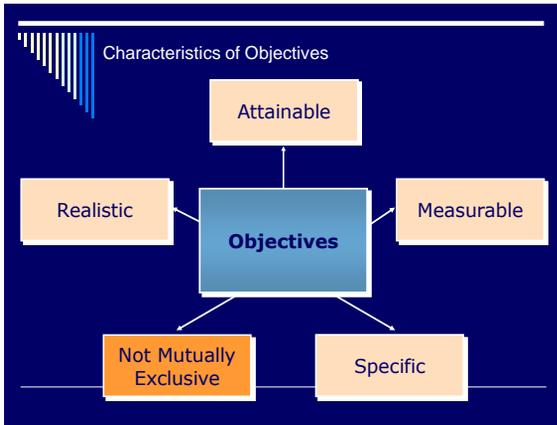
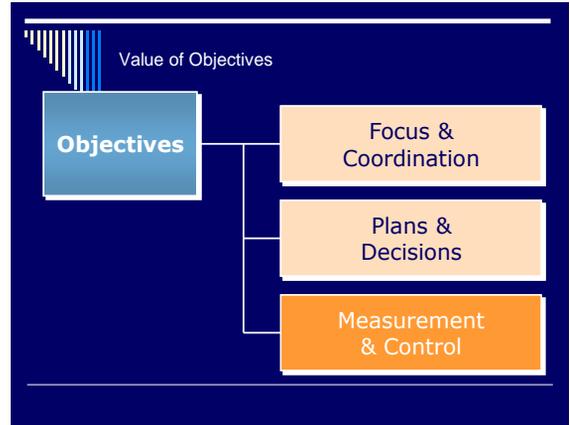


Establishing Objectives and Budgeting for the Promotional Program

Prof. Pierre Xiao LU, Fudan University



Marketing Versus Communications Objectives

Marketing Objectives	Communications Objectives
<ul style="list-style-type: none"> • Generally stated in the firm's marketing plan • Achieved through the overall marketing plan • Quantifiable, such as sales, market share, ROI • To be accomplished in a given period of time • Must be <u>realistic</u> and <u>attainable</u> to be effective 	<ul style="list-style-type: none"> • <u>Derived from</u> the overall marketing plan • More narrow than <u>marketing</u> objectives • Based on particular <u>communications</u> tasks • Designed to deliver appropriate messages • Focused on a specific target audience

Vs.



Direct Response Ads Seek Sales

WHAT IF YOU COULD COMMUNICATE WITHOUT ANNOYING EVERYONE AROUND YOU?

SKYTEL
1-800-633-8637
www.skytel.com



Sales As Advertising Objectives

BACK TO SCHOOL SALE
SAVE 20-50%
Pie's Imports

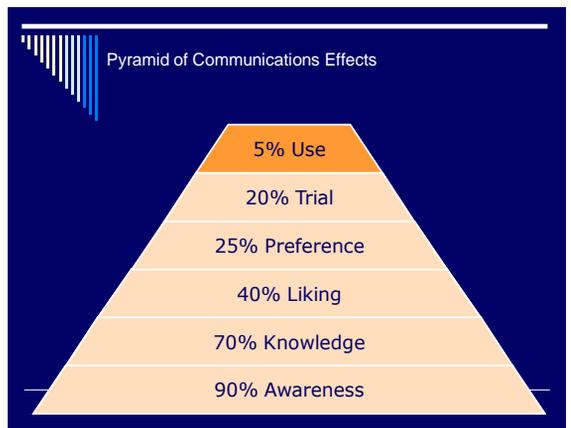
Advertising and Movement Toward Action

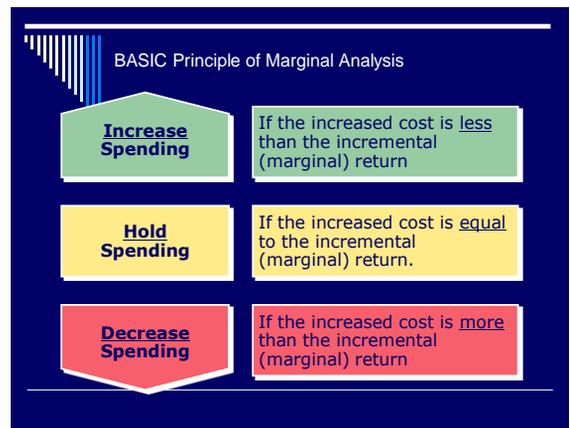
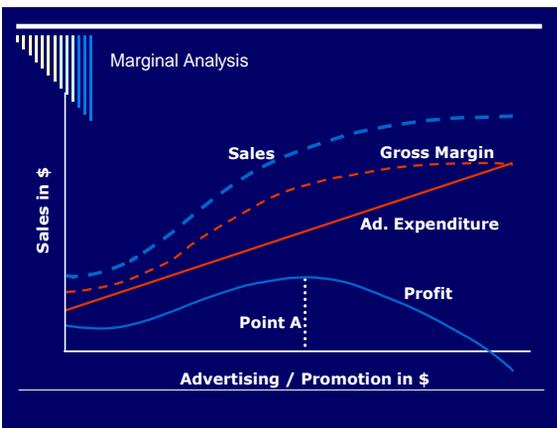
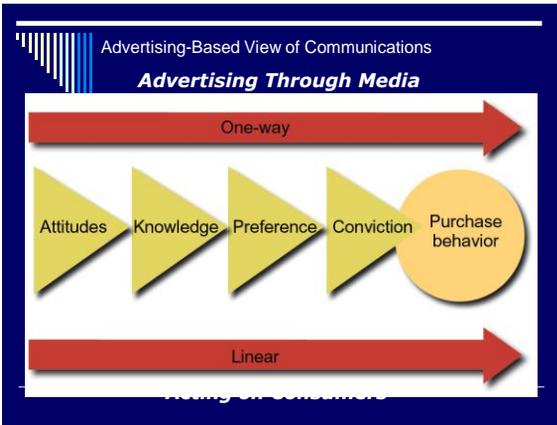
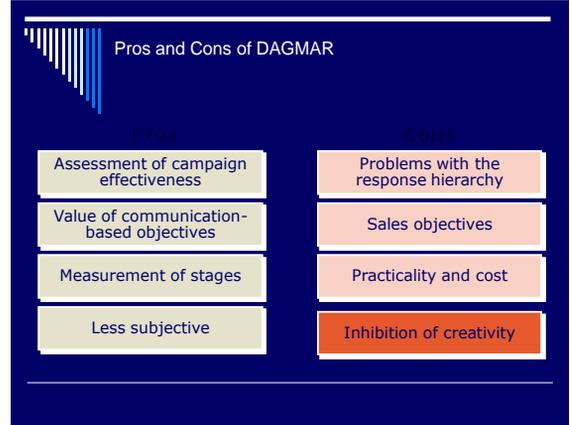
Conative Realm of motives. Ads stimulate or direct desires.	Purchase	Point of purchase Retail store ads, Deals "Last-chance" offers Price appeals, Testimonials
Affective Realm of emotions. Ads change attitudes and feelings	Conviction	Competitive ads Argumentative copy
Cognitive Realm of thoughts. Ads provide information and facts.	Preference	"Image" copy Status, glamour appeals
	Liking	Announcements Descriptive copy Classified ads Slogans, jingles, skywriting
	Knowledge	Teaser campaigns
	Awareness	

Image Ads Can Have a Strong Effect on Preference

Things start uncomplicated. Why change them?

PHILIPS





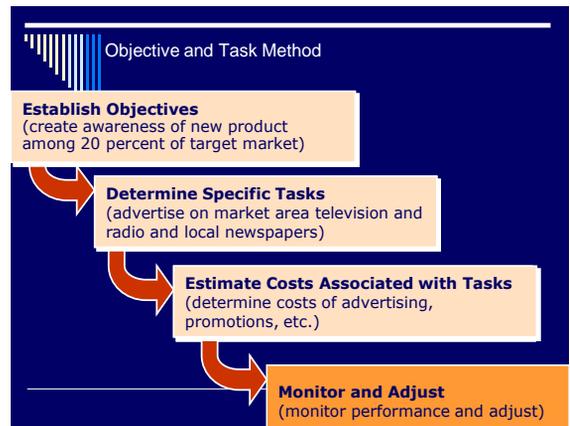
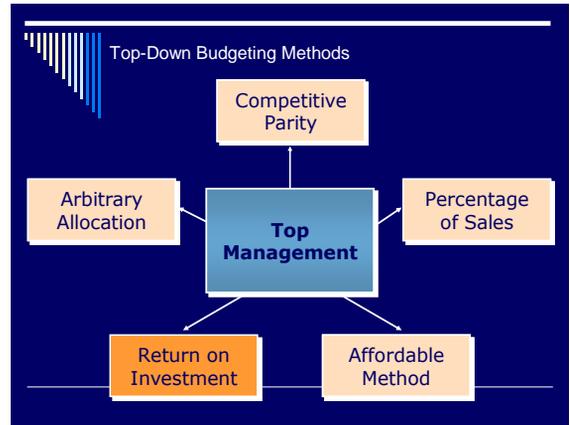
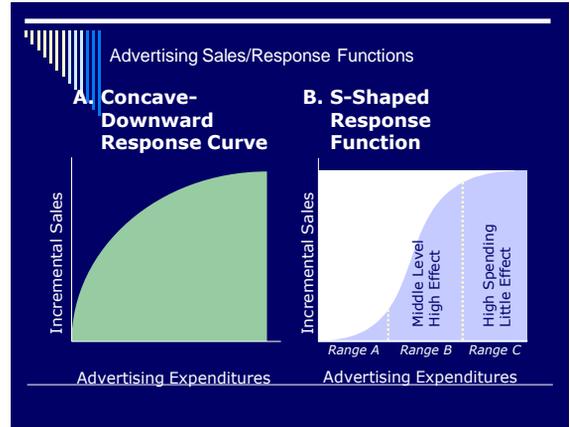
Assumptions for Marginal Analysis

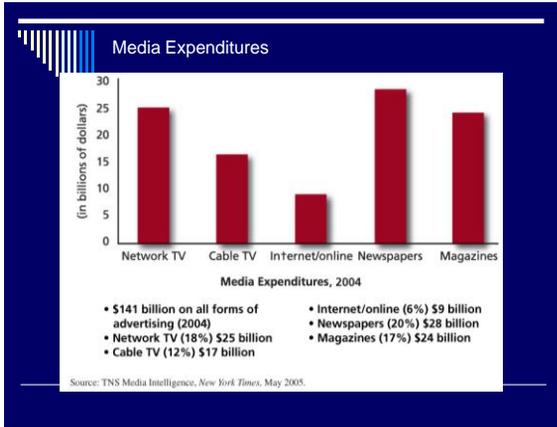
Sales are the result of advertising and promotion, and nothing else

Sales are the principal objective of advertising and promotion



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Are There Economies of Scale?

Proposition I
Larger firms can support their brands with lower relative advertising costs than smaller firms.
No evidence to support this!

Proposition II
The leading brand in a product group enjoys lower advertising costs per sales dollar than do other brands.
No evidence to support this!

Proposition III
There is a static relationship between advertising costs per dollar of sales and the size of the advertiser.
No evidence to support this!

