

Strategic Communication 2331
Study Guide
Final Exam Fall 2013
Concepts & Terms

- **Sales promotion techniques**
 - Consumer promotions
 - Incentives directly to customers and potential customers
 - Trade promotions
 - Incentives used by manufacturers and often members of marketing to purchase goods for eventual resale
- **Slotting fees**
 - A form of trade allowances paid to retailers to stock a new product
 - Most controversial form of trade allowances
- **Trial offers**
 - LOOK AT SALES PROMOTION LECTURE
- **Merchandise allowance**
 - Sliding allowance, paying extra to get your product on the shelf
- **Consumer trial promotions** (*the things that get the consumers to try the product- provide an example*)
 - **Premiums**
 - Prizes, gifts or other special offers consumers receive when purchasing products
 - Consumer still pays full price
 - Types of premiums:
 - Free in the mail premiums
 - In or on package premiums
 - Store or manufacturer premiums
 - Self liquidating premium – customer sends money with the proof of purchase, allows the customer to receive the product for less than the normal price
 - Less than 10% of households have ever sent in for a free or self liquidating premium
 - **Coupons**
 - Offers a price reduction to the consumer
 - Manufacturers issue aprox. 80%
 - Distributed in retail stores, offered digitally from the internet or in a store, placed inside packages
 - Disadvantages – some believe that offering price discounts to customers who are willing to pay full price does not make sense
 - **Bonus packs**

- When an additional or extra number of items are placed in a special product package
 - Consumer ends up with more product or more service opportunities than they would normally buy
 - Limited application trial technique
- **Warranties**
 - Contract offered by a manufacturer to a customer to provide restitution should the product be defective or malfunction
 - Warranties have the most limited application of all price off techniques and are mainly suited for high involvement products
- **Direct Price offs**
 - A temporary reduction in the price of a product to the consumer
 - Retailers profit must be maintained to keep the brand attractive to the retailers
 - Retailers don't always allow direct price offs – prefer to set their own prices
 - Only good for attracting new users for a familiar brand
 - Only work when the potential new buyer knows the normal price and receives a value
 - Cannot be used to introduce a new brand
 - High price in the absence of other information conveys quality
 - Benefits – help stimulate sales of existing products
 - Problems – can have a sudden impact on sales
- **Rebates/refunds**
 - Cash returns offered to consumers or businesses following the purchase of a product
 - Consumers pay full price for the product but can mail in some type of proof of purchase and the manufacturer refunds a portion of the price
 - As many as half of all purchasers never claim the refund
 - For low price products a coupon is more appropriate
- **Google Video**
- **E-Active Marketing**
 - term used to describe the two major components of internet marketing: e-commerce and interactive marketing
 - e-commerce - focuses on selling goods and services over the internet
- **List of Incentives for online shopping – (e-commerce, focuses on selling goods and services over the internet) “cyberbait”** lure or attraction that brings people to a website

- o Financial incentives – cost saving
 - o Convenience incentives – order can be made from home at any time
 - o Value- added incentives – personalized shopping options for returning customers
- **Interactive marketing**
 - o Individualizing and personalizing web content and email messages for various consumers
 - o Tactics:
 - Cultivate an attitude of giving
 - Gain trust
 - Identify your one-word brand
 - Define your ultimate vision
 - Choose your communication channels
 - Evaluate and adjust
 - **Viral marketing**
 - o An advertisement that is tied to an email or other form of online communication in which one person passes on the advertisement or email to other consumers
 - o Include advertisements, hyperlinked promotions, online newsletters, streaming videos, and games
 - **Search engine optimization (SEO)**
 - o The process of increasing the probability of a particular company’s Web site emerging from a search
 - o Can be achieved in 3 ways:
 - Paid search insertion comes up
 - Increase identification through the natural or organic emergence of the site
 - Paid search ads
 - ***Inside Mind of Google video***
 - ***McDonald’s Video***
 - o Where was the first mcdonalds franchise located?
 - Chicago