

The Relationships Between Advertising and Sales Promotion

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Abstract

The process of integrated marketing communications consists of coordinating the promotional mix elements, setting objectives, establishing budgets, designing specific programmes and developing contingent tactics when results do not square with objectives. The basic tools used to accomplish an organization's communication objectives are often referred to as the promotional mix. They are advertising, sales promotion, point of purchase communication, personal selling, direct marketing and marketing public relations. In this paper we examine the integration and coordination between advertising and sales promotion. Sales promotion and advertising should work together in order to inform consumer and employ carefully planned strategies to support each other. These two components of integrated marketing communications and coordination between them creates synergy in order to increase purchases and brand image.

Introduction

In today's world of deteriorating brand power, increasing competition and rising perceptions of parity products, integrated marketing communications has taken on renewed importance in marketing process. Integrated marketing communications has been defined as the coordination of all seller- initiated efforts to set up channels of information and persuasion to sell goods and service or promote an idea. While implicit communication occurs through the various elements of the marketing mix, most of an organization's communications with the marketplace take place in a carefully planned and controlled promotional program (Belch and Belch, 2001:14). The basic tools used to accomplish an organization's communication objectives are often referred to as the promotional mix. All of the components of marketing communications should work interactively in order to create brand image but the paper has been written from the advertising and sales promotion point of view.

Advertising and sales promotion should be viewed as complementary tools. Proper coordination of advertising and sales promotion is essential for the company to take advantage of the opportunities offered by each tool and get the most of its promotional budget. The coordination of advertising and sales promotion is important in order to create synergistic interaction in the integrated marketing communications mix. Effective sales promotion maksimizes sales volume. Advertising helps develop and reinforce a quality, differentiated brand reputation and build market value. Sales promotion helps build market volume. To become a market leader, a brand needs both advertising and sales promotion. Sales promotion can be more effective than advertising in motivating customers to select a spesific brand, particularly when all brands appear to be equal (Arens, 1999:296). According to our view, sales promotion and advertising should work together in order to create synergistic effect. The aim of this paper is to examine the integration of sales promotion and advertising strategies and tactics which requires differential methods in increasing purchases and creating brand image.

Sales Promotion in the Marketing Communications

Companies have adopted Integrated Marketing Communication concept recently. What is hard about the implementation of IMC concept is integration and coordination of company's many communications channels to deliver a clear, consistent and compelling message about the organization and its products. (Kotler and Armstrong,2001:515)

Sales promotion is such an important component of IMC. According to The Institute of Sales Promotion definition, it comprises that range of techniques used to attain sales/marketing objectives in a cost-effective manner by adding value to a product or service either to intermediaries or end users, normally but not exclusively within a defined time period. (Cummins,1989:18). Sales promotion which is a part of the promotional mix, is designed to influence consumer or marketing intermediaries. (Blattberg and Neslin,1990:3) It can be divided into two basic types. The first, used to move the product from the manufacturer to the distributor or retailer, is called internal sales promotion. Manufacturers using this type of sales promotion attempt to push goods through the distribution channels to the customer. The second, used to move the product from the manufacturer or distributor through the retailer to the ultimate consumer are termed external promotions. This type is used by manufacturers to create demand by the end consumer, thus pulling the product through distribution channels.(Schultz and Robinson, 1988 :9)

The benefits of sales promotions can be classified as the utilitarian (by helping consumers efficiently find and buy the best products) and hedonic (by creating entertainment and raising self-esteem) benefits to consumers. Utilitarian benefits help consumers to maximize the utility, efficiency, and economy of their shopping and buying. Hedonic benefits provide intrinsic stimulation, fun, and self-esteem. (Chandon et al, 2000: 65-70). Non-price promotions such as sweepstakes, frequent user clubs, and premiums add excitement and value to brands and may encourage brand loyalty. (Huff and Alden, 1998: 47-50)Price promotions such as coupons, refunds and rebates add extra value to the brand and incentive the consumers to buy the product as soon as possible. In addition, manufacturers use point of purchase advertising to attract consumers in to the market place. According to the Point of Purchase Advertising Institute (POPAI), it has four distinct functions that consist from informing, reminding, persuading and merchandising.(Russell and Lane:375)These functions are used by manufacturers to effect the consumer's shopping behaviour at the point of sale. Sales promotion's importance is increasing as the market becomes more tough and competitive. Two decades ago, the advertising to sales promotion ratio was 60/40, while nowadays sales promotion expenditures exceed 75 per cent. Companies prefer sales promotions to advertising because of increasing cost of taking place mass media, power transfer from manufacturers to retailers, stagnating markets and increased brand similarities, demographic changes (Kitchen,1999:295-297).Sales promotion can not be seperated from advertising, because it needs advertising to attract the consumer's interest to sales promotions activities. If they are seperated from each other, this will damage the integration of marketing communication concept.

Advertising in The Marketing Communications

Advertising is unique among the ingredients of the marketing communications mix in that it, along with packaging, forms part of the average citizen's everyday life. Advertising takes a more remote approach to its target audience than many other ingredients of the marketing communications mix, is thus unlikely to be able to clinch a sale except in the special case of direct response advertisements(Kitchen, 1999:265). Advertising can be defined as any 'paid, nonpersonal communication through various media by business firms, nonprofit organizations,and individuals who are in some way identified in the advertising message and

who hope to inform and persuade members of a particular audience(Donnelly,1996). It is possible to say that advertising is a good marketing communications tool to inform and persuade people, irrespective of whether a product, a service or an idea is promoted(Pelsmacker et al,2001:160). It is nowadays generally agreed that its primary role is longer-term brand-building, which can do by: building awareness, conveying information, telling a story, establishing an identity and creating a predisposition. At the same time, advertising can contribute to profits by: encouraging people to buy a particular brand, increasing consumption, increasing opportunity to purchase by increasing distribution, improving targeting and obstructing market entry by competitors(East,1997). In the short-term, advertising works by establishing presence. Ehrenberg(1997) has referred to this as 'salience'. When a product is present and salient, it is more likely to be purchased(Varey,2002:273). To say that we want to advertise in order to sell the products is, on the one hand, obviously sensible. On the other hand, it is gross simplification of what is a complex human activity. Advertising must be upsetting if it is to be effective. By this we mean that advertising and sales promotion are used in trying to get people to do some thing that they might not have done otherwise(Varey,2002:275). We have just suggested that brand awareness and brand attitude are always communications objectives. Obviously, someone must be aware of a brand and brand's activity if they are going to buy it. But the real heart of most advertising messages conveys information or communicates a feeling about the product being advertised(Percy et al,2002:8).

It is necessary in order for advertising or other components of marketing communication mix to be succesful is for the prospective consumer to be exposed to the message. This means that it must be placed somewhere that the prospective buyer can see, read, hear it as appropriate. The opportunity for exposure to be message take place through media of one kind of another.Generally, advertising reinforces to the other promotion activities. Particularly, target audience is informed about sales promotion activities by advertising messages.

Coordinating Advertising and Sales Promotion

Integrated marketing communication is an expansion of the promotion element of the marketing mix. It is essentially the recognition of the importance of communicating the same message to the targeted markets. In addition, it is the recognition that all of the integrated marketing communication variables communicate and that there is an overlap in the communication these variables provide each of the IMC variables affects the overall marketing program, so they all must be managed to exploit their effectiveness(Ogden,1998:6).The targeted markets can be informed by using one of the promotional mix of the IMC, that include personal selling, point of purchase communications, marketing PR, direct marketing, sales promotion and advertising.

In this part we will be discussing to the close strategic relationship between advertising and sales promotion. In the integrated marketing communications process sales promotion strategies and tactics usually work best in conjunction with advertising and that the effectiveness of an advertising campaign can be enhanced by consumer oriented sales promotion efforts. Rather than separete activities for a firm's promotional budget, advertising and sales promotion should be viewed as complementary tools(Belch and Belch, 1998:506). Contrasting the Latin root of sales promotion, 'move forward', with the Latin root of advertising, 'turn toward', illustrates the fundemental difference between the traditional ideas of advertising and sales promotion. Advertising is aimed toward the long-term building of positive brand attitude by turning the consumer toward the brand; sales promotion is aimed at the more short-term tactical goals of 'moving forward' brand sales. Sales promotion and advertising should work together in order to inform consumer and employ carefully planned

strategies to support each other. These two components of integrated marketing communications and coordination between them creates synergy. For increasing to customer buying action in a short time, working only towards sales promotion is not only right but not sufficient. Sales promotion activities should be supported by advertising messages to inform and persuade the customers. Because of this carrying out strategic planning to create synergy between advertising and sales promotion, results maximum productivity. If advertising messages inform the customers about the sales promotion activities, the success of it directly effects the strategies increasing buying action in the sales promotion. Additionally if a brand has a good image and it is well known, its immediate sale or to get the customer to buy now will be easy. Therefore with a well established brand image the workings of sales promotion generally can bring greater success.

The issue of the long- term effectiveness of sales promotion has long been the subject of considerable dispute among academics and reseachers in the field, with considerable evidence on each side. Sales promotions can do as much to preserve and enhance a brand's long-term interests as damage them, depending on what emphasis companies place on price and non-price promotions and also on short and long-term orientations(Kitchen,1999:301). Therefore sales promotion strategies and tactics should be used carefully. Advertising has an important role to play in creating brand image. And a strong brand image makes the sales promotion activities also strong and makes it easier to increase the sales.

It is possible to say that if advertising and sales promotions don't work together, it is difficult to increase customer buying action in a short time. In order for the product brand to reach the required aims of image and sale, a long amount of time and systematic working is needed. The reason for this that advertising and sales promotion sometimes support each other. But particularly, advertising and its spesific aims also support and help the aims of sales promotion. Point of purchase advertising is the most important types of advertising which helps sales promotion. Point of purchase advertising can be defined as any promotional material placed at the point of purchase, such as interior displays, printed material at shop counters, or window displays(Rosenberg,1995). Point of purchase advertising and another type of advertising can serve several objectives: attract consumer's attention for the promotion activites in the store, they should remind consumers of ongoing sales promotion campaigns, besides reminding they can also inform consumers another objective of advertising is to persuade consumers, to influence their decision making at the point of sale and to trigger impulse purchase. By using advertising in conjunction with a sales promotion program, marketers can make consumers aware of the brand and its benefits and increase their responsiveness to the promotion. Using a promotion without concurrent advertising can limit its effectiveness and risk damaging the brand's image. In summary it is possible to say that in order for a firm to bring themselves up to the required high level of brand image and sales volume, advertising and sales promotion should work interactively. When properly planned and executed to work together advertising and sales promotion can have a synergistic effect.

Conclusion

Particularly the coordination of advertising and sales promotion is important in order to create synergistic interaction in the integrated marketing communications mix. It is possible to say that if advertising and sales promotion dont work together, it is difficult to increase customer buying action in a short time. In addition in order for the product brand to reach the required aims of image and sale, a long amount of time and systematic working is needed.

The combination of both, sales promotion and advertising for the aim of increasing the sales is not only a method for the USA and Europe, which are the economically developed countries, its also a method used for a developing country such as Turkey. Here this process has begun much later than in the so called 'developed' countries and it corrisponds to the late

1980s with the transformation from state intervention to a more liberal economy. In other words, the consumption possibilities, which most of the population did not have in the past, is now spreading facilitated by the sales promotion and advertising. But this situation does not concern the lower classes of a country such as Turkey with an economy suffering from continuous crisis and an annual production much lower than the annual consumption.

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