positive publicity. On the other hand, if a consumer is injured using a product, the company will get negative publicity.

While publicity is not paid for or controlled by the company, most businesses work hard to get the media to include positive publicity about the company and its products. Large companies often have departments with people whose responsibility it is to prepare press releases, contact media representatives, and follow up on stories that appear in the media. If the business anticipates a problem, those people will be available to discuss the situation and provide answers on how the company will respond.

Positive publicity is important to a business. People are more likely to believe information that is not a part of an advertisement. The image of a company is enhanced when it is recognized in the media for supporting a community activity or making a contribution to charity.

The disadvantage of publicity is that the business cannot directly control the information that will appear in the media. Negative stories on a company, its products, or operations can have an impact on customer perceptions and sales.

CHECKPOINT

Define sales promotion and publicity.



As a class, discuss the advantages and disadvantages of using the Internet for promotion and which online methods seem to be the most effective.

INTERNET PROMOTION

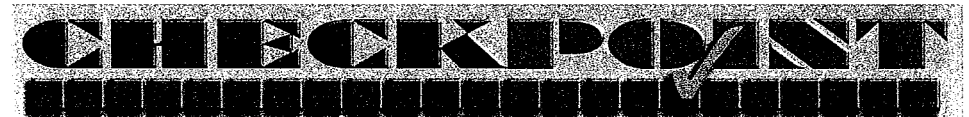
The Internet has become an important way to provide information about the company and its products to customers. As customers try to locate specific products and businesses, they are increasingly turning to the Internet. By using the Internet, a customer can often obtain product descriptions, find out the days and hours a business is open, and even print a map showing the location of the business. Today if a business has not posted information about its business, location, and products and services on the Internet, it is likely to miss some customers.

You have probably noticed when you go online that the Internet is filled with advertisements. Because space on a Web page is limited, companies compete for the attention of Internet users. They try to place their advertisements on pages that prospective customers are most likely to visit. They also use creative advertising designs. Varied sizes, colors, and placements of

advertisements encourage Internet users to stop and read the company's information. Advertisements now include moving text and graphics and links to more detailed information.

A recent innovation in Internet advertising is the "pop-up" advertisement.

Companies have developed agreements with Internet service providers, browsers, and web sites that consumers frequently visit. When that web site is visited, an advertisement for the company's product pops up on the consumer's computer screen. While it may be an annoyance to some users, companies have found that the pop-up advertisements result in ten times more customer inquiries than other forms of Internet ads.



How can the Internet be used for promotion?

THINK CRITICALLY

1. Why are sales promotion and publicity considered forms of promotion?

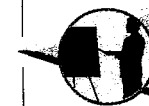
2. How can a business attempt to increase positive publicity and reduce negative publicity?

3. Why are people willing to pay money to purchase and wear apparel that promotes a company's brand name?

4. Why has the Internet become such an important promotional medium even though it accounts for a very small percentage of consumer purchases?

MAKE CONNECTIONS

5. **JOURNALISM** Search your local newspaper for examples of publicity about businesses and products. Make a photocopy of each article. Write a half-page report on each one that identifies the company and product, the purpose of the article, and whether the publicity is positive or negative for the company. Share your articles with other class members and discuss what each company should do as a result of the publicity.
6. **COMMUNICATION** Visit businesses in your community to identify methods of sales promotion they use. If possible, collect examples of the sales promotion tools, such as coupons, calendars, pencils, key chains, etc. Work with other students to create a display of the sales promotion tools you identified. Present your displays in class. Review all of the items in the display and discuss the purpose of each item and whether you think it is an effective communication tool for the business.



REVIEW

CHAPTER SUMMARY

LESSON 6.1 Promotion and Advertising

- A.** To be successful, a company's promotion must interest people in buying.
- B.** Advertising must be unique and creative to obtain and hold the attention and interest of consumers.

LESSON 6.2 Personal Selling

- A.** Salespeople are able to obtain immediate feedback from the customer, respond to their questions and concerns, and provide additional information needed to help the customer make the best decision.
- B.** Salespeople must be able to adjust to many different types of customers. Some customers know exactly what they want, while others do not.

LESSON 6.3 Sales Promotion, Publicity, Internet

- A.** Important communication goals are to make the company and its products memorable and to build a positive image for the company.
- B.** Consumers are exposed to thousands of promotions each day from many different sources, including the Internet.

VOCABULARY BUILDER

Choose the term that best fits the definition. Write the letter of the answer in the space provided. Some terms may not be used.

- | | |
|---|--------------------------------------|
| _____ 1. Promotes the company and its image rather than a specific product | a. advertising |
| _____ 2. Designed to sell a specific product or service | b. buying motives |
| _____ 3. Reasons people buy | c. mass communication |
| _____ 4. Involves a very small number of people in direct two-way information exchange | d. organizational advertising |
| _____ 5. Involves communicating with a large number of people at the same time with limited or no interaction | e. personal communication |
| _____ 6. Direct, individualized communications with one or a very few customers with the goal of assessing and meeting their needs with appropriate products and services | f. personal selling |
| _____ 7. The use of activities or materials that offer customers a direct incentive to buy a product or service | g. product advertising |
| _____ 8. Paid form of communication sent through a mass medium by an organization that delivers a message to many people at once | h. promotion |
| _____ 9. Information communicated through a mass medium that is not paid for or controlled by the company | i. publicity |
| _____ 10. The methods used and information communicated to consumers resulting in a purchase decision and customer satisfaction | j. sales promotion |

CHAPTER 6

6



REVIEW CONCEPTS

11. What determines if a company's promotion is successful or not?

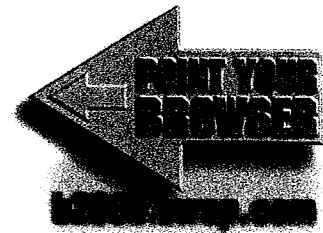
12. What are the parts of an effective communication model?

13. How much does the average company spend on advertising?

14. Why is mass communication by itself usually not effective?

15. What types of companies are likely to use personal selling?

16. What are two important communication goals for which publicity and sales promotion are used?



REVIEW

APPLY WHAT YOU LEARNED

- 17.** Why is it difficult for companies to determine how much to spend on advertising and if their advertising investments are effective?

- 18.** When would a company choose to use mass communication rather than personal communication?

- 19.** What is the advantage of using a team of people to sell complex and expensive products rather than relying on one salesperson to work with a customer?

- 20.** Why do inexperienced salespeople often have difficulty closing the sale?

- 21.** What are the differences between advertising and publicity?

CHAPTER 6



- 22.** What types of products and services should most frequently be advertised using the Internet? What types should probably not currently use the Internet for advertising?

MAKE CONNECTIONS

- 23. PSYCHOLOGY** Effective promotion appeals to the buying motives of customers. Use newspapers, magazines, television, and the Internet to identify five advertisements. For each advertisement, identify the target market to which the advertisement is appealing, the buying motive that seems to be the focus of the advertising message, and the features of the product that are designed to appeal to the buying motive identified.

- 24. INTERNATIONAL BUSINESS** Identify a product manufactured in the United States that could be sold in another country. Use resources from your library and the Internet to gather information about a country that you think would be a good market for the product. Prepare a two-page report that could be used by salespeople and advertising specialists to help them understand consumers in the country so that the company's promotion will be effective.

- 25. BUSINESS MANAGEMENT** Work with a team of students to develop a promotional plan for a product the team selects. Identify the primary target market for the product. Develop two advertisements for the product and identify the media in which the advertisements will run. Design two methods of sales promotion for the product. Prepare an information sheet about the product that would be helpful for a salesperson to understand the product. Write a news release to send to media to generate publicity for the product. Present your team's promotion plan in class.

- 26. RESEARCH** Use the Internet or business magazines to identify the following information.

- A.** The 10 companies who spent the most on advertising in a recent year and the amount each company spent on advertising.
- B.** The amount of money spent in each of the major advertising media (newspaper, television, magazines, etc.) in a recent year.
- C.** Summarize your findings using a spreadsheet format.

