Trade Organisations
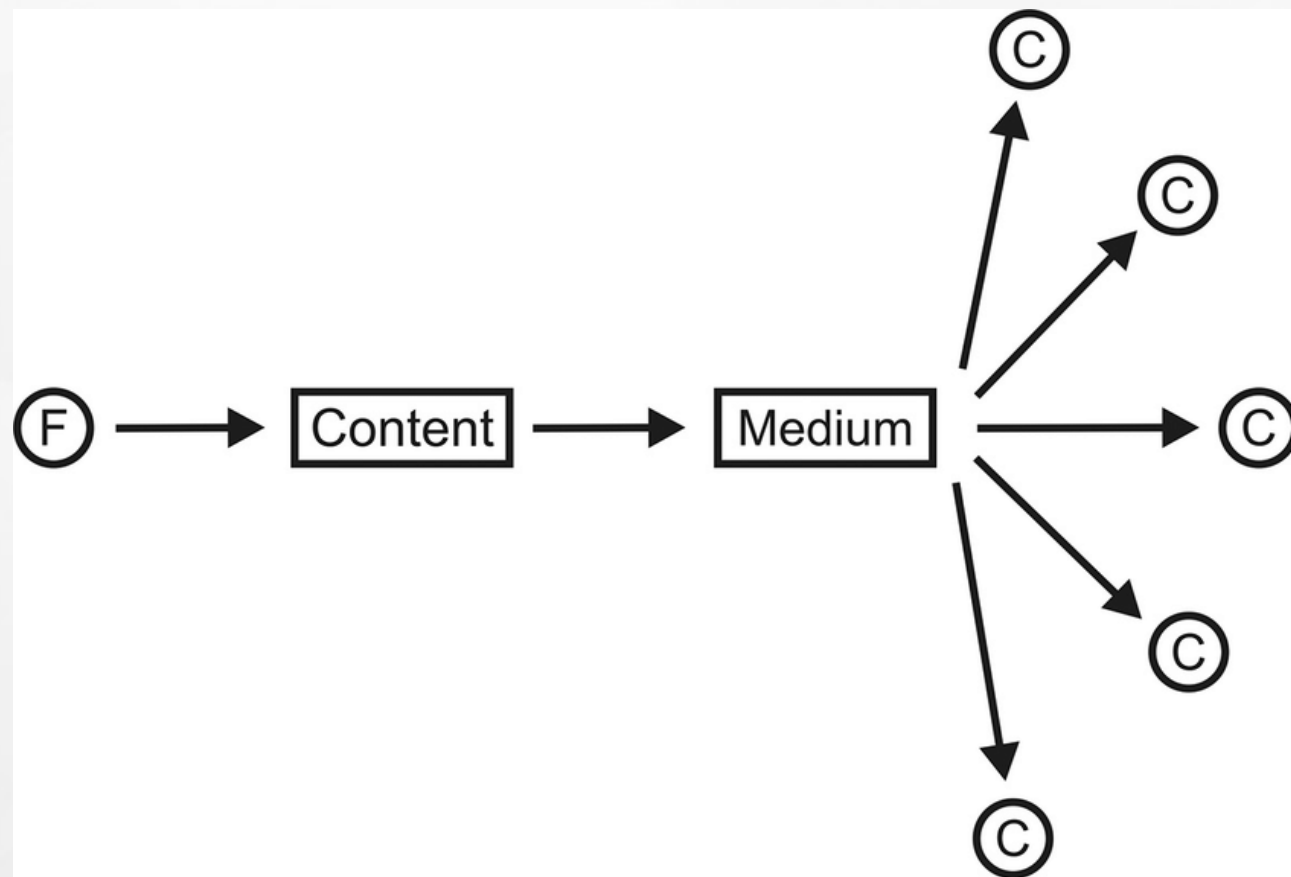Marketing communication and branding

Lecture content

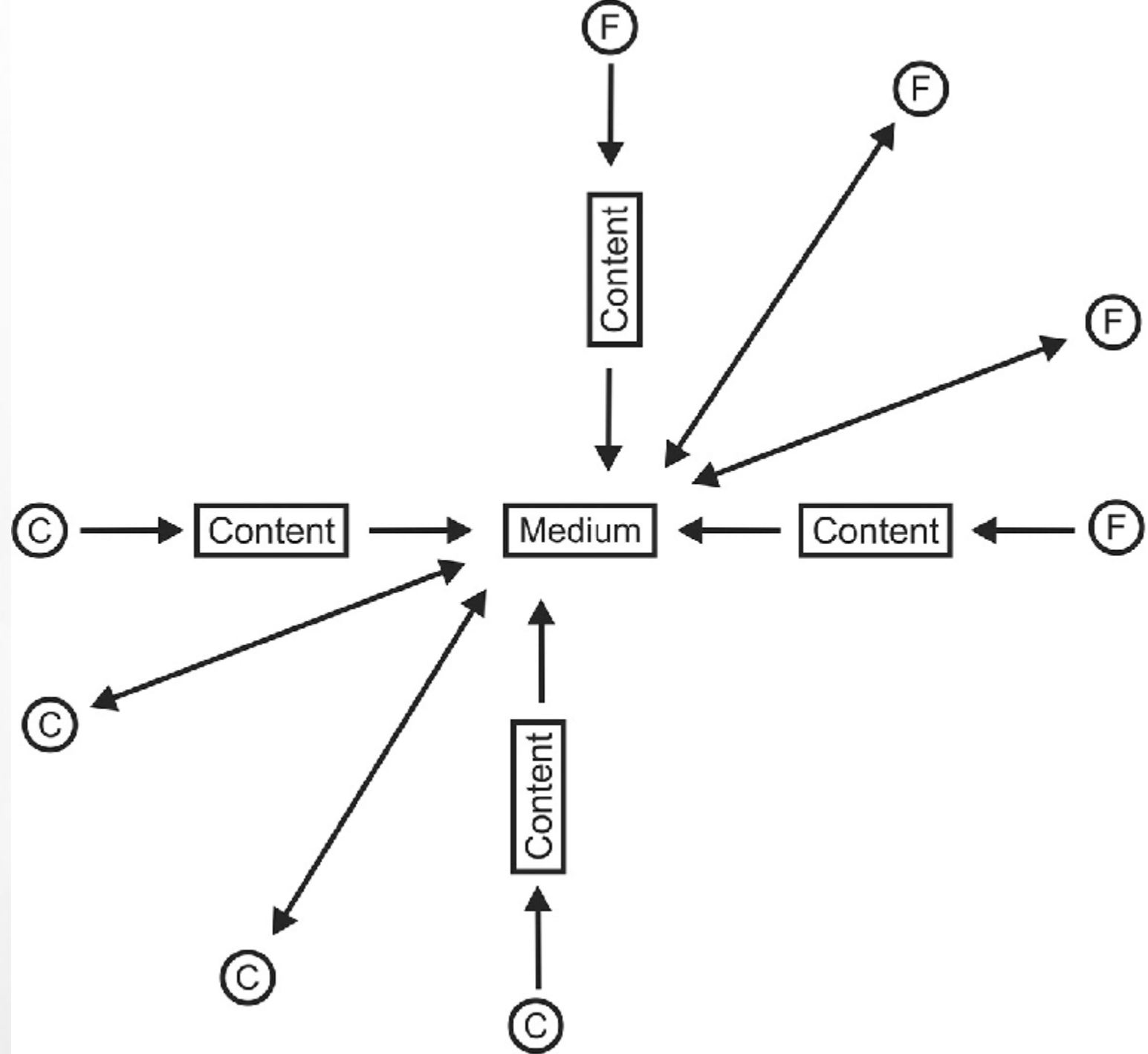- Marketing communication
- STP proces
- Branding

One wav communication

Mass one way communication

Mass communication many-to-many

Communication mix

?

Advertising
Public Relations
Personal selling
Direct marketing
Sales promotion

Advertising

- Paid form of promotion.
- Impersonal media presentations.
- The advertiser is clearly identified.
- Control over the content of the message.

Advertising goals

- Identify
- Inform
- Persuade
- Remind

5M of advertising

- Mission - the answer to a goal that a campaign has, what should an ad change in consumer attitudes or behavior.

- Money - how much we invest in the campaign.

- Message - the message alerts the recipient beforehand so that the campaign objectives can be met.

- Media - a selection of media that could be available to meet your goals as effectively as possible.

- Measurement - determination of the values according to which the results will be measured.
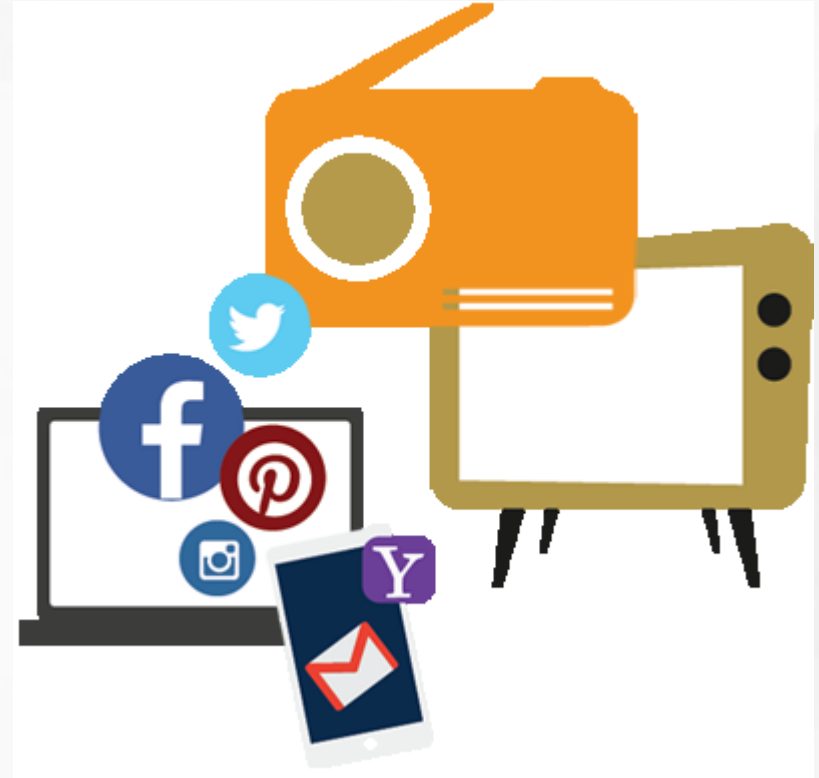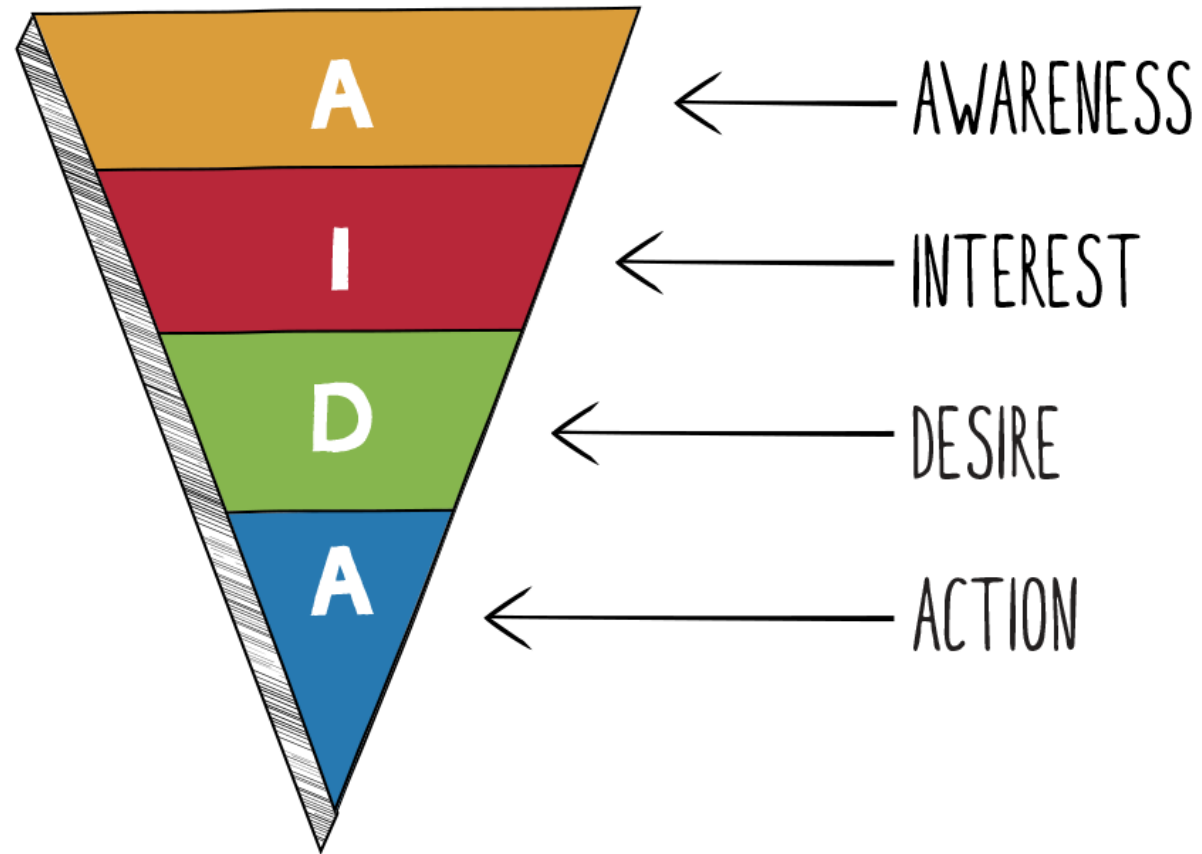
Media types

Internet
TV
Radio
Newspappers
Magaznes
OOH

How advertising works?

Sales promotion

- A set of short-term incentives designed to rapidly increase demand for specific products.
- It must always be limited in time and create a purchase order.
- The aim is for consumers to buy more, or products that they do not normally buy.
- The great danger of discounts as a form of sales promotion is when it becomes a pricing strategy by using this tool too often.

Sales promotion

- **Short-term increase in sales**

- If a business needs to clean up warehouses due to product obsolescence,

- fulfil the set annual sales plan,

- sell out the old model before the new,

- to force consumers or buyers to buy a business product just before launching a competing product.

Sales promotion

- **Testing the product by the customer**

- Most often distribution of product samples at the beginning of the life cycle.

- Other methods of sales promotion would be less functional here, such as larger package actions, one plus one for free and so on.

- The customer does not know the product and is in some uncertainty.

- He will not respond to these essentially quantity discounts, as he has not yet created trust in the brand.

Sales promotion

- **Support for repeat purchase**
- In this case, there is a loyalty program, bonus point cards and various actions between the tools.
- It is an attempt to induce a certain habitual or customary behavior in customers.
- Typically, they are goods of frequent consumption or frequently used services.

Public Relations

- Unpaid form of promotion through a medium.
- The message is more trustworthy than advertising
  - Because the recipient acts as produced by the media, regardless of the company.
- It does not include the direct cost of displaying the message
  - The company does not have to pay time and space in the media;
- The company has no control over the message
  - It is purely up to the media or the public whether to attend a press conference, whether a journalist publishes an article, whether the editor of a magazine decides to review a product.

Personal selling

- It represents a presentation made by the company's dealers in order to sell and build customer relationships.

- It raises specific demands on workers who make personal sales, in particular sales agents and dealers.

Direct marketing

It means using direct channels to reach customers and deliver products and services without the need for marketing intermediaries.

- **Direct mail**
- **Catalogues**
- **Telemarketing**
- **Teleshopping**

Other communication techniques

?

Guerilla marketing
Product placement
Viral marketing

Ambush marketing

Presence marketing

Street marketing

Wild posting

How many marketings?

Product placement

Active

- Part of the story

Passive

- Part of environment

Viral marketing

- The form of marketing communication (especially) on the Internet.

- It consists of creating an interesting creative (image, video, application), which is then forwarded to Internet users themselves.

- The creative is usually humorous, sexually suggestive, shocking (harsh), with an original idea or beautiful (animals, etc.)

Cardstore

- https://www.youtube.com/watch?v=HB3xM93rXbY

https://www.digitalstrategyconsulting.com/content/online-video-research-tips-and-news-for-marketers/case-study-how-cardstore-got-22m-views-with-a-surprise-ending/12111/

Will it blend?

- https://www.youtube.com/watch?v=lAl28d6tbko&t=6s
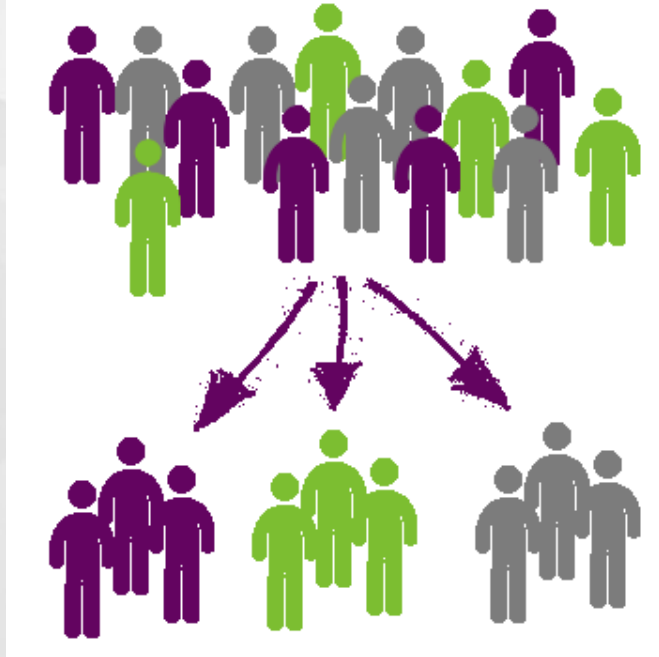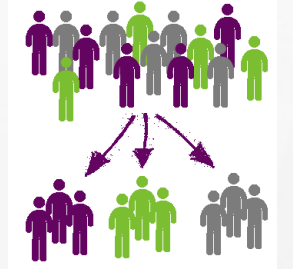
Segmentation

- **Segments must be graspable**

- Different - different responses to the marketing mix

- Identity - the possibility to determine who falls into a particular segment

- Adequate size - economically acceptable

Segmentation limits
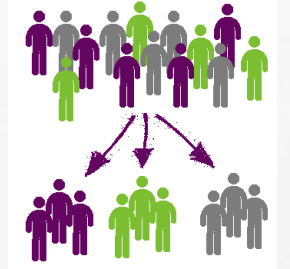
- **<u>Not all categories can be easily segmented!</u>**
- Research has shown that whiskey customers are similar across brands:
  - The only difference was between single malt and blended whiskey.
  - However, there were no significant differences between the brands in terms of demographic, psychographic and reaction specifics.

Segmentation
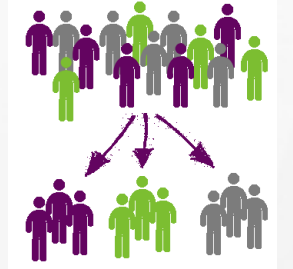
- **<u>Frequency of use</u>**

- Markets can also be segmented based on whether they are occasional, regular, or frequent users of the product.

- Frequent users represent only a small fraction of all customers, but usually account for a significant proportion of total consumption.

- Frequent users are a very good source of feedback.

- As a rule, they are much more demanding on product quality.

Segmentation
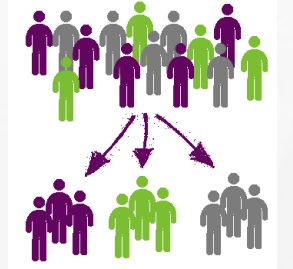
- **<u>Loyalty status</u>**
- This type of segmentation assumes that some consumers are:
- completely loyal - they still buy the same brand,
- loyal to two or three brands and occasionally buying another,
- and others show no loyalty and always buy something else.
- In English we talk about brand switches and brand loyals.
- Loyalty programs are often used to increase loyalty.

Loyalty and intesity relationship
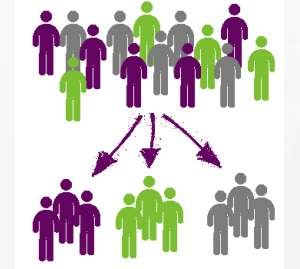
	Low intensity	Medium intensity	High intensity
High loyalty			
Medium loyalty			
Low loyalty			
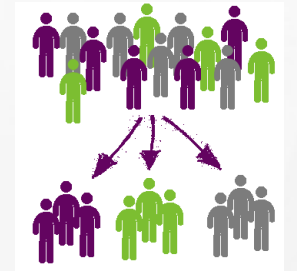
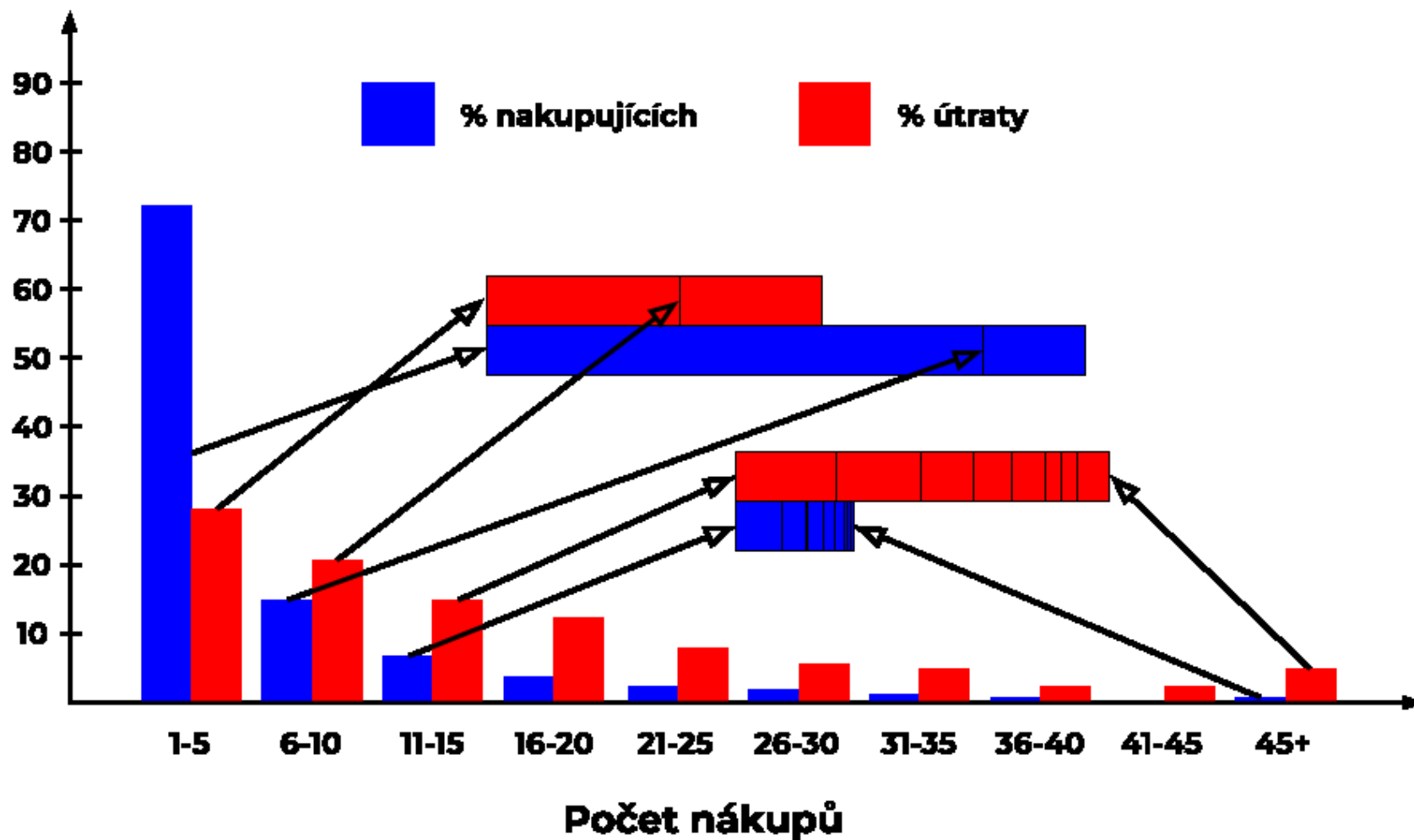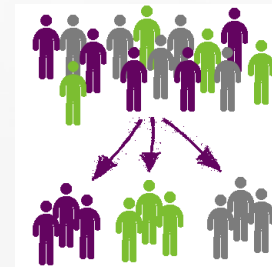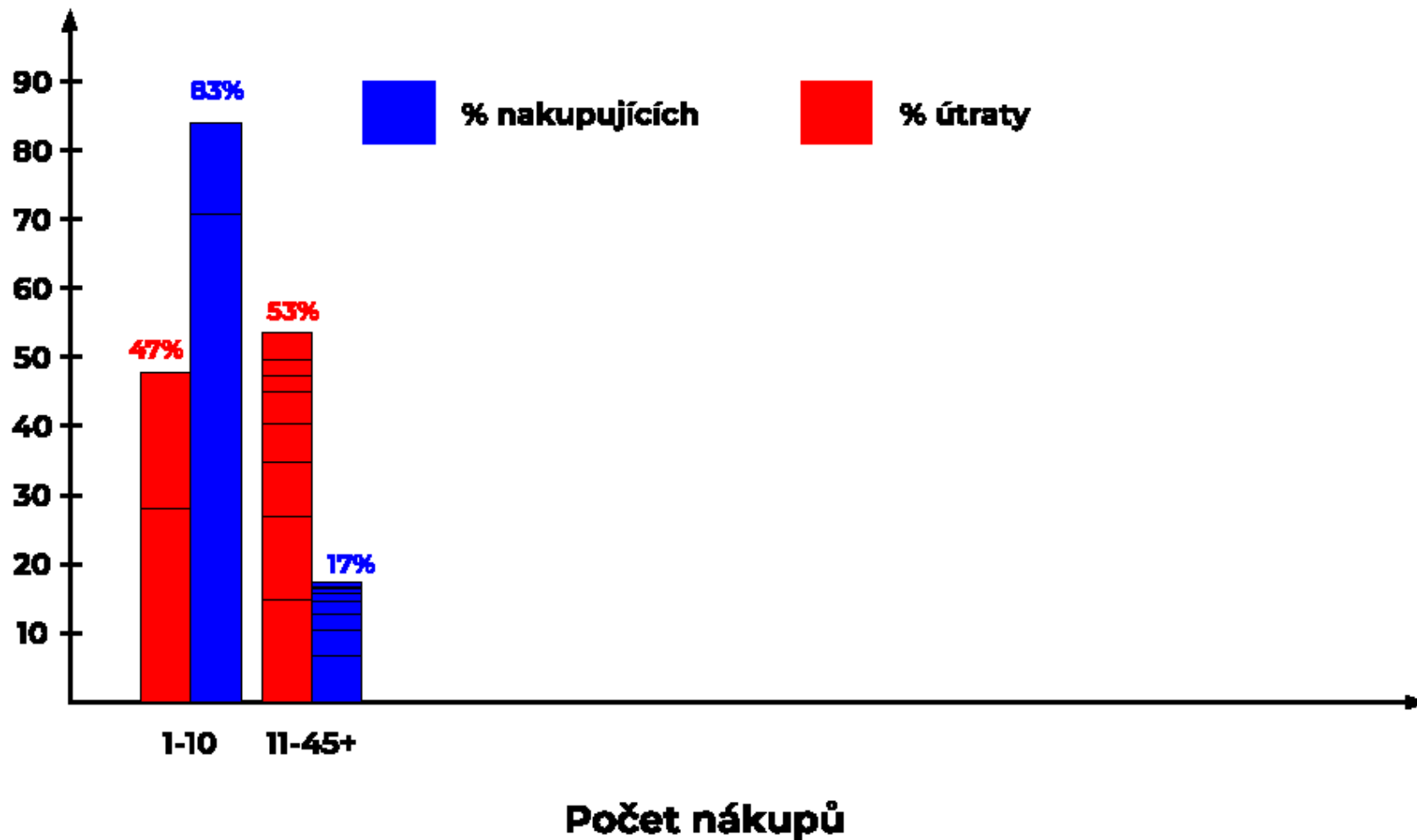| Intenity and loyalty matrix	Low Intensity 10pcs	Medium intensity 50pcs	High Intensity 90pcs
High loyalty 90%	9	45	81
Medium loyalty 50%	5	25	45
Low loyalty 10%	1	5	9

Segmentation by loyalty
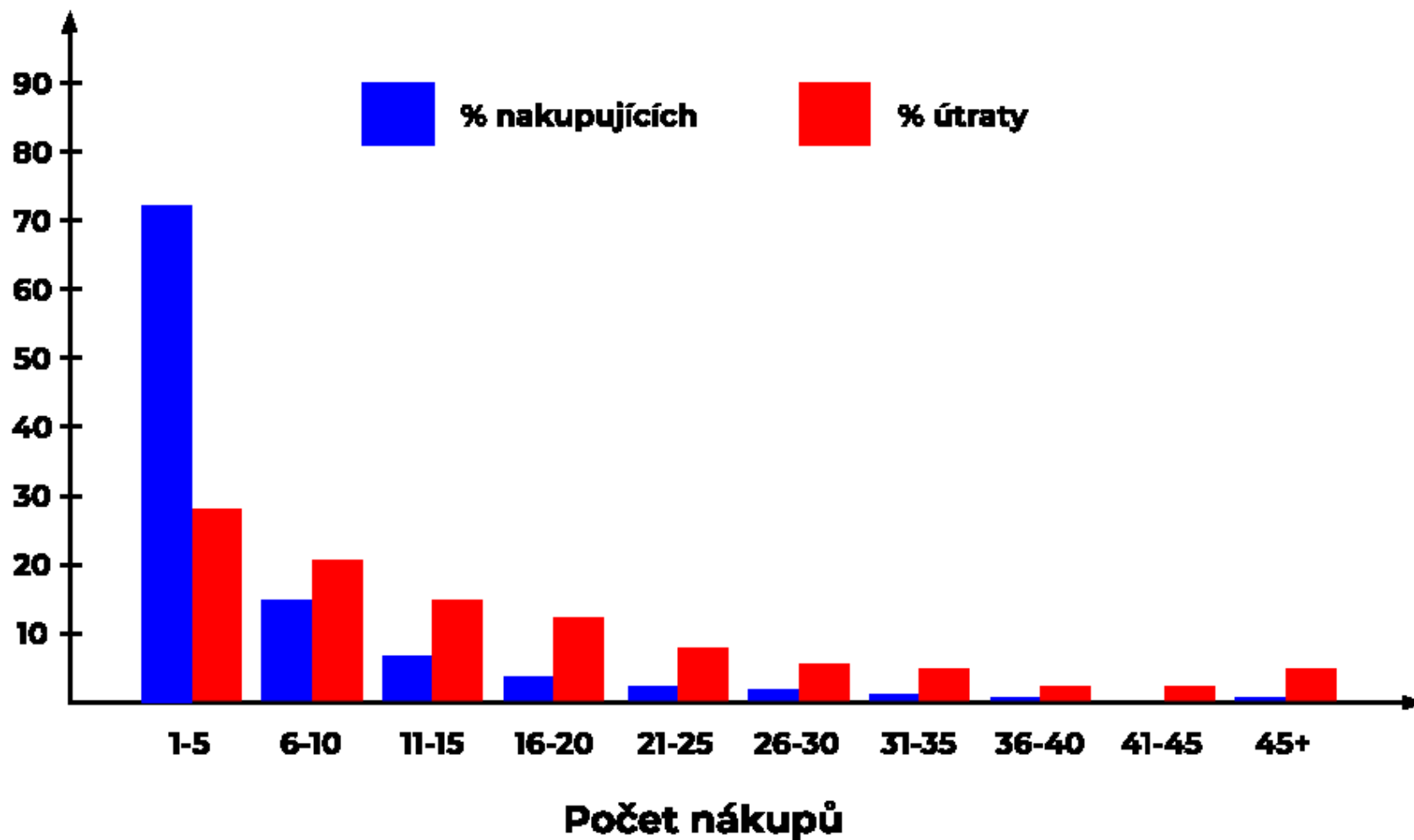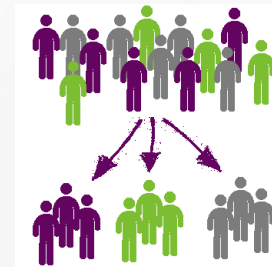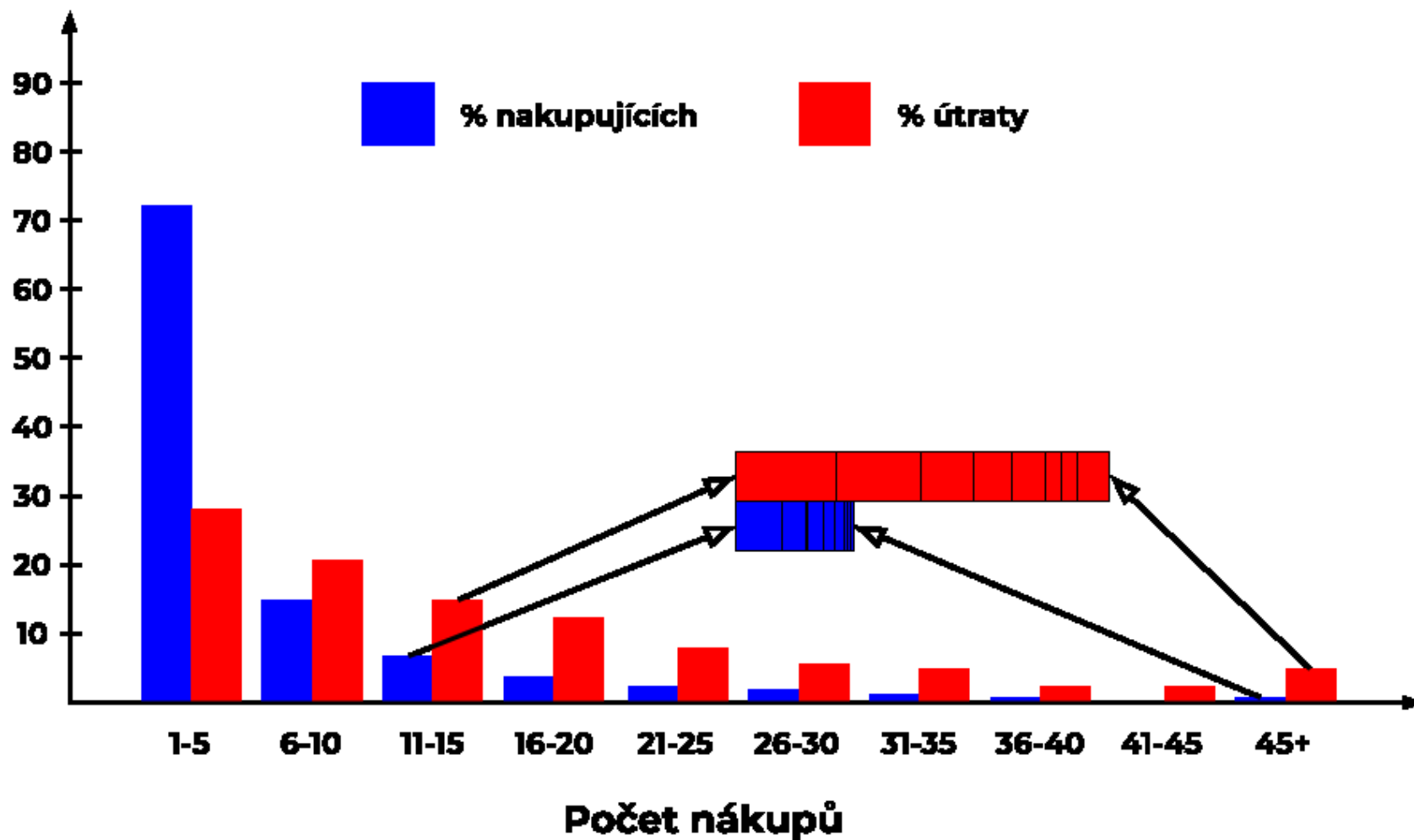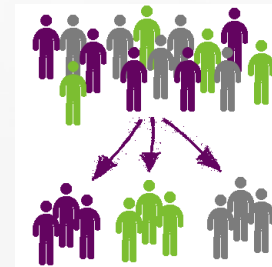
Segmentation by loyalty

Segmentation by loyalty
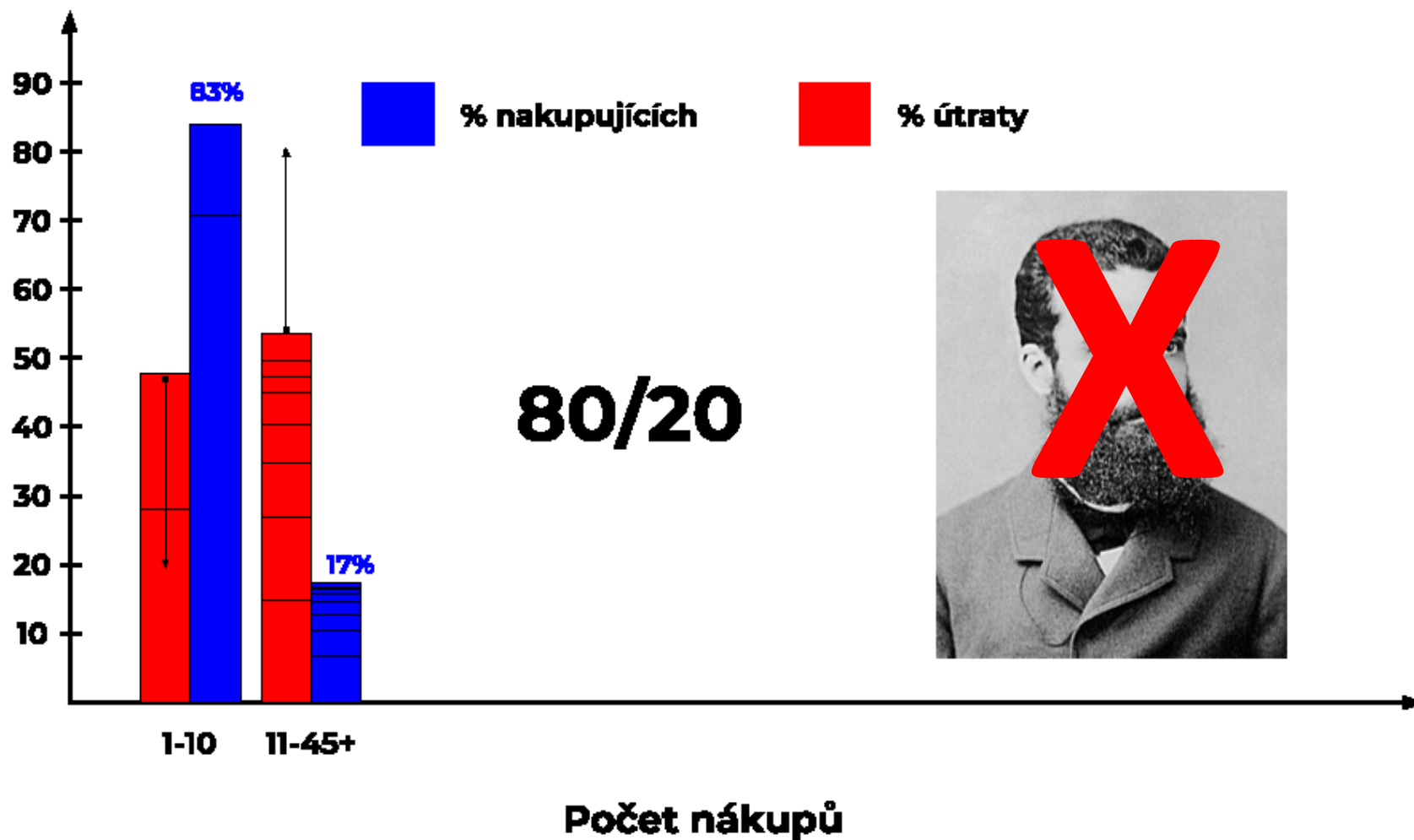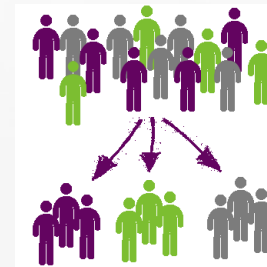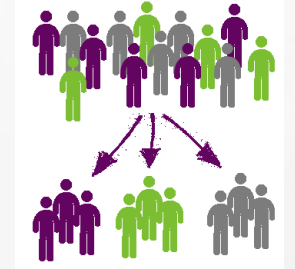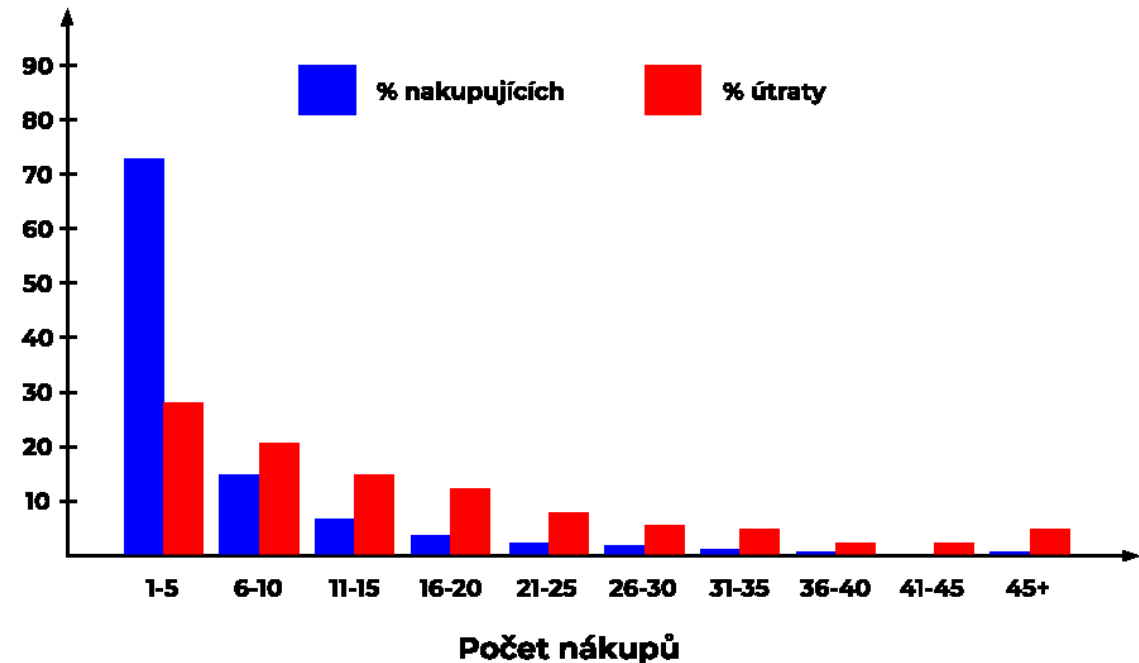
Segmentation by loyalty
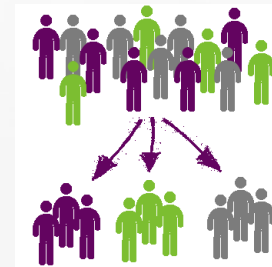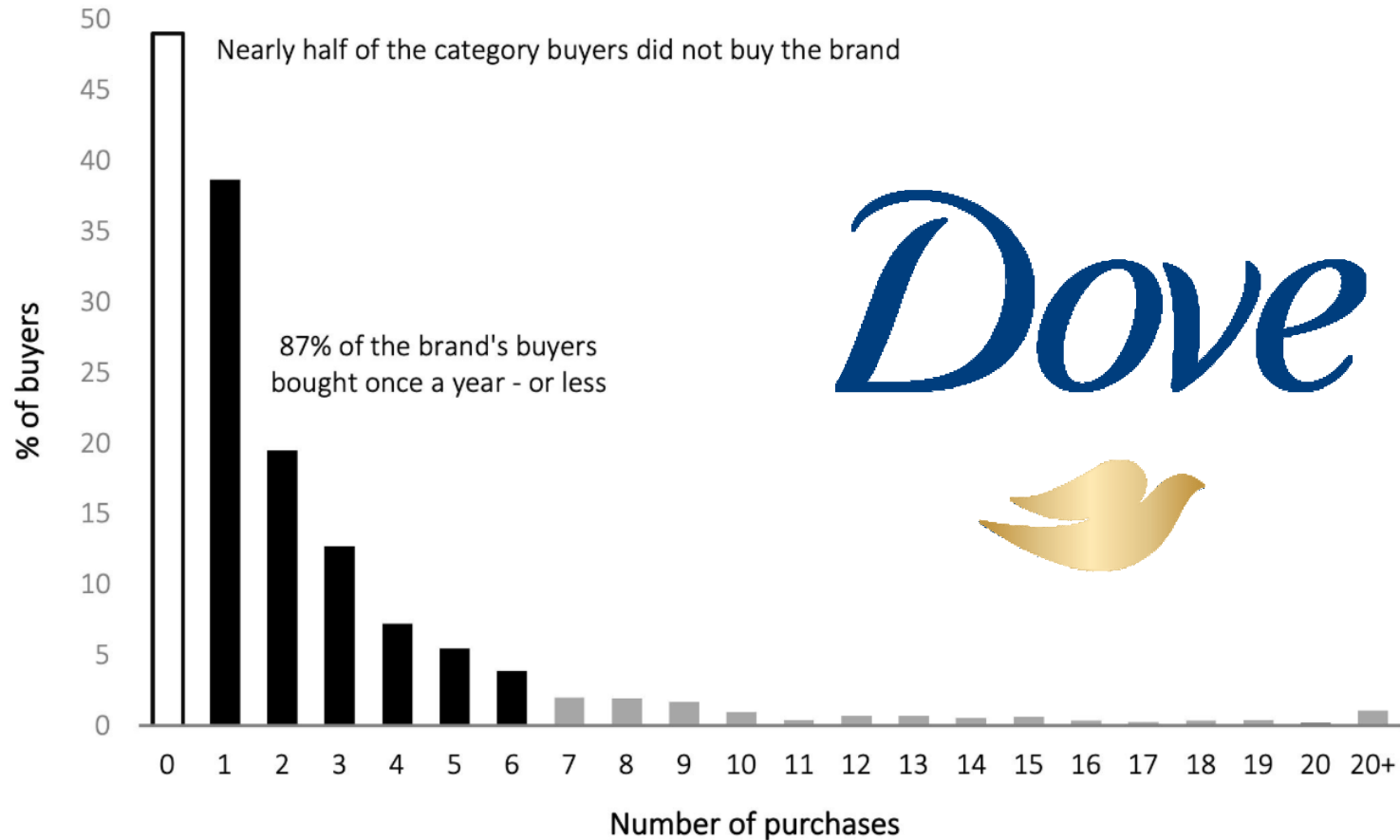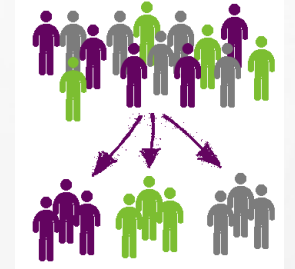
Segmentation by loyalty

Segmentation by loyalty

- Over 83% of the brand's customers accounted for almost half of sales.

- Andrew Ehrenberg presented these conclusions as early as the 1960s.

- Pareto's division in marketing does not apply, instead of 20/80 it is rather 20 / 50-60.

Segmentation by loyalty

Nearly half of the category buyers did not buy the brand

87% of the brand's buyers bought once a year - or less

Dove

% of buyers

Number of purchases

Brand

Brand is what remains when your factory burns down

Brand characteristics

- Brand assets
  - Tangible
    - Logo
    - Name
    - Colours
    - Font
  - Intangible
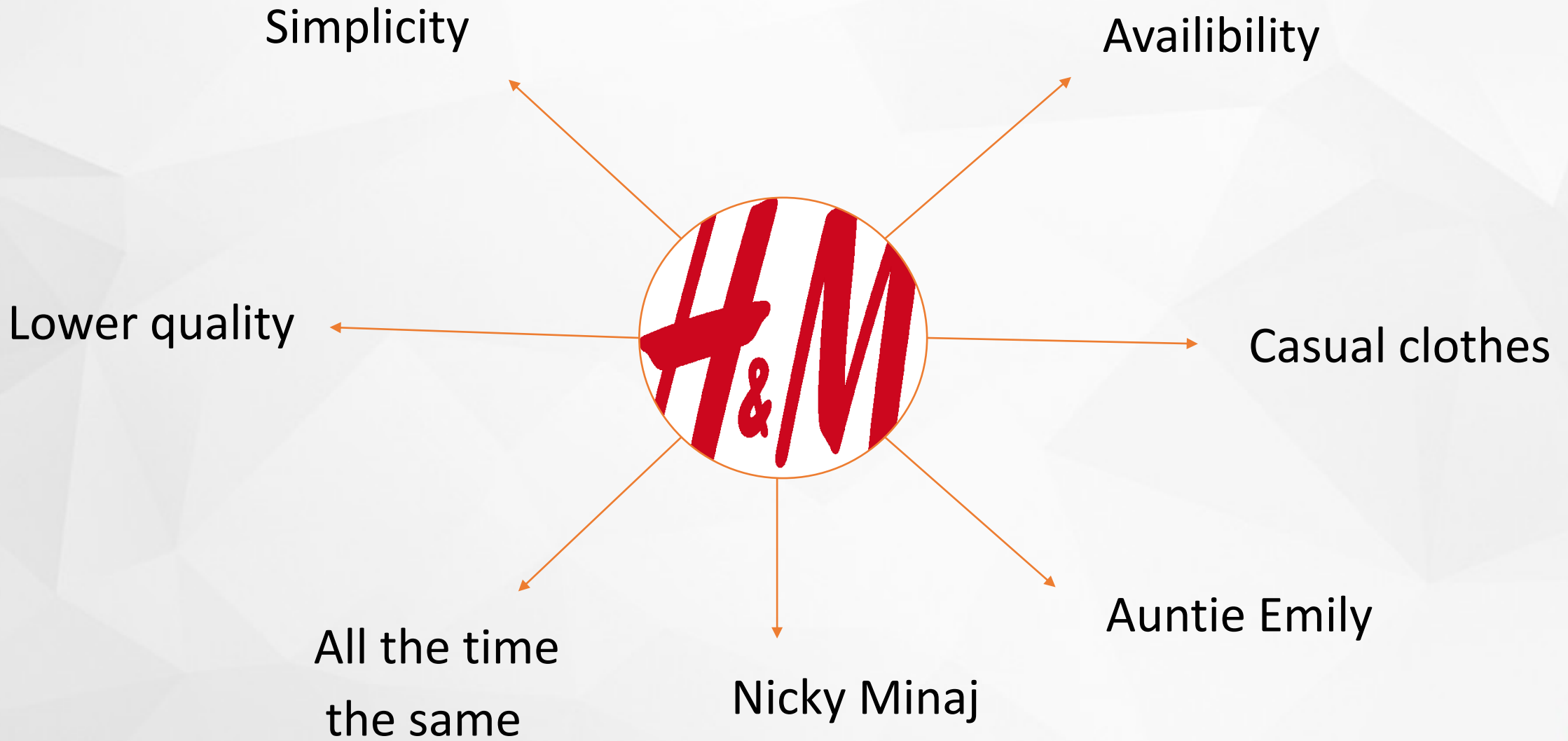   - Brand promise
    - Brand story
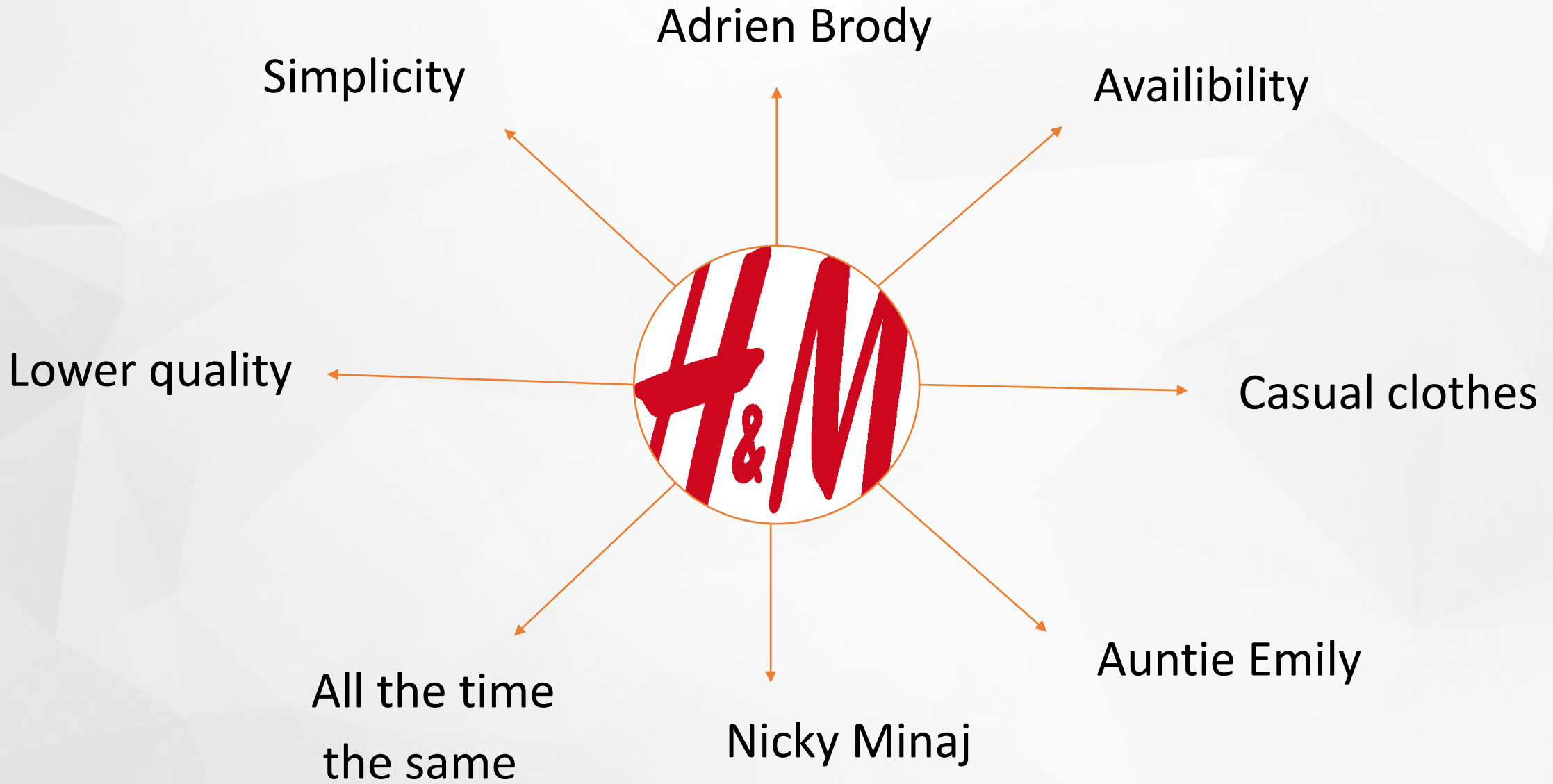
- Brand awarness
  - Brand recall
  - Brand recognition
- Brand image
  - Number of associations
  - Strenght of associations

Thank you for your attention