Introduction to Advertising

Advertising Practices

MKTG 3809

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These materials have been adapted from the following OER resources:

Launch! Advertising and Promotion in Real Time by Solomon et al. 2009: <https://open.umn.edu/opentextbooks/textbooks/launch-advertising-and-promotion-in-real-time>

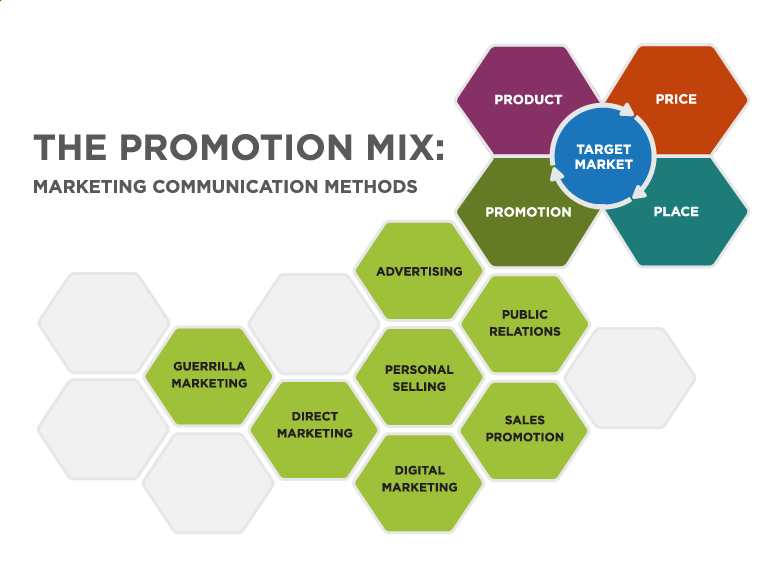
Principles of Marketing by Lumen Learning <https://courses.lumenlearning.com/waymakerintromarketingxmasterfall2016/>

Introduction to Marketing by USG Ecore <https://go.view.usg.edu/d2l/home/2366486>

# MODULE 4 - Promotion Mix: Marketing Communication Methods

The promotion mix refers to how marketers combine a range of marketing communication methods to execute their marketing activities. Different methods of marketing communication have distinct advantages and complexities, and it requires skill and experience to deploy them effectively. Not surprisingly, marketing communication methods evolve over time as new communication tools and capabilities become available to marketers and the people they target.

Figure 4 The promotion mix



Seven common methods of marketing communication are described below:

**Advertising**: Any paid form of presenting ideas, goods, or services by an identified sponsor. Historically, advertising messages have been tailored to a group and employ mass media such as radio, television, newspaper, and magazines. Advertising may also target individuals according to their profile characteristics or behavior; examples are the weekly ads mailed by supermarkets to local residents or online banner ads targeted to individuals based on the sites they visit or their Internet search terms.

* **Public relations** (PR): The purpose of public relations is to create goodwill between an organization (or the things it promotes) and the “public” or target segments it is trying to reach. This happens through unpaid or earned promotional opportunities: articles, press and media coverage, winning awards, giving presentations at conferences and events, and otherwise getting favorable attention through vehicles not paid for by the sponsor. Although organizations earn rather than pay for the PR attention they receive, they may spend significant resources on the activities, events, and people who generate this attention.
* **Personal selling**: Personal selling uses people to develop relationships with target audiences for the purpose of selling products and services. Personal selling puts an emphasis on face-to-face interaction, understanding the customer’s needs, and demonstrating how the product or service provides value.
* **Sales promotion**: Sales promotions are marketing activities that aim to temporarily boost sales of a product or service by adding to the basic value offered, such as “buy one get one free” offers to consumers or “buy twelve cases and get a 10 percent discount” to wholesalers, retailers, or distributors.
* **Direct marketing**: This method aims to sell products or services directly to consumers rather than going through retailer. Catalogs, telemarketing, mailed brochures, or promotional materials and television home shopping channels are all common traditional direct marketing tools. Email and mobile marketing are two next-generation direct marketing channels.
* **Digital marketing**: Digital marketing covers a lot of ground, from Web sites to search-engine, content, and social media marketing. Digital marketing tools and techniques evolve rapidly with technological advances, but this umbrella term covers all of the ways in which digital technologies are used to market and sell organizations, products, services, ideas, and experiences.
* **Guerrilla marketing**: This newer category of marketing communication involves unconventional, innovative, and usually low-cost marketing tactics to engage consumers in the marketing activity, generate attention and achieve maximum exposure for an organization, its products, and/or services. Generally, guerrilla marketing is experiential: it creates a novel situation or memorable experience consumers connect to a product or brand.

Most marketing initiatives today incorporate multiple methods: hence the need for IMC. Each of these marketing communication methods will be discussed in further detail later in this module.

## Advertising

Advertising is any paid form of communication from an identified sponsor or source that draws attention to ideas, goods, services or the sponsor itself. Most advertising is directed toward groups rather than individuals, and advertising is usually delivered through media such as television, radio, newspapers and, increasingly, the Internet. Ads are often measured in impressions (the number of times a consumer is exposed to an advertisement).

Advertising is a very old form of promotion with roots that go back even to ancient times. In recent decades, the practices of advertising have changed enormously as new technology and media have allowed consumers to bypass traditional advertising venues. From the invention of the remote control, which allows people to ignore advertising on TV without leaving the couch, to recording devices that let people watch TV programs but skip the ads, conventional advertising is on the wane. Across the board, television viewership has fragmented, and ratings have fallen.

Print media are also in decline, with fewer people subscribing to newspapers and other print media and more people favoring digital sources for news and entertainment. Newspaper advertising revenue has declined steadily since 2000[[1]](#footnote-1). Advertising revenue in television is also soft, and it is split across a growing number of broadcast and cable networks. Clearly companies need to move beyond traditional advertising channels to reach consumers. Digital media outlets have happily stepped in to fill this gap. Despite this changing landscape, for many companies advertising remains at the forefront of how they deliver the proper message to customers and prospective customers.

### The purpose of advertising

Advertising has three primary functions: to inform, to persuade, and to remind.

* **Informative Advertising** creates awareness of brands, products, services, and ideas. It announces new products and programs and can educate people about the attributes and benefits of new or established products.
* **Persuasive Advertising** tries to convince customers that a company’s services or products are the best, and it works to alter perceptions and enhance the image of a company or product. Its goal is to influence consumers to take action and switch brands, try a new product, or remain loyal to a current brand.
* **Reminder Advertising** reminds people about the need for a product or service, or the features and benefits it will provide when they purchase promptly.

When people think of advertising, often product-focused advertisements are top of mind—i.e., ads that promote an organization’s goods or services. Institutional advertising goes beyond products to promote organizations, issues, places, events, and political figures. Public service announcements (PSAs) are a category of institutional advertising focused on social-welfare issues such as drunk driving, drug use, and practicing a healthy lifestyle. Usually PSAs are sponsored by nonprofit organizations and government agencies with a vested interest in the causes they promote.

We will discuss the creative strategy and the ins and outs of developing effective ads later in this course.

### Advantages and disadvantages of advertising

As a method of marketing communication, advertising has both advantages and disadvantages. In terms of advantages, advertising creates a sense of credibility or legitimacy when an organization invests in presenting itself and its products in a public forum. Ads can convey a sense of quality and permanence, the idea that a company isn’t some fly-by-night venture. Advertising allows marketers to repeat a message at intervals selected strategically. Repetition makes it more likely that the target audience will see and recall a message, which improves awareness-building results. Advertising can generate drama and human interest by featuring people and situations that are exciting or engaging. It can introduce emotions, images, and symbols that stimulate desire, and it can show how a product or brand compares favorably to competitors. Finally, advertising is an excellent vehicle for brand building, as it can create rational and emotional connections with a company or offering that translate into goodwill. As advertising becomes more sophisticated with digital media, it is a powerful tool for tracking consumer behaviors, interests, and preferences, allowing advertisers to better tailor content and offers to individual consumers. Through the power of digital media, memorable or entertaining advertising can be shared between friends and go viral—and viewer impressions skyrocket.

The primary disadvantage of advertising is cost. Marketers question whether this communication method is really cost-effective at reaching large groups. Of course, costs vary depending on the medium, with television ads being very expensive to produce and place. In contrast, print and digital ads tend to be much less expensive. Along with cost is the question of how many people an advertisement actually reaches. Ads are easily tuned out in today’s crowded media marketplace. Even ads that initially grab attention can grow stale over time. While digital ads are clickable and interactive, traditional advertising media are not. In the bricks-and-mortar world, it is difficult for marketers to measure the success of advertising and link it directly to changes in consumer perceptions or behavior. Because advertising is a one-way medium, there is usually little direct opportunity for consumer feedback and interaction, particularly from consumers who often feel overwhelmed by competing market messages.

### Advertising media

#### Television

* Mass audience. TV attracts mass audiences, and network TV is the highest-exposure medium every hour of the day, according to “The Middletown Media Studies: The Media Day,” a study of consumer media habits by Ball State’s Center for Media Design. At least 30 percent of the study’s participants were exposed to TV programming during the day, and at times as many as 70 percent were watching. The study also found that consumers watch TV and use the Internet more than ten times as often as they read newspapers and magazines[[2]](#footnote-2).
* Very creative visual medium. TV supports dynamic content and creative storytelling. Advertisers can demonstrate the product and show the faces of the characters in the ad to convey both emotion and information.
* “Some people assume that in this digital era, somehow TV is not as important as it once was,” said Advertising Age editor Jonah Bloom. “Nothing could be further from the truth. Mass audiences are harder than ever to get together.…TV is set to become more measurable and even more relevant and even more important in the marketing landscape.”[[3]](#footnote-3)
* Aging viewers. On the other hand, younger consumers spend less time watching TV, so this medium is steadily aging. Consumers younger than thirty-five spend more time on the Internet than they do watching TV, according to a study by New York-based Jupiter Research. This trend is only going to increase as more video content from sites like Hulu, YouTube, and iTunes migrates to online formats.
* High cost. TV advertisements have high production and placement costs. A thirty-second ad on a popular prime-time network program can cost $250,000 each time it runs. Companies also spend more to create, produce, and pretest TV ads. A-list celebrity spokespeople and high-end special effects add to the costs. It can cost 350,000 to create a professional thirty-second spot, although small business can often create ads for much less.
* Ad-skipping. Whether they take a bathroom break, hit the skip button on their TiVo, or turn to the Internet for a few minutes, consumers pay less and less attention to commercial breaks in the programs. Expensive thirty-second ads may be playing to almost no one. To combat this, advertisers are turning to branded entertainment such as inserting the product into the scenery, dialog, or plot of the show. We’ll talk about that important trend later.
* Cable offers specificity. Whereas network TV attracts a mass audience, cable TV lets advertisers pick demographic segments. Companies can target women with ads on the Oxygen or Lifetime cable networks. Well-heeled male audiences tune in the Golf channel while a younger male demographic hangs out on channels such as Sci-Fi. The Food Network and Travel Channel represent natural choices for advertisers in those respective arenas.

#### Radio

* Drive-time radio aimed at commuters remains popular with marketers. Conventional radio (as opposed to satellite radio and other subscription audio) continues to be the medium of choice for 75 percent of all drivers.
* Local. Smaller, local retailers use radio to keep their name top of mind. For example, Bishop’s Promart hardware store advertises on five radio stations in its Ithaca, New York, market area. On talk radio and easy-listening stations, the retailer runs ads it targets to more upscale customers and advertises grills and heaters. The store runs ads for house painting materials, however, only on country radio, because of its generally lower-income audience. “The upscale customer is probably going to hire out their painting. So we try to focus on people who are going to be doing it themselves,” explained Bishop’s Promart owner Forest Putney. Putney also gets involved in occasional promotional events, such as the annual backyard giveaway hosted by one of the local radio stations. He says it is a good opportunity to advertise in the community to maximize name recognition[[4]](#footnote-4).
* Cost effective. Research has found that the best radio ads can have as much impact as the average TV ad, yet at a fraction of the cost.
* Shrinking listener base. Although millions do listen to radio, the number is not growing. Smart phones and iPhones compete for the ears of radio listeners, and other listeners are switching to commercial-free satellite radio. Then, too, even when people are listening to ads, they may not be paying attention.
* Second-class citizen. Another disadvantage of radio is that ad agencies see it as a medium of secondary importance and often assign their junior people to work on the campaigns. “There is a crisis in radio creativity within the world of full-service agencies,” said Stephen Donovan, the managing director of radio agency Radioville. “There tends to be an inherent snobbery towards the medium. Unless you’re lucky enough to have someone who loves radio working on your brief, it’s more likely it will get dumped with the junior creatives.[[5]](#footnote-5)”

#### Newspapers

* Information-dense ads. Newspapers are well suited to deliver complex messages like pharmaceutical ads. The vehicle lets the advertiser present in-depth information at less cost than would be possible on TV or in linear media like radio or quick-glance billboards. What’s more, readers are used to getting in-depth information from the newspaper, so the ad fits into that style. The print ad provides room to present the information and provide all the supporting reasons. Also, the consumer can keep the print ad for future use or reference.
* Local. Newspapers work well for local reach—you can target newspapers by region. This also lets you tie the ad to action. The local ad can tell consumers exactly where and when to get the product.
* Declining and aging readership. On the other hand, newspaper circulation continues to fall as existing readers age and younger consumers choose to get their news from the Internet.

#### Magazines

* Specificity. Magazines can be more finely targeted because many of them address readers who share very specific interests, such as Cat Fancy, Guns & Ammo, or Cosmopolitan. Others attract a well-defined demographic readership; for example, airlines’ in-flight magazines boast an affluent audience. The median household income for adults who read United Airlines’ Hemispheres magazine or American Airlines’ American Way magazine is $147,000, according to Mendelsohn Media Research. The average reader of these magazines is a forty-five-year-old highly educated businessperson—someone very desirable for advertisers of technology, travel, and real estate products to reach. There’s a good chance many of these travelers will pick up the magazine at some point during the flight[[6]](#footnote-6).
* National reach. Magazines have national or international reach. Some magazines, such as Time, also print regional editions to support regional demographic differences and more targeted advertising.
* Multiple impressions per copy. Magazines last longer than newspapers and are often passed from person to person (magazines often cite this number of pass-along impressions to justify charging higher prices to advertisers). The targeted nature of magazines, the good visual quality of their images, and the high credibility of the medium means that the ads are likely to reach and influence the right audience.
* Long lead time. On the other hand, the production and distribution schedules of magazines require months of lead time. A monthly magazine slated to stay on newsstands through the end of December may have been printed in early November with a deadline for ad copy in September. This reduces the medium’s flexibility to respond to market changes.
* High cost. A general-audience magazine typically charges more than $100,000 for a full-page four-color ad. Costs can grow if the advertiser wants guaranteed placement (e.g., near an article with the same theme as the product) and even more for ads on the back cover or directly inside the cover page. Moreover, advertisers often need to buy ads in multiple magazines to reach a wide audience[[7]](#footnote-7).

#### Display ads

* Billboards, bus stops, and point-of-sale displays provide a way to reach people as they go about their daily lives. And advertisers keep finding new places, such as ads that cover entire buses, go on airline tray tables, cover bathroom walls, and shine down on sidewalks. New technologies such as computer-driven flat-screen displays now enable dynamic, interactive ads that respond to passersby. Place-based media like The Airport Channel transmit messages to captive audiences in public places, such as the waiting areas in doctors’ offices, hospitals, and airports.
* Place-based video screens are now in thousands of shops, offices, and health clubs across the country, including stores like CompUSA, Best Buy, Borders, Foot Locker, and Target. The Wal-Mart TV Network has more than 125,000 screens in 2,850 Wal-Mart stores, and patients who wait in over 10,800 doctors’ offices watch medical programming and ads. NBC Universal has its shows on screens installed in office building elevators and on United Airlines flights[[8]](#footnote-8).
* As traditional advertising canvases like TV and newspapers get painted in, agencies search for new places to put their messages. It seems as if no space is beyond reach; in recent years we’ve seen ads pop up in front of public urinals, on rockets, imprinted on flowers, and even on sheep (yes, one enterprising company in the Netherlands puts ad messages on blankets that adorn grazing sheep).
* And now, some retailers can even follow you around the store to deliver more up-close and personal messages: A new technology called RFID (radio frequency identification) tracks customers as they make their way through the aisles. So a shopper might receive a beep to remind him he just passed his family’s favorite peanut butter[[9]](#footnote-9). What’s the next frontier? At least one sighting has already been reported for an ad at a cemetery—for a dating service[[10]](#footnote-10).
* Highly contextual. Out-of-home ads can be situated for maximum impact in terms of both whom the ad reaches and when it reaches them. To find health-conscious consumers, Jennie-O targeted health clubs. The company put ads in twenty-five hundred health clubs across the United States, locating them near water fountains and in locker rooms. Attention-getting headlines included “Make your pizza lean,” encouraging the use of turkey. The ads put the brand in front of exercising Americans—who frequently go to the grocery store after their workout[[11]](#footnote-11).
* Frequency. Outdoor campaigns “interact with so many consumers at numerous touch-points during the day, which is important,” according to Jodi Senese, executive vice president of marketing at CBS Outdoor, New York. A month-long billboard might provide more than twenty exposures for daily commuters[[12]](#footnote-12). Short exposure duration. Unfortunately, many forms of outdoor advertising only catch a few seconds of attention as people drive or pass by the ads. Such ads need a simple, engaging image and just a few words of copy. For example, 1-800-Flowers ads for “Happy Hour Bouquets” featured flowers arranged in vases shaped like margarita or martini glasses. The ads were so visual that they made an immediate impact.
* Results: Happy Hour sales grew 274 percent during the Valentine’s Day period, compared to Christmas (which is the third-largest selling season for flowers), prompting CEO Jim McCann to call the outdoor effort “[our] most successful floral campaign ever.”[[13]](#footnote-13)
* Uncertain (and unappreciative) audience. The actual audience of out-of-home advertising is hard to measure and hard to segment. The people who see an ad on the side of an urban bus might be homeless or they might be millionaires. Moreover, some people dislike out-of-home advertising, feeling that it creates visual clutter or gives them no escape from commercials.

#### Online ads

* Online advertising includes a spectrum of text, still-image, animated graphics, streaming-video, and interactive advertising on the Web. Advertisers create their ad and then find a Web site or service to host the ad. The ad might show on the Web site as a separate pop-up window or as a banner embedded in the content of the site or running down the side of a Web page. The site might display the ad at certain times of day, a certain number of times, or in certain contexts. For example, search ads let advertisers associate their ad with the keywords that Web users enter into search engines like Google and Yahoo!.
* Online advertising is relatively inexpensive, which means that small businesses can afford it. However, search ads can get pricey because bidding for coveted keywords can be fierce. For example, asbestos lawsuit attorneys bid $150 for each click-through from searches for the term “mesothelioma
* See more under digital marketing an social media.

#### Advertising Media Strengths and Weaknesses

The process of evaluating media involves considering each type of advertising available to a marketer, and the inherent strengths and weaknesses associated with each medium. The table below outlines key strengths and weaknesses of major types of advertising media. Television advertising is a powerful and highly visible medium, but it is expensive to produce and buy air time. Radio is quite flexible and inexpensive, but listenership is lower and it typically delivers fewer impressions and a less-targeted audience. Most newspapers and magazines have passed their advertising heydays and today struggle against declining subscriptions and readership. Yet they can be an excellent and cost-effective investment for reaching some audiences. Display ads offer a lot of flexibility and creative options, from wrapping busses in advertising to creating massive and elaborate 3-D billboards. Yet their reach is limited to their immediate geography. Online advertising such as banner ads, search engine ads, paid listings, pay-per-click links and similar techniques offers a wide selection of opportunities for marketers to attract and engage with target audiences online. Yet the internet is a very crowded place, and it is difficult for any individual company to stand out in the crowd.

Table 4.1.3.7 Advertising Media Strengths and Weaknesses

|  |  |  |
| --- | --- | --- |
| Advertising Media Type | Strengths | Weaknesses |
| Television | * Strong emotional impact * Mass coverage/small cost per impression * Repeat message * Creative flexibility * Entertaining/prestigious | * High costs * High clutter (too many ads) * Short-lived impression * Programming quality * Schedule inflexibility |
| Radio | * Immediacy * Low cost per impression * Highly flexible | * Limited national coverage * High clutter * Less easily perceived during drive time * Fleeting message |
| Newspapers | * Flexibility (size, timing, etc.) * Community prestige * Market coverage * Offer merchandising services * Reader involvement | * Declining readership * Short life * Technical quality * Clutter |
| Magazines | * Highly segmented audiences * High-profile audiences * Reproduction quality | * Inflexible * Narrow audiences * Waste circulation |
| Display Ads:  Billboards, Posters, Flyers, etc. | * Mass coverage/small cost per impression * Repeat message * Creative flexibility | * High clutter * Short-lived impression |
| Online Ads (including mobile):  Banner ads, search ads, paid listings, pay-per-click links, etc. | * Highly segmented audiences * Highly measurable * Low cost per impression * Immediacy; link to interests, behavior * Click-thru and code allow further interaction * Timing flexibility | * High clutter * Short-lived impression * Somewhat less flexibility in size, format |

The evaluation process requires research to assess options for reaching their target audience with each medium, and how well a particular message fits the audience in that medium. Many advertisers rely heavily on the research findings provided by the medium, by their own experience, and by subjective appraisal to determine the best media for a given campaign.

To illustrate, if a company is targeting young-to-middle-aged professional women to sell beauty products, the person or team responsible for the media plan should evaluate what options each type of media offers for reaching this audience. How reliably can television, radio, newspapers or magazines deliver this audience? Media organizations maintain carefully-researched information about the size, demographics and other characteristics of their viewership or readership. Cable and broadcast TV networks know which shows are hits with this target demographic and therefore which advertising spots to sell to a company targeting professional women. Likewise, newspapers know which sections attract the eyeballs of female audiences, and magazines publishers understand very well the market niches their publications fit. Online advertising becomes a particularly powerful tool for targeted advertising because of the information it captures and tracks about site visitors: who views and clicks on ads, where they visit and what they search for. Not only does digital advertising provide the opportunity to advertise on sites that cater to a target audience of professional women, but it can identify which of these women are searching for beauty products, and it can help a company target these individuals more intensely and provide opportunities for follow-up interaction.

## Public Relations – Getting attention to polish your image

Public relations (PR) is the process of maintaining a favorable image and building beneficial relationships between an organization and the public communities, groups, and people it serves. Unlike advertising, which tries to create favorable impressions through paid messages, public relations does not pay for attention and publicity. Instead, PR strives to earn a favorable image by drawing attention to newsworthy and attention-worthy activities of the organization and its customers. For this reason, PR is often referred to as “free advertising.”

In fact, PR is not a costless form of promotion. It requires salaries to be paid to people who oversee and execute PR strategy. It also involves expenses associated with events, sponsorships and other PR-related activities.

### The purpose of public relations

Like advertising, public relations seeks to promote organizations, products, services, and brands. But PR activities also play an important role in identifying and building relationships with influential individuals and groups responsible for shaping market perceptions in the industry or product category where an organization operates. Public relations efforts strive to do the following:

* Build and maintain a positive image
* To create positive associations with a product, service, brand, or organization
* Maintain good relationships with influencers—the people who strongly influence the opinions of target audiences
* Generate goodwill among consumers, the media, and other target audiences by raising the organization’s profile
* Stimulate demand for a product, service, idea, or organization
* Head off critical or unfavorable media coverage

### When to use Public Relations

Public Relations offer an excellent toolset for generating attention whenever there is something newsworthy that marketers would like to share with customers, prospective customers, the local community, or other audiences. PR professionals maintain relationships with reporters and writers who routinely cover news about the company, product category, and industry, so they can alert media organizations when news happens. At times, PR actually creates activities that are newsworthy, such as establishing a scholarship program or hosting a science fair for local schools. PR is involved in publishing general information about an organization, such as an annual report, a newsletter, an article, a white paper providing deeper information about a topic of interest, or an informational press kit for the media. PR is also responsible for identifying and building relationships with influencers who help shape opinions in the marketplace about a company and its products. When an organization finds itself facing a public emergency or crisis of some sort, PR professionals play an important role strategizing and managing communications with various stakeholder groups, to help the organization respond in effective, appropriate ways and to minimize damage to its public image.

To illustrate, PR techniques can help marketers turn the following types of events into opportunities for media attention, community relationship building, and improving the organization’s public image:

* Your organization develops an innovative technology or approach that is different and better than anything else available.
* One of your products wins a “best in category” prize awarded by a trade group.
* You enter into a partnership with another organization to collaborate on providing broader and more complete services to a target market segment.
* You sponsor and help organize a 10K race to benefit a local charity.
* You merge with another company.
* You conduct research to better understand attitudes and behaviors among a target segment, and it yields insights your customers would find interesting and beneficial.
* A customer shares impressive and well-documented results about the cost savings they have realized from using your products or services.
* Your organization is hiring a new CEO or other significant executive appointment.
* A quality-assurance problem leads your company to issue a recall for one of your products.

It is wise to develop a PR strategy around strengthening relationships with any group that is important in shaping or maintaining a positive public image for your organization: reporters and media organizations; industry and professional associations; bloggers; market or industry analysts; governmental regulatory bodies; customers and especially leaders of customer groups, and so forth. It is also wise to maintain regular, periodic communications with these groups to keep them informed about your organization and its activities. This helps build a foundation of familiarity and trust, so these relationships are established and resilient through the ups and downs of day-to-day business.

### Standard Public Relations Techniques

Table 4.2.3. Public Relations Techniques

|  |  |  |
| --- | --- | --- |
| Public Relations Technique | Role and Description | Examples |
| Media Relations | Generate positive news coverage about the organization, its products, services, people, and activities | Press release, press kit, and interview leading to a news article about a new product launch; press conference |
| Influencer/Analyst Relations | Maintain strong, beneficial relationships with individuals who are thought leaders for a market or segment | Product review published by a renowned blogger; company profile by an industry analyst; celebrity endorsement |
| Publications and Thought Leadership | Provide information about the organization, showcase its expertise and competitive advantages | Organization’s annual report; newsletters; white papers focused on research and development; video case study about a successful customer |
| Events | Engage with a community to present information and an interactive “live” experience with a product, service, organization or brand | User conference; presentation of a keynote address; day-of-community-service event |
| Sponsorships | Raise the profile of an organization by affiliating it with specific causes or activities | Co-sponsoring an industry conference; sponsoring a sports team; sponsoring a race to benefit a charity |
| Award Programs | Generate recognition for excellence within the organization and/or among customers | Winning an industry “product of the year” award; nominating customer for an outstanding achievement award |
| Crisis Management | Manage perceptions and contain concerns in the face of an emergency situation | Oversee customer communication during a service outage or a product recall; execute action plan associated with an environmental disaster |

**Media relations** is the first thing that comes to mind when many people think of PR: public announcements about company news, talking to reporters, and articles about new developments at a company. But media relations is the tip of the iceberg. For many industries and product categories, there are influential bloggers and analysts writing about products and the industry. PR plays an important role in identifying and building relationships with these individuals. Offering periodic “company update” briefings, newsletters, or email updates helps keep these individuals informed about your organization, so you are top of mind.

The people responsible for PR are also involved in developing and distributing general information about an organization. This information may be in the form of an annual report, a “state of the company” briefing call, video pieces about the company or its customers, and other **publications** that convey the company’s identity, vision, and goals. “Thought leadership” publications assert the company’s expertise and position of leading thought, practice, or innovation in the field. These publications should always be mindful of the same messaging employed for other marketing activities to ensure that everything seems consistent and well aligned.

While some consider event marketing a marketing communication method of its own, others categorize it with public relations as we have done here. **Events**, such as industry conferences or user group meetings, offer opportunities to present the company’s value proposition, products, and services to current and prospective customers. Themed events, such as a community service day or a healthy lifestyle day, raise awareness about causes or issues with the organization wants to be affiliated in the minds of its employees, customers, and other stakeholder groups. A well-designed and well-produced event also offers opportunities for an organization to provide memorable interaction and experiences with target audiences. An executive leader can offer a visionary speech to generate excitement about a company and the value it provides—now or in the future. Events can help cement brand loyalty by not only informing customers but also forging emotional connections and goodwill.

**Sponsorships** go hand-in-hand with events, as organizations affiliate themselves with events and organizations by signing on to co-sponsor something available to the community. Sponsorships cover the gamut: charitable events, athletes, sports teams, stadiums, trade shows and conferences, contests, scholarships, lectures, concerts, and so forth. Marketers should select sponsorships carefully to make sure that they are affiliating with activities and causes that are well managed and strategically aligned with the public image they are trying to cultivate.

**Award programs** are another common PR tool. Organizations can participate in established award programs managed by trade groups and media, or they can create award programs that target their customer community. Awards provide opportunities for public recognition of great work by employees and customers. They can also help organizations identify great targets for case studies and public announcements to draw attention to how customers are benefitting from an organization’s products and services.

**Crisis management** is an important PR toolset to have on hand whenever it may be needed. Few companies choose this as a promotional technique if other options are available. But when crises emerge, as inevitably they do, PR provides structure and discipline to help company leaders navigate the crisis with communications and actions that address the needs of all stakeholders. Messaging, communication, listening, and relationship building all come to the fore. When handled effectively, these incidents may help an organization emerge from the crisis stronger and more resilient than it was before. This is the power of good PR.

### Advantages of public relations[[14]](#footnote-14)

* **The opportunity to amplify key messages and milestones**. When PR activities are well-aligned with other marketing activities, organizations can use PR to amplify the things they are trying to communicate via other channels. A press release about a new product, for example, can be timed to support a marketing launch of the product and conference where the product is unveiled for the first time.
* **Believable**. Because publicity is seen to be more objective, people tend to give it more weight and find it more credible. Paid advertisements, on the other hand, are seen with a certain amount of skepticism, since people that companies can make almost any kind of product claim they want.
* **Employee pride**. Organizing and/or sponsoring charitable activities or community events can help with employee morale and pride (both of which get a boost from any related publicity, too). It can also be an opportunity for teamwork and collaboration.
* **Engaging people who visit your Web site**. PR activities can generate interesting content that can be featured on your organization’s Web site. Such information can be a means of engaging visitors to the site, and it can generate interest and traffic long after the PR event or moment has passed. Industry influencers may visit the site, too, to get updates on product developments, growth plans, or personnel news, etc.

### Disadvantages of public relations[[15]](#footnote-15)

* **Cost**. Although publicity is usually less expensive to organize than advertising, it isn’t “free.” A public relations firm may need to be hired to develop campaigns, write press releases, and speak to journalists. Even if you have in-house expertise for this work, developing publicity materials can take employees away from their primary responsibilities and drain off needed resources.
* **Lack of control**. There’s no guarantee that a reporter or industry influencer will give your company or product a favorable review—it’s the price you pay for “unbiased” coverage. You also don’t have any control over the accuracy or thoroughness of the coverage. There’s always a risk that the journalist will get some facts wrong or fail to include important details.
* **Missing the mark**. Even if you do everything right—you pull off a worthy event and it gets written up by a local newspaper, say—your public relations effort can fall short and fail to reach enough or the right part of your target audience. It doesn’t do any good if the reporter’s write-up is very short or it appears in a section of the paper that no one reads. This is another consequence of not being able to fully control the authorship, content, and placement of PR.

### PR as part of the promotional mix

Public relations activities can provide significantly greater benefits to organizations when they happen in conjunction with a broader promotional effort, rather than on their own. Because PR focuses heavily on communication with key stakeholder groups, it stands to reason that other marketing communication tools should be used in conjunction with public relations. For example:

* Press releases can be distributed to media contacts, customers, and other stakeholder groups via email marketing campaigns that might also include additional information or offers—such as an invitation to a webinar to learn more about the subject of the press release.
* Press releases are posted to the Web site to update content and provide a greater body of information for Web site visitors
* Event presentations and other activities should align with an organization’s broader marketing strategy, goals, and messaging. Everything should be part of the same, consistent approach and theme—e.g., the topics of speeches, information available in trade show booths, interactions with event participants via email and social media, etc.
* Sponsorship activities often provide an opportunity to advertise at the event, as well. Naturally it is important for there to be good alignment between these advertising opportunities, company messaging, and the audience for the sponsored activity.
* A thought-leadership piece, such as an article or a white paper authored by a company leader, can be published on the Web site and incorporated into an email marketing campaign that targets selected audiences

Smart marketers consider PR tools in concert with other marketing activity to determine how to make the greatest impact with their efforts. Because PR activities often involve working with many other people inside and outside the organization, they usually need a long lead time in order to come together in the desired time frame. Event planning happens months (and sometimes years) in advance of the actual event itself. Press releases and public announcements can be mapped out over several months to give marketers and other stakeholders plenty of time to prepare and execute effectively. PR is undoubtedly a powerful toolset to amplify other marketing efforts.

## Sales Promotions

Sales promotion helps make personal selling and advertising more effective. Sales promotions are marketing events or sales efforts—not including traditional advertising, personal selling, and public relations—that stimulate buying. Sales promotion can be developed as part of the social media or e-commerce effort just as advertising can, but the methods and tactics are much different. Sales promotion is a $300 billion—and growing— industry. Sales promotion is usually targeted toward either of two distinctly different markets. Consumer sales promotion is targeted to the ultimate consumer market. Trade sales promotion is directed to members of the marketing channel, such as wholesalers and retailers.

The goal of many promotion tactics is immediate purchase. Therefore, it makes sense when planning a sales-promotion campaign to target customers according to their general behavior. For instance, is the consumer loyal to the marketer’s product or to the competitor’s? Does the consumer switch brands readily in favor of the best deal? Does the consumer buy only the least expensive product, no matter what? Does the consumer buy any products in your category at all?

### Example: Procter and Gamble

Procter & Gamble believes shoppers make up their mind about a product in about the time it takes to read this paragraph.

This “first moment of truth,” as P&G calls it, is the three to seven seconds when someone notices an item on a store shelf. Despite spending billions on traditional advertising, the consumer-products giant thinks this instant is one of its most important marketing opportunities. It recently created a position entitled Director of First Moment of Truth, or Director of FMOT (pronounced “EFF-mott”), to produce sharper, flashier in-store displays. There is a 15-person FMOT department at P&G headquarters in Cincinnati as well as 50 FMOT leaders stationed around the world[[16]](#footnote-16).

One of P&G’s most prominent in-store promotions has been for a new line of Pampers. In the United States, P&G came up with what it calls a “shopper concept”—a single promotional theme that allows it to pitch products in a novel way. The theme for Pampers was “Babies First.” In stores, the company handed out information on childhood immunizations, car-seat safety, and healthy diets while promoting its diapers and wipes in other parts of the store. To market Pampers diapers in the United Kingdom, P&G persuaded retailers earlier this year to put fake doorknobs high up on restroom doors, to remind parents how much babies need to stretch.

### Sales Promotion Techniques

Most consumers are familiar with common sales promotion techniques including samples, coupons, point-of-purchase displays, premiums, contents, loyalty programs and rebates.

Do you like free samples? Most people do. A sample is a sales promotion in which a small amount of a product that is for sale is given to consumers to try. Samples encourage trial and an increased awareness of the product. You have probably purchased a product that included a small free sample with it—for example, a small amount of conditioner packaged with your shampoo. Have you ever gone to a store that provided free samples of different food items? The motivation behind giving away samples is to get people to buy a product. Although sampling is an expensive strategy, it is usually very effective for food products. People try the product, the person providing the sample tells consumers about it, and mentions any special pricing or offers for the product.

The objectives of a promotion depend on the general behavior of target consumers, as described in Table 1. For example, marketers who are targeting loyal users of their product don’t want to change behavior. Instead, they want to reinforce existing behavior or increase product usage. Frequent-buyer programs that reward consumers for repeat purchases can be effective in strengthening brand loyalty. Other types of promotions are more effective with customers prone to brand switching or with those who are loyal to a competitor’s product. Cents-off coupons, free samples, or an eye-catching display in a store will often entice shoppers to try a different brand.

The use of sales promotion for services products depends on the type of services. Consumer services, such as hairstyling, rely heavily on sales promotions (such as providing half off the price of a haircut for senior citizens on Mondays). Professional services, however, use very little sales promotion. Doctors, for example, do not often use coupons for performing an appendectomy, for example. In fact, service product companies must be careful not to utilize too many sales-promotion tactics because they can lower the credibility of the firm. Attorneys do not have a sale on providing services for divorce proceedings, for example.

Table 4.3.2 Types of Consumers and Sales Promotion Goals

|  |  |  |
| --- | --- | --- |
| Type of Behavior | Desired Results | Sales Promotion Examples |
| *Loyal customers:* People who buy your product most or all of the time | Reinforce behavior, increase consumption, change purchase timing | Loyalty marketing programs, such as frequent-buyer cards and frequent-shopper clubs  Bonus packs that give loyal consumers an incentive to stock up or premiums offered in return for proof of purchase |
| *Competitor’s customers:* People who buy a competitor’s product most or all of the time | Break loyalty, persuade to switch to your brand | Sweepstakes, contests, or premiums that create interest in the product |
| *Brand switchers:* People who buy a variety of products in the category | Persuade to buy your brand more often | Sampling to introduce your product’s superior qualities compared to their brand |
| *Price buyers:* People who consistently buy the least expensive brand | Appeal with low prices or supply added value that makes price less important | Trade deals that help make the product more readily available than competing products  Coupons, cents-off packages, refunds, or trade deals that reduce the price of the brand to match that of the brand that would have been purchased |

## Personal Selling – People power

Personal selling uses in-person interaction to sell products and services. This type of communication is carried out by sales representatives, who are the personal connection between a buyer and a company or a company’s products or services. Salespeople not only inform potential customers about a company’s product or services, they also use their power of persuasion and remind customers of product characteristics, service agreements, prices, deals, and much more. In addition to enhancing customer relationships, this type of marketing communications tool can be a powerful source of customer feedback, as well.

Effective personal selling addresses the buyer’s needs and preferences without making him or her feel pressured. Good salespeople offer advice, information, and recommendations, and they can help buyers save money and time during the decision process. The seller should give honest responses to any questions or objections the buyer has and show that he cares more about meeting the buyer’s needs than making the sale. Attending to these aspects of personal selling contributes to a strong, trusting relationship between buyer and seller[[17]](#footnote-17).

### Common Personal Selling Techniques

Common personal selling tools and techniques include the following:

* Sales presentations: in-person or virtual presentations to inform prospective customers about a product, service, or organization
* Conversations: relationship-building dialogue with prospective buyers for the purposes of influencing or making sales
* Demonstrations: demonstrating how a product or service works and the benefits it offers, highlighting advantageous features and how the offering solves problems the customer encounters
* Addressing objections: identifying and addressing the concerns of prospective customers, to remove any perceived obstacles to making a purchase
* Field selling: sales calls by a sales representative to connect with target customers in person or via phone
* Retail selling: in-store assistance from a sales clerk to help customers find, select, and purchase products that meet their needs
* Door-to-door selling: offering products for sale by going door-to-door in a neighborhood
* Consultative selling: consultation with a prospective customer, where a sales representative (or consultant) learns about the problems the customer wants to solve and recommends solutions to the customer’s particular problem
* Reference selling: using satisfied customers and their positive experiences to convince target customers to purchase a product or service

Personal selling minimizes wasted effort, promotes sales, and boosts word-of-mouth marketing. Also, personal selling measures marketing return on investment (ROI) better than most tools, and it can give insight into customers’ habits and their responses to a particular marketing campaign or product offer.

### When to Use Personal Selling

Not every product or service is a good fit for personal selling. It’s an expensive technique because the proceeds of the person-to-person sales must cover the salary of the sales representative—on top of all the other costs of doing business. Whether or not a company uses personal selling as part of its marketing mix depends on its business model. Most often companies use personal selling when their products or services are highly technical, specialized, or costly—such as complex software systems, business consulting services, homes, and automobiles.

In addition, there are certain conditions that favor personal selling[[18]](#footnote-18):

* **Product situation:** Personal selling is relatively more effective and economical when a product is of a high unit value, when it is in the introductory stage of its life cycle, when it requires personal attention to match consumer needs, or when it requires product demonstration or after-sales services.
* **Market situation**: Personal selling is effective when a firm serves a small number of large-size buyers or a small/local market. Also, it can be used effectively when an indirect channel of distribution is used for selling to agents or middlemen.
* **Company situation:** Personal selling is best utilized when a firm is not in a good position to use impersonal communication media, or it cannot afford to have a large and regular advertising outlay.
* **Consumer behavior situation:** Personal selling should be adopted by a company when purchases are valuable but infrequent, or when competition is at such a level that consumers require persuasion and follow-up.
* It’s important to keep in mind that personal selling is most effective when a company has established an effective sales-force management system together with a sales force of the right design, size, and structure. Recruitment, selection, training, supervision, and evaluation of the sales force also obviously play an important role in the effectiveness of this marketing communication method[[19]](#footnote-19).

### Advantages and Disadvantages of Personal Selling

Two hands clasped in a handshake. The most significant strength of personal selling is its flexibility. Salespeople can tailor their presentations to fit the needs, motives, and behavior of individual customers. A salesperson can gauge the customer’s reaction to a sales approach and immediately adjust the message to facilitate better understanding.

Personal selling also minimizes wasted effort. Advertisers can spend a lot of time and money on a mass-marketing message that reaches many people outside the target market (but doesn’t result in additional sales). In personal selling, the sales force pinpoints the target market, makes a contact, and focuses effort that has a strong probability of leading to a sale.

As mentioned above, an additional strength of personal selling is that measuring marketing effectiveness and determining ROI are far more straightforward for personal selling than for other marketing communication tools—where recall or attitude change is often the only measurable effect.

Another advantage of personal selling is that a salesperson is in an excellent position to encourage the customer to act. The one-on-one interaction of personal selling means that a salesperson can effectively respond to and overcome objections—e.g., concerns or reservations about the product—so that the customer is more likely to buy. Salespeople can also offer many customized reasons that might spur a customer to buy, whereas an advertisement offers a limited set of reasons that may not persuade everyone in the target audience.

A final strength of personal selling is the multiple tasks that the sales force can perform. For example, in addition to selling, a salesperson can collect payments, service or repair products, return products, and collect product and marketing information. In fact, salespeople are often the best resources when it comes to disseminating positive word-of-mouth product information.

High cost is the primary disadvantage of personal selling. With increased competition, higher travel and lodging costs, and higher salaries, the cost per sales contract continues to rise. Many companies try to control sales costs by compensating sales representatives through commissions alone, thereby guaranteeing that salespeople are paid only if they generate sales. However, commission-only salespeople may become risk averse and only call on clients who have the highest potential return. These salespeople, then, may miss opportunities to develop a broad base of potential customers that could generate higher sales revenues in the long run.

Companies can also reduce sales costs by using complementary techniques, such as telemarketing, direct mail, toll-free numbers for interested customers, and online communication with qualified prospects. Telemarketing and online communication can further reduce costs by serving as an actual selling vehicle. Both technologies can deliver sales messages, respond to questions, take payment, and follow up.

A second disadvantage of personal selling is the problem of finding and retaining high-quality people. Experienced salespeople sometimes realize that the only way their income can outpace their cost-of-living increase is to change jobs. Also, because of the push for profitability, businesses try to hire experienced salespeople away from competitors rather than hiring college graduates, who take three to five years to reach the level of productivity of more experienced salespeople. These two staffing issues have caused high turnover in many sales forces.

Another weakness of personal selling is message inconsistency. Many salespeople view themselves as independent from the organization, so they design their own sales techniques, use their own message strategies, and engage in questionable ploys to generate sales.

As a result, it can be difficult to find a unified company or product message within a sales force or between the sales force and the rest of the marketing mix.

A final disadvantage of personal selling is that sales-force members have different levels of motivation. Salespeople may vary in their willingness to make the desired number of sales calls each day; to make service calls that do not lead directly to sales; or to take full advantage of the technologies available to them.

## Direct Marketing – Going straight to the customer

Direct marketing activities bypass any intermediaries and communicate directly with the individual consumer. Direct mail is personalized to the individual consumer, based on whatever a company knows about that person’s needs, interests, behaviors, and preferences. Traditional direct marketing activities include mail, catalogs, and telemarketing. The thousands of “junk mail” offers from credit card companies, bankers, and charitable organizations that flood mailboxes every year are artifacts of direct marketing. Telemarketing contacts prospective customers via the telephone to pitch offers and collect information. Today, direct marketing overlaps heavily with digital marketing, as marketers rely on email and, increasingly, mobile communications to reach and interact with consumers.

### The Purpose and Uses of Direct Marketing

The purpose of direct marketing is to reach and appeal directly to individual consumers and to use information about them to offer products, services and offers that are most relevant to them and their needs. Direct marketing can be designed to support any stage of the AIDA model, from building awareness to generating interest, desire, and action. Direct marketing, particularly email, also plays a strong role in post-purchase interaction. Email is commonly used to confirm orders, send receipts or warrantees, solicit feedback through surveys, ask customers to post a social media recommendation, and propose new offers.

Direct marketing is an optimal method for marketing communication in the following situations:

* A company’s primary distribution channel is to sell products or services directly to customers
* A company’s primary distribution method is through the mail or other shipping services to send directly to the customer
* A company relies heavily on sales promotions or discounts, and it is important to spread the word about these offers to consumers
* An advertisement cannot sufficiently convey the many benefits of a company’s product or service, and so a longer marketing piece is required to express the value proposition effectively
* A company finds that standard advertising is not reaching its target segments, and so better-targeted marketing communications are required to reach the right individuals; for example, using direct mail to reach wealthier people according to their affluent zip code
* A company sells expensive products that require more information and interaction to make the sale
* A company has a known “universe” of potential customers and access to contact information and other data about these customers
* A company is heavily dependent on customer retention, reorders and/or repurchasing, making it worthwhile to maintain “permissioned” marketing interaction with known customers

### Data: The Key to Effective Direct Marketing

The effectiveness of direct marketing activity depends on marketers using databases to capture the information of target customers and the use of this information to extend ever-more-personalized offers and information to consumers. Databases record an individual’s residence, geography, family status, and credit history. When a person moves or makes a significant purchase like a car or a home, these details become part of the criteria marketers use to identify who will be a good target for their products or services. With electronic media, the information flow about consumers opens the floodgates: marketing databases capture when a consumer opens an email message and clicks on a link. They track which links piqued consumers’ interests, what they view and visit, so that the next email offer is informed by what a person found interesting the last time around. These databases also collect credit card information, so marketers can link a person’s purchasing history to shopping patterns to further tailor communications and offers.

Mobile marketing adds another dimension of personalization in direct-to-consumer communications. It allows marketers to incorporate location-sensitive and even activity-specific information into marketing communications and offers. When marketers know you are playing a video game at a mall, thanks to your helpful smart phone, they can send you timing-, location- and activity-specific offers and messages.

### Direct Marketing in Action

How does this work in practice? If you’ve ever paid off an auto loan, you may have noticed a torrent of mail offers from car dealerships right around the five-year mark. They know, from your credit history, that you’re nearly done paying off your car and you’ve had the vehicle for several years, so you might be interested in trading up for a newer model. Based on your geography and any voter registration information, you may be targeted during election season to participate via telephone in political polls and to receive “robocalls” from candidates and parties stumping for your vote.

Moving into the digital world, virtually any time you share an email address with an organization, it becomes part of a database to be used for future marketing. Although most organizations that engage in email marketing give the option of opting out, once you become a customer, it is easy for companies to justify continuing to contact you via email or text as part of the customer relationship you’ve established. As you continue to engage with the company, your behavior and any other information you share becomes part of the database record the company uses to segment and target you with offers it thinks will interest you.

Similarly, marketers use SMS (text) for marketing purposes, and direct marketing activity takes place in mobile apps, games, and Web sites. All of these tools use the data-rich mobile environment to capture information about consumers and turn it into productive marketing opportunities. QR codes, another direct-to-consumer mobile marketing tool, enable consumers to scan an image with a mobile phone that takes them to a Web site where they receive special information or offers.

A great illustration of how companies use consumer information for direct marketing purposes comes from a *New York Times* article that interviewed Andrew Pole, who conducts marketing analytics for the retailer Target. The article discusses how Target uses behavioral data and purchasing history to anticipate customers’ needs and make them offers based on this information:

Target has a baby registry, and Pole started there, observing how shopping habits changed as a woman approached her due date, which women on the registry had willingly disclosed. He ran test after test, analyzing the data, and before long some useful patterns emerged. Lotions, for example. Lots of people buy lotion, but one of Pole’s colleagues noticed that women on the baby registry were buying larger quantities of unscented lotion around the beginning of their second trimester. Another analyst noted that sometime in the first twenty weeks, pregnant women loaded up on supplements like calcium, magnesium, and zinc. Many shoppers purchase soap and cotton balls, but when someone suddenly starts buying lots of scent-free soap and extra-big bags of cotton balls, in addition to hand sanitizers and washcloths, it signals they could be getting close to their delivery date.

As Pole’s computers crawled through the data, he was able to identify about twenty-five products that, when analyzed together, allowed him to assign each shopper a “pregnancy prediction” score. More important, he could also estimate her due date to within a small window, so Target could send coupons timed to very specific stages of her pregnancy.

One Target employee I spoke to provided a hypothetical example. Take a fictional Target shopper named Jenny Ward, who is twenty-three, lives in Atlanta, and in March bought cocoa-butter lotion, a purse large enough to double as a diaper bag, zinc and magnesium supplements, and a bright blue rug. There’s, say, an 87 percent chance that she’s pregnant and that her delivery date is sometime in late August. What’s more, because of the data attached to her Guest ID number, Target knows how to trigger Jenny’s habits. They know that if she receives a coupon via e-mail, it will most likely cue her to buy online. They know that if she receives an ad in the mail on Friday, she frequently uses it on a weekend trip to the store.[[20]](#footnote-20)

The article goes on to tell the well-documented story of an outraged father who went into his local Target to complain about the mailer his teenage daughter received from Target featuring coupons for infant clothing and baby furniture. He accused Target of encouraging is daughter to get pregnant. The customer-service employee he spoke with was apologetic but knew nothing about the mailer. When this employee phoned the father a few days later to apologize again, it emerged that the girl was, in fact, pregnant, and Target’s marketing analytics had figured it out before her father did.

### Advantages and Disadvantages of Direct Marketing

All this data-driven direct marketing might seem a little creepy or even nefarious, and certainly it can be when marketers are insensitive or unethical in their use of consumer data. However, direct marketing also offers significant value to consumers by tailoring their experience in the market to things that most align with their needs and interests. If you’re going to have a baby (and you don’t mind people knowing about it), wouldn’t you rather have Target send you special offers on baby products than on men’s shoes or home improvement goods?

As suggested in the *New York Times* excerpt, above, direct marketing can be a powerful tool for anticipating and predicting customer needs and behaviors. Over time, as companies use consumer data to understand their target audiences and market dynamics, they can develop more effective campaigns and offers. Organizations can create offers that are more personalized to consumer needs and preferences, and they can reach these consumers more efficiently through direct contact. Because it is so data intensive, it is relatively easy to measure the effectiveness of direct marketing by linking it to outcomes: did a customer request additional information or use the coupons sent? Did he open the email message containing the discount offer? How many items were purchased and when? And so forth. Although the cost of database and information infrastructure is not insignificant, mobile and email marketing tend to be inexpensive to produce once the underlying infrastructure is in place. As a rule, direct marketing tactics can be designed to fit marketing budgets.

Among the leading disadvantages of direct marketing are, not surprisingly, concerns about privacy and information security. Target’s massive data breach in 2013 took a hefty toll on customer confidence, company revenue, and profitability at the time. Direct marketing also takes place in a crowded, saturated market in which people are only too willing to toss junk mail and unsolicited email into trash bins without a second glance. Electronic spam filters screen out many email messages, so people may never even see email messages from many of the organizations that send them. Heavy reliance on data also leads to the challenge of keeping databases and contact information up to date and complete, a perennial problem for many organizations. Finally, direct marketing implies a direct-to-customer business model that inevitably requires companies to provide an acceptable level of customer service and interaction to win new customers and retain their business.

### Direct Marketing in the Promotional Mix

Direct marketing, and email marketing in particular, plays a critical role in many IMC campaigns because it is a primary means of communicating with any named-and-known target audiences. It is a common vehicle for spreading the word about sales promotions and public relations activities. Direct marketing pieces can reuse and reinforce messages and images developed for advertisements, offering another touch point for reaching target segments. QR codes and other mobile marketing tactics may be used at the point of sale to engage customers and persuade them to purchase. Email marketing messages commonly include links to social media, inviting consumers to share experiences, opinions, marketing messages, and offers with their social networks.

Direct marketing can also be a useful tool in personal selling, as it helps marketers and sales representatives efficiently maintain ongoing relationships with customers and prospects as they are nurtured through the sales process. The rich data behind direct marketing also provides insight for sales representatives to help them segment prospective customers and develop offers and sales approaches personalized to their needs and interests.

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