

# Advertising and Promotion

## An Integrated Marketing Communications Perspective

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*Chapter 2:  
The Role of IMC in the  
Marketing Process*

## Strategy

Definition: a plan or method for obtaining a specific goal or result.

A strategy is an idea (conceptualization) of how the goal could be achieved.

The “why” we are going to do what we are doing.

Planning.

Doing the right things.

## Tactics

Definition: maneuvers or procedures.

A tactic is an action you take to execute the strategy.

The “how” we are going to do what we are supposed to do.

Doing.

Doing things right.

# Example: Strategy vs. Tactics



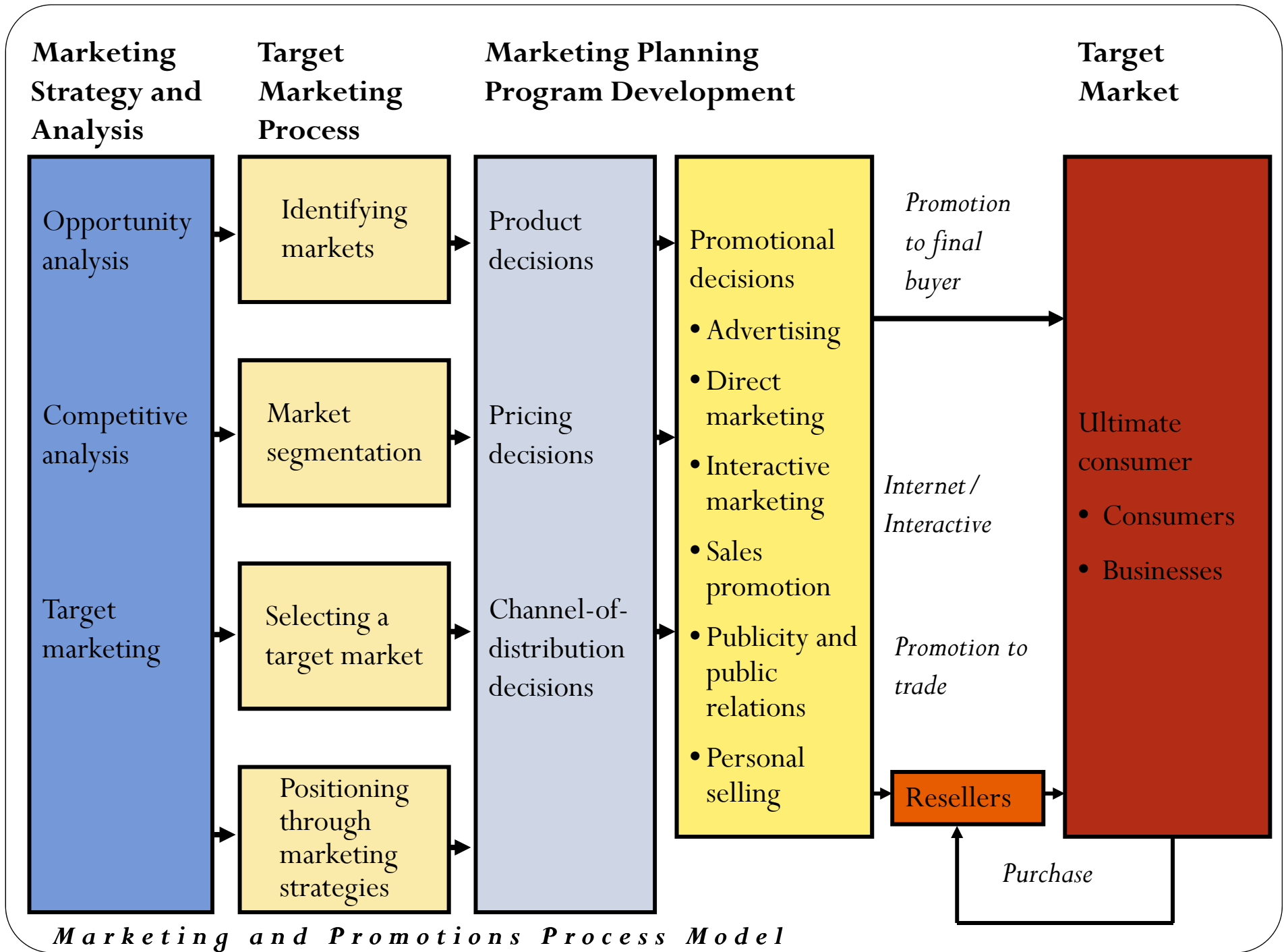
- **Problem:** In the 1970s, executives at Church & Dwight observed a decrease in sales of their popular Arm & Hammer baking soda. Customers who had been buying the same baking soda all their lives weren't baking as much as they used to.
- **Goal:** Increase Baking Soda sales.

# Example: Strategy vs. Tactics



- **Strategy:** Devise new reasons for their current customers to pick up that yellow box at the supermarket and use more baking soda. Specifically, sell Arm & Hammer as a deodorizer for the fridge.
- **Tactics:** TV advertising. Magazine ads. Infomercials. Retail promotions. Website dedicated to all the various uses of Arm & Hammer Baking Soda. All the traditional marketing tactics were employed.

Tactics *without*  
*strategy* is a  
strategy for  
failure.



*Marketing and Promotions Process Model*

# Marketing Strategy and Analysis

Opportunity  
analysis

Competitive  
analysis

Target  
marketing

- **Market opportunities** are areas where there are favorable demand trends, where the company believes customer needs and opportunities are not being satisfied, and where it can compete effectively.
  - Markets are usually *heterogeneous* (meaning “made of mixed parts”; opposite of homogenous).
- **Questions to ask**
  - What are the demand trends for your product, service, or idea? What do people want?
  - What is the competition?

# Marketing Strategy and Analysis

Opportunity  
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- Know that you are usually competing for the consumer's *discretionary income* (disposable income, surplus money, money for fun), which shapes how the consumer makes buying decisions, which shapes how you make marketing decisions.
- **Competitive advantage** is something special a firm does or has that gives it an edge over its competitors. Ways to create competitive advantage: having quality products that command premium price, providing superior customer service, having the lowest production costs and lower prices, dominating channels of distribution, possessing strong brand equity, etc.



# Marketing Strategy and Analysis

Opportunity  
analysis

*Competitive  
analysis*

Target  
marketing

- **Questions to ask**
  - What are the demand trends for your product, service, or idea? What do people want?
  - Who are you competing against?
  - What are the competitors' marketing strategies?
  - How do competitors react to one another (e.g., cutting prices, increasing promotional spending, developing new brands, attacking one another through comparative advertising, etc.)?
  - What is your brand equity?
  - How can you gain a competitive advantage?

# Marketing Strategy and Analysis

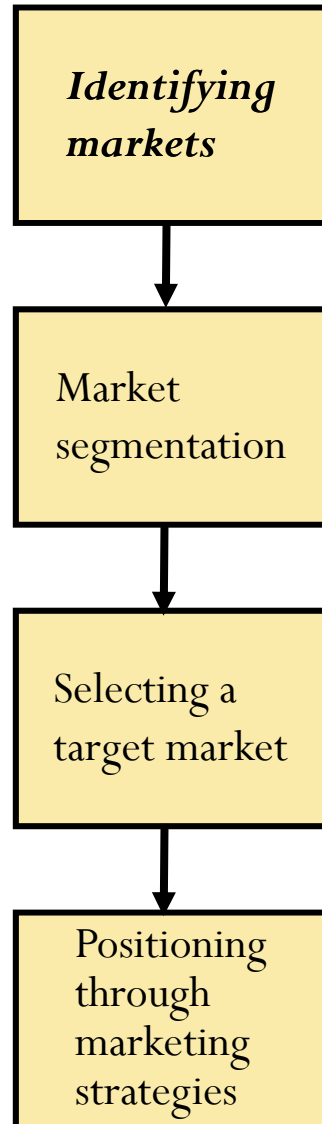
Opportunity  
analysis

Competitive  
analysis

*Target  
marketing*

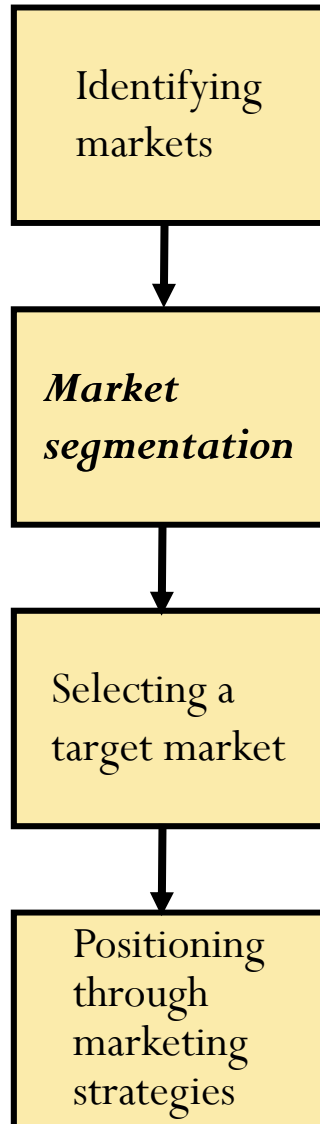
- Marketers rarely go after the entire market with one product, brand, or service offering. Rather, they pursue a number of different strategies, breaking the market into segments and targeting one or more of these segments for marketing and promotional efforts.
- **Questions to ask**
  - What market segments can you appeal to effectively based on your opportunity and competitive analyses?

# Target Marketing Process



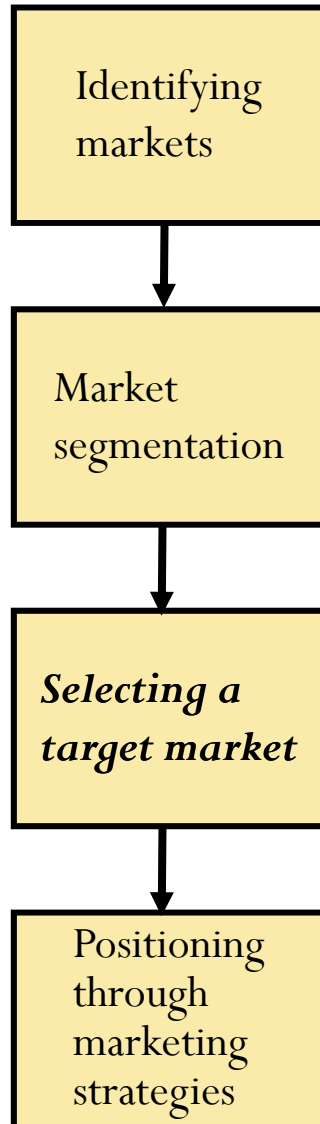
- You must understand as much as possible about consumers to design marketing programs that meet their needs most effectively.
- **Questions to ask**
  - What are the potential markets for your product, service, or idea?

# Target Marketing Process



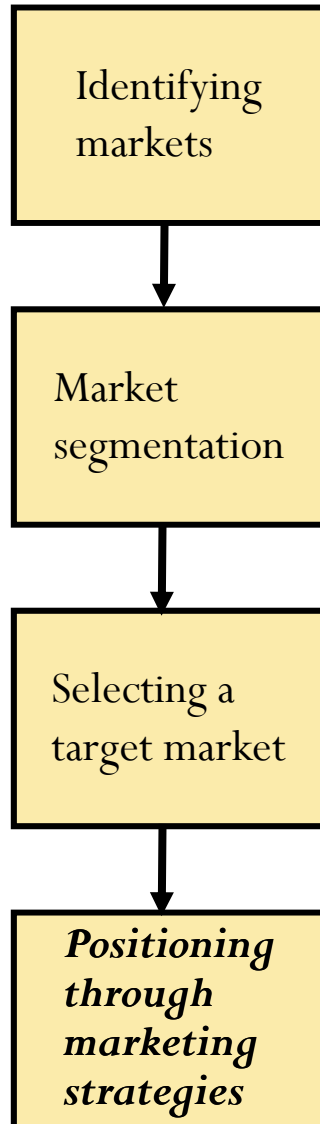
- **Market segmentation** is dividing up a market into distinct groups that (1) have common needs and (2) will respond similarly to a marketing action.
- The more a marketer segments, the more precise the knowledge of the consumer but the smaller the number of people in the segment.
- **Questions to ask**
  - How large should we segment the market?
  - Are the segments accessible? If so, how? By what channels of communication?
  - What factors are you going to use to segment the market (e.g., lifestyle, age, income, marital status, etc.)? Why?

# Target Marketing Process



- **Undifferentiated marketing** involves ignoring segment differences and offering just one product or service to the entire market.
- **Differentiated marketing** involves marketing in a number of segments, developing separate marketing strategies for each.
- **Concentrated marketing** is used when the firm selects one segment and attempts to capture a large share of this market.
- **Questions to ask**
  - Which of these strategies will you use? Why?
  - Which offer the most potential?

# Target Marketing Process



- **Positioning** is “the art and science of fitting the product or service to one or more segments of the broad market in such a way as to set it meaningfully apart from the competition.”
- **Questions to ask**
  - How can you position your product, service, or idea?
  - What images will you use to position your product, service, or idea and to create brand equity?

# Discussion

- Think of a product or service that you have bought, and analyze yourself as a market participant and consumer of that product or service. Consider the following questions:
  - Why did you buy this product or service (e.g., taste, cost, image, etc.)? What were your motivations?
  - What market segment do you belong to?
  - Is the product or service offered by multiple brands, and if so, why did you pick the brand you picked?
  - In what ways were you marketed to (advertising, direct marketing, interactive marketing, sales promotion, publicity/public relations, or personal selling)? What part or combination of parts of the promotion motivated you?
  - Based on how you were marketed to, try to explain what you think the company's marketing program plan was.