2018/04/07

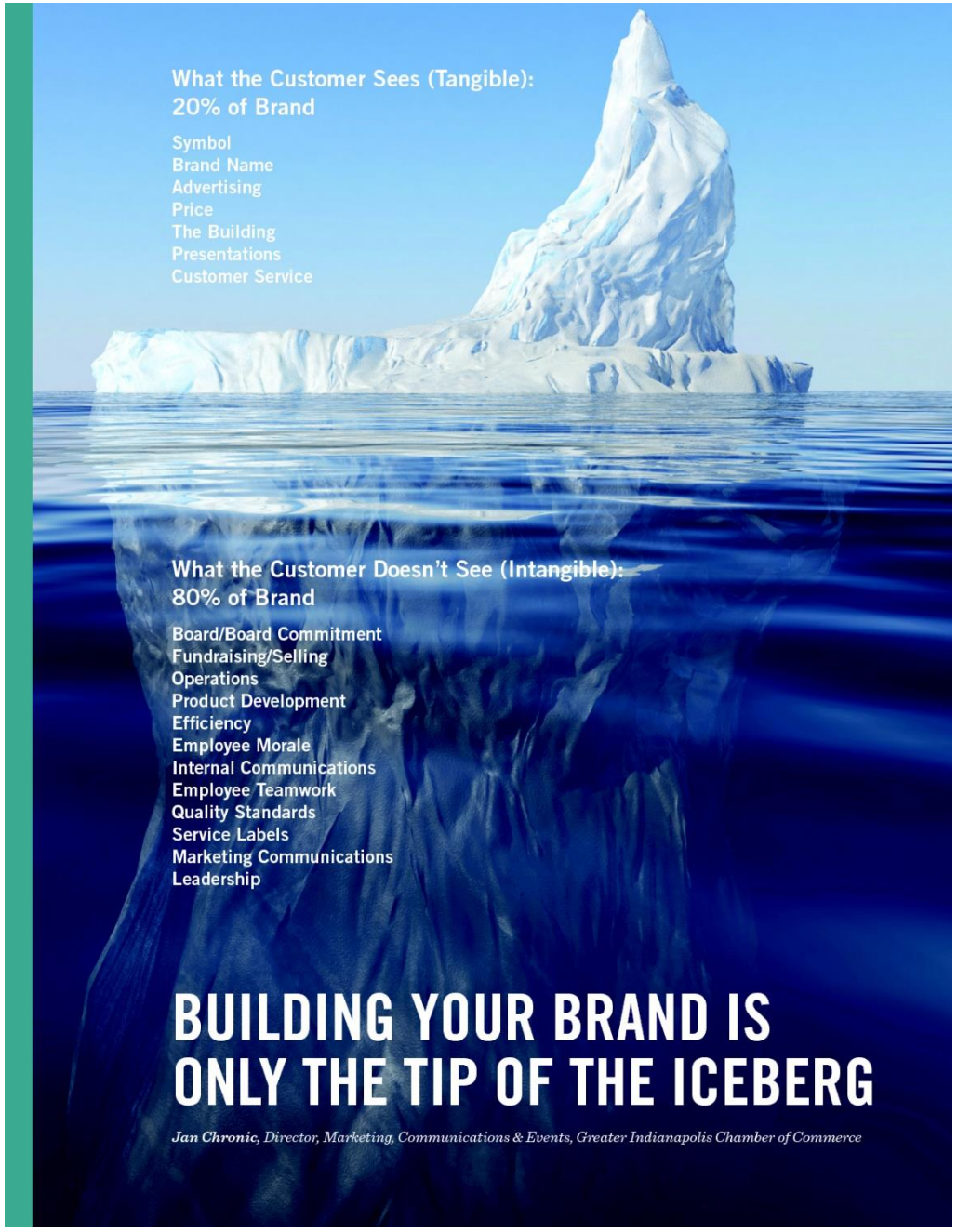
Michal Novák
michal.novak@vse.cz

What is marketing?

- „Marketing is the **science** and **art** of exploring, creating, and delivering **value** to **satisfy** the needs of a **target** market at a profit. Marketing **identifies** unfulfilled **needs** and desires.
- It defines, measures and quantifies the size of the **identified** market and the profit potential. It pinpoints which **segments** the company is capable of serving best and it **designs and promotes** the **appropriate products and services**.“

– Philip Kotler

Marketing is MORE THAN just advertising

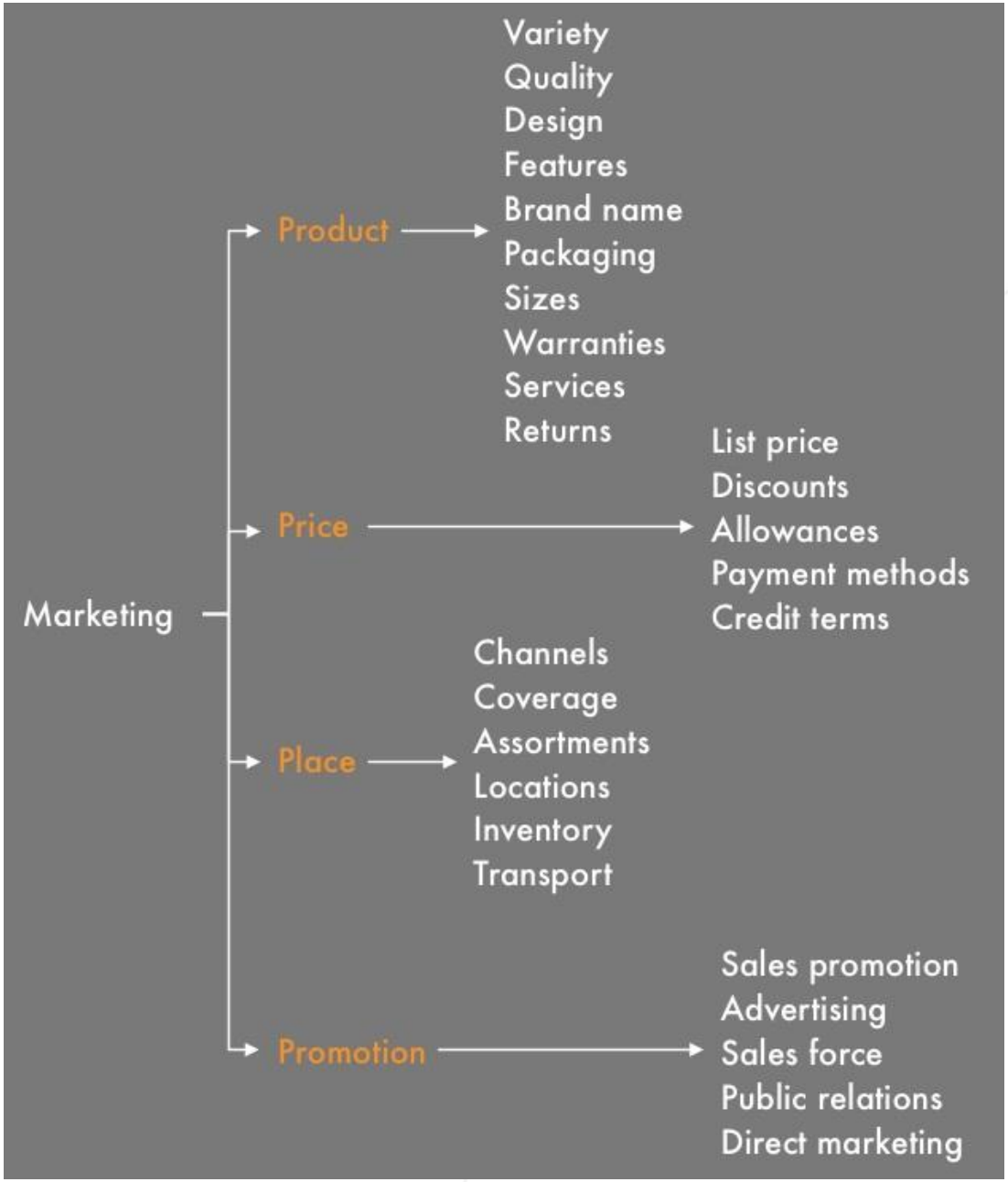


https://www.youtube.com/watch?v=heSudg-tflk

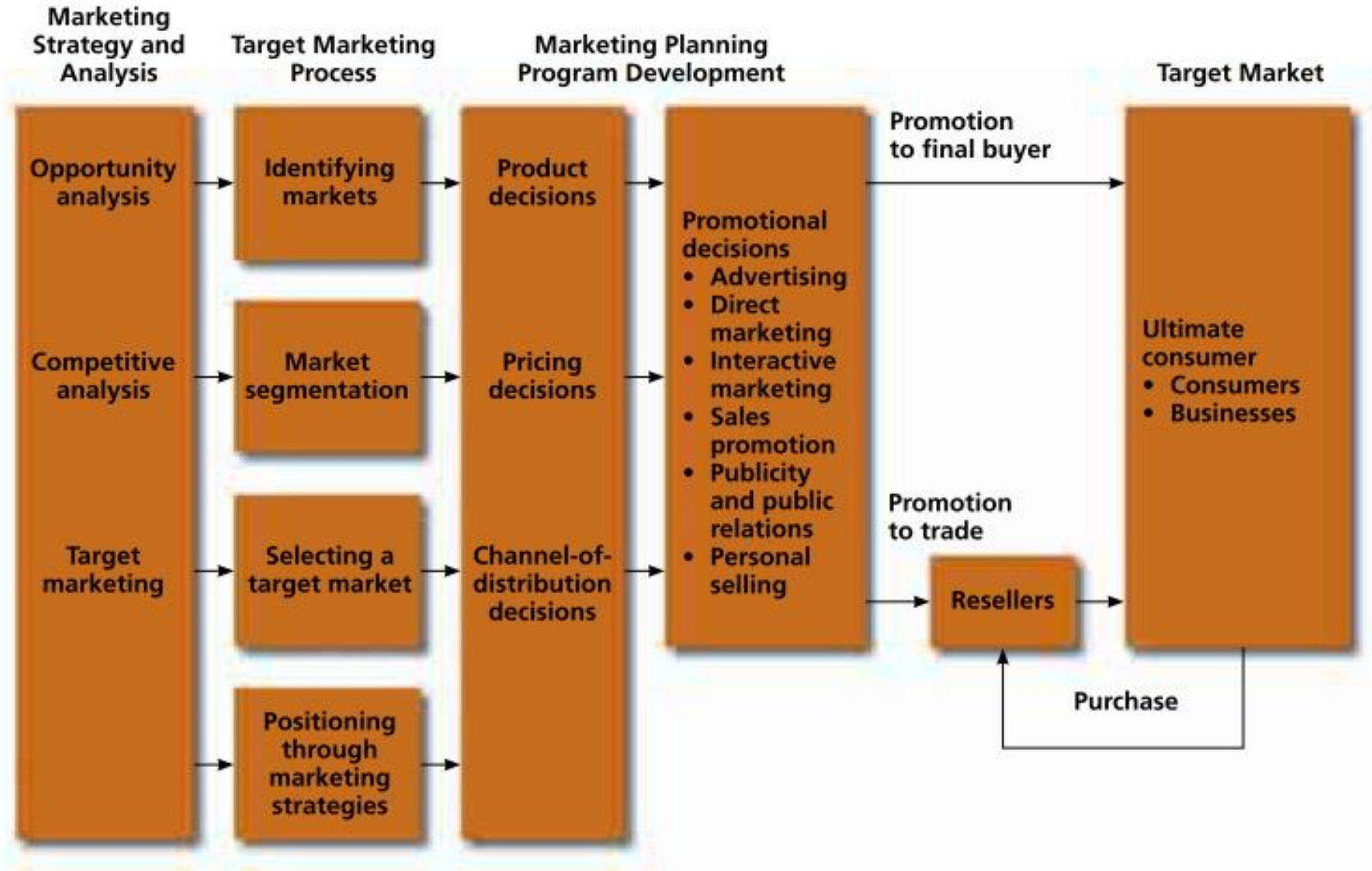
How is marketing practised? [Marketing Mix (4P)]



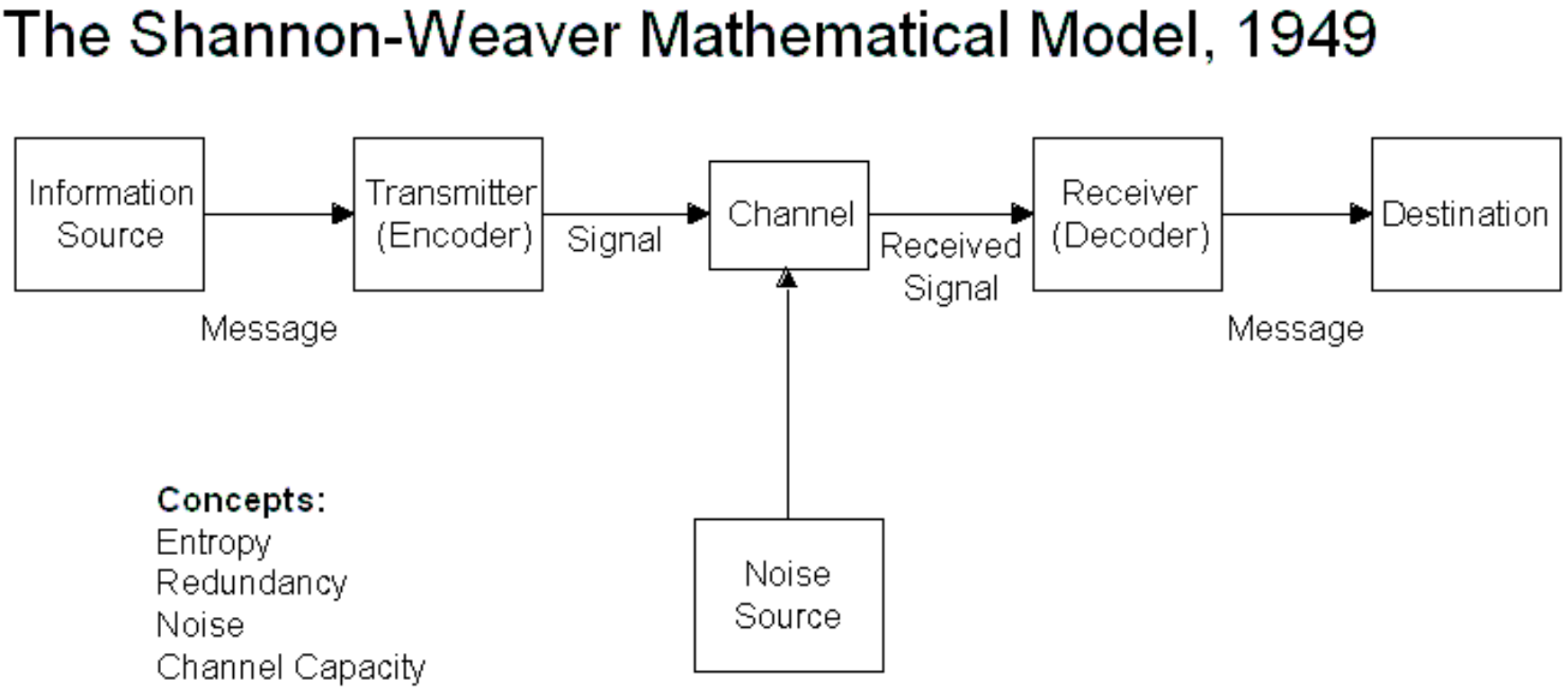
How is marketing practised? [Marketing Mix (4P)]



Marketing process model



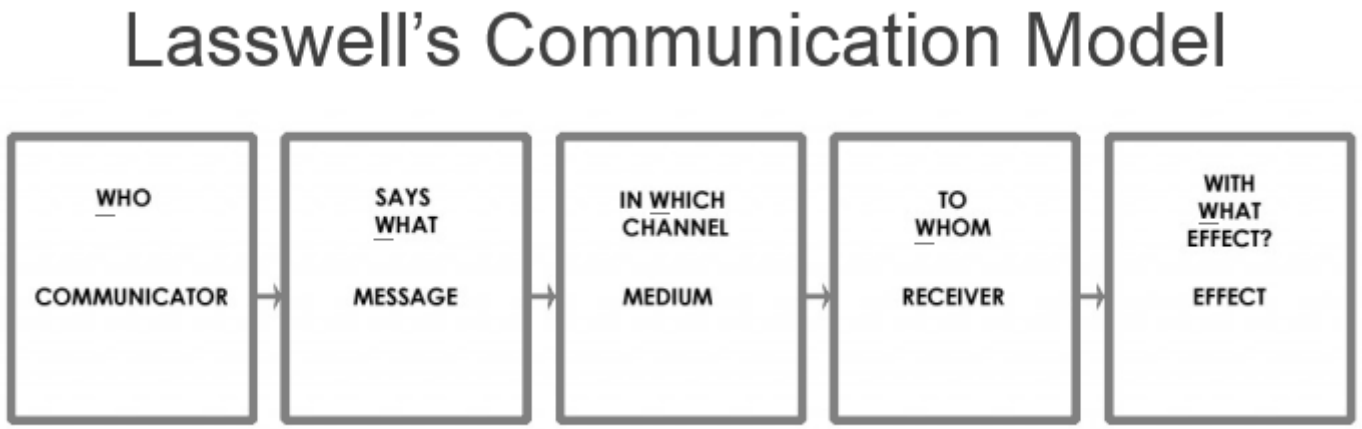
Linear Communication Process (Shannon-Weaver's Model)



http://en.wikipedia.org/wiki/Claude_Elwood_Shannon
http://en.wikipedia.org/wiki/Warren_Weaver

http://en.wikipedia.org/wiki/Shannon%E2%80%93Weaver_model

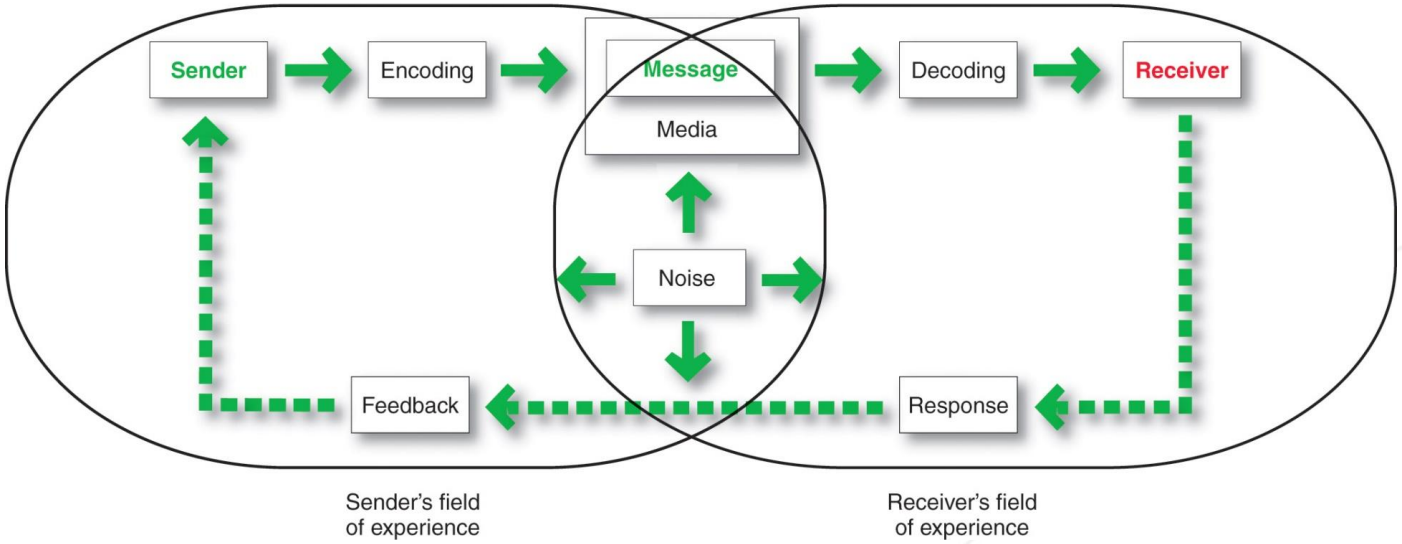
Lasswell's Communication Model

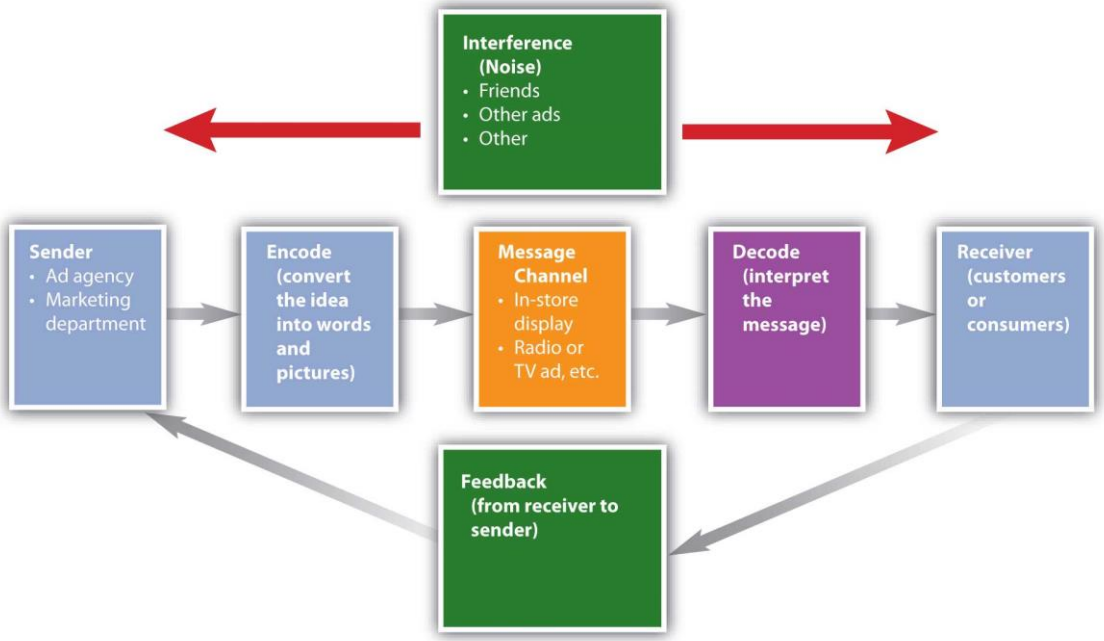


Question	Element	**Analysis**
Who?	Communicator	**Control Analysis**
Says What?	Message	**Content Analysis**
In Which Channel?	Medium	**Media Analysis**
To Whom?	Audience	**Audience Analysis**
With What Effect?	Effect	**Effects Analysis**

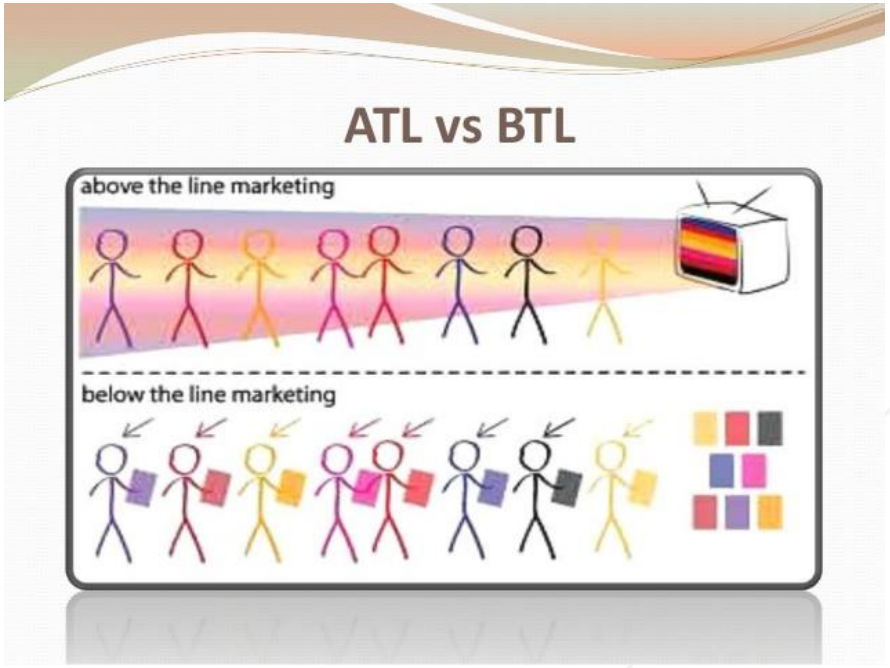
http://www.shkaminski.com/Classes/Handouts/Communication%20Models.htm

Communication in Marketing





ATL vs. BTL



- Above the line – ATL
  - massmedia (TV, radio, internet, print, outdoor, …)
  - communication that is targeted to a wider spread of audience, and is not specific to individual consumers
  - ATL advertising tries to reach out to the mass as consumer audience
  - specific for brand-building advertising

- Below the line – BTL
  - targets specific groups of people with focus
  - personal selling, social media marketing, events, direct mail, telemarketing, exhibitions, …

Marketing Mix vs. Communication (Promotion) Mix







Fig.5.9 : The Promotions mix and its contribution to marketing strategy

The promotion mix

- **Advertising** is any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor.
  - Broadcast
    - TV, R
  - Print
  - Internet
  - Outdoor (OOH – Out of Home)
  - …

The promotion mix

- **Sales promotion** is the short-term incentive to encourage the purchase or sale of a product or service.
  - Discounts
  - Coupons
  - Displays (POS/POP – Point of Sale/Purchase)
  - Demonstrations (Sampling)
  - …

Value-increasing (alters price/quantity or price/quality equation)	Value-adding (offers 'something extra' while leaving core product and price unchanged)
Discount pricing	Samples
Money-off coupons	Special features (limited editions)
Payment terms (e.g. interest-free credit)	Valued packaging
Refunds	Product trial
Guarantees	In-pack gifts
Multipack or multi-buys	In-mail gifts
Quantity increases	Piggy back gifts
Group buying	Gift coupons
Buybacks	Information (e.g. brochure, catalogue)
	Clubs or loyalty programmes
	Competitions/prize draws

The promotion mix

- **Personal selling** is the personal presentation by the firm's sales force for the purpose of making sales and building customer relationships.
  - Sales presentations
  - Trade shows
  - Door to door sales

The promotion mix

- **Public relations** involves building good relations with the company's various publics by obtaining favourable publicity, building up a good corporate image and handling or heading off unfavourable rumours, stories and events.
  - Press releases
  - Sponsorships
  - Special events (event management)

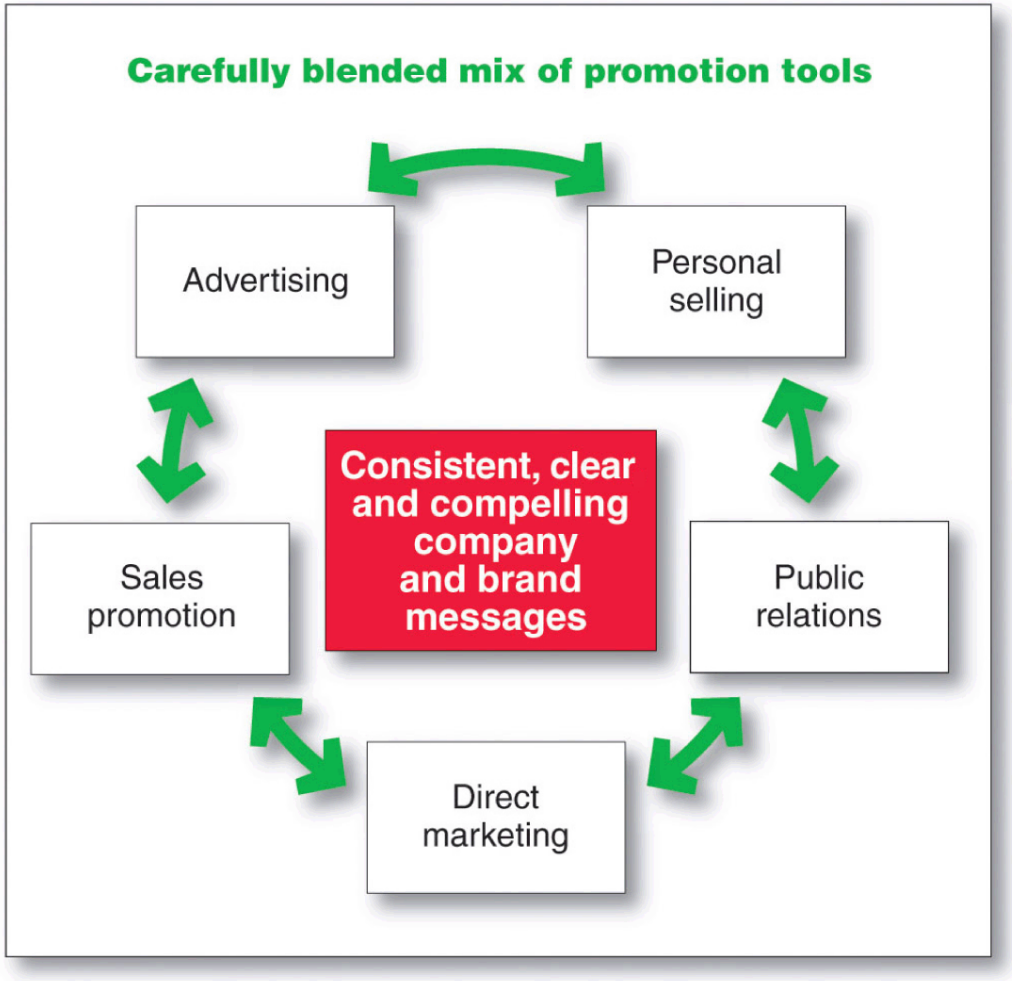
The promotion mix

- **Direct marketing** involves making direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships—through the use of direct mail, telephone, direct-response television, e-mail and the Internet to communicate directly with specific consumers.
  - Catalogue
  - Telemarketing
  - …

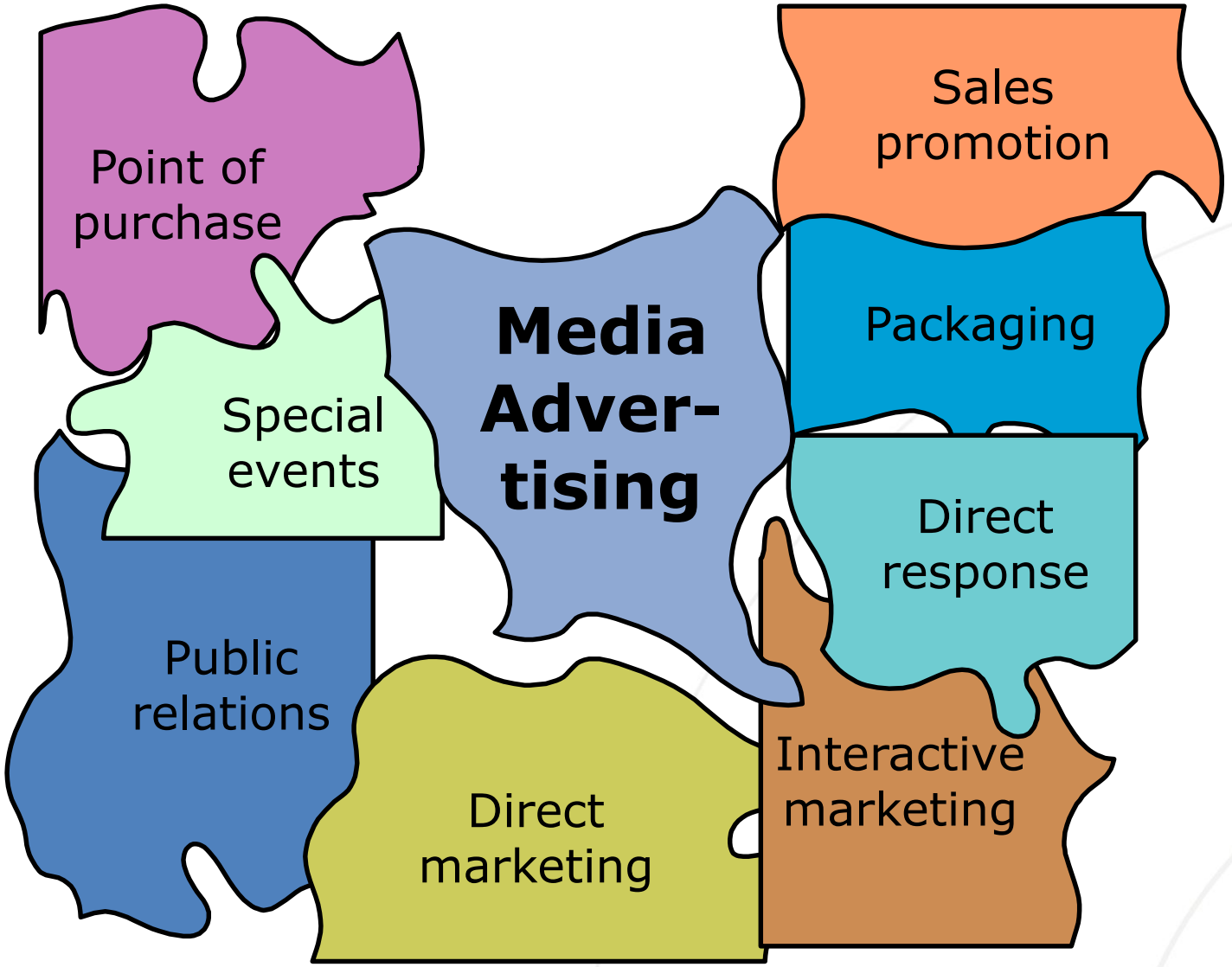
The need for integrated marketing communications

- **Integrated marketing communications** is the careful integration and coordination of a company's many communications channels to deliver a clear, consistent and compelling message about an organisation and its products.

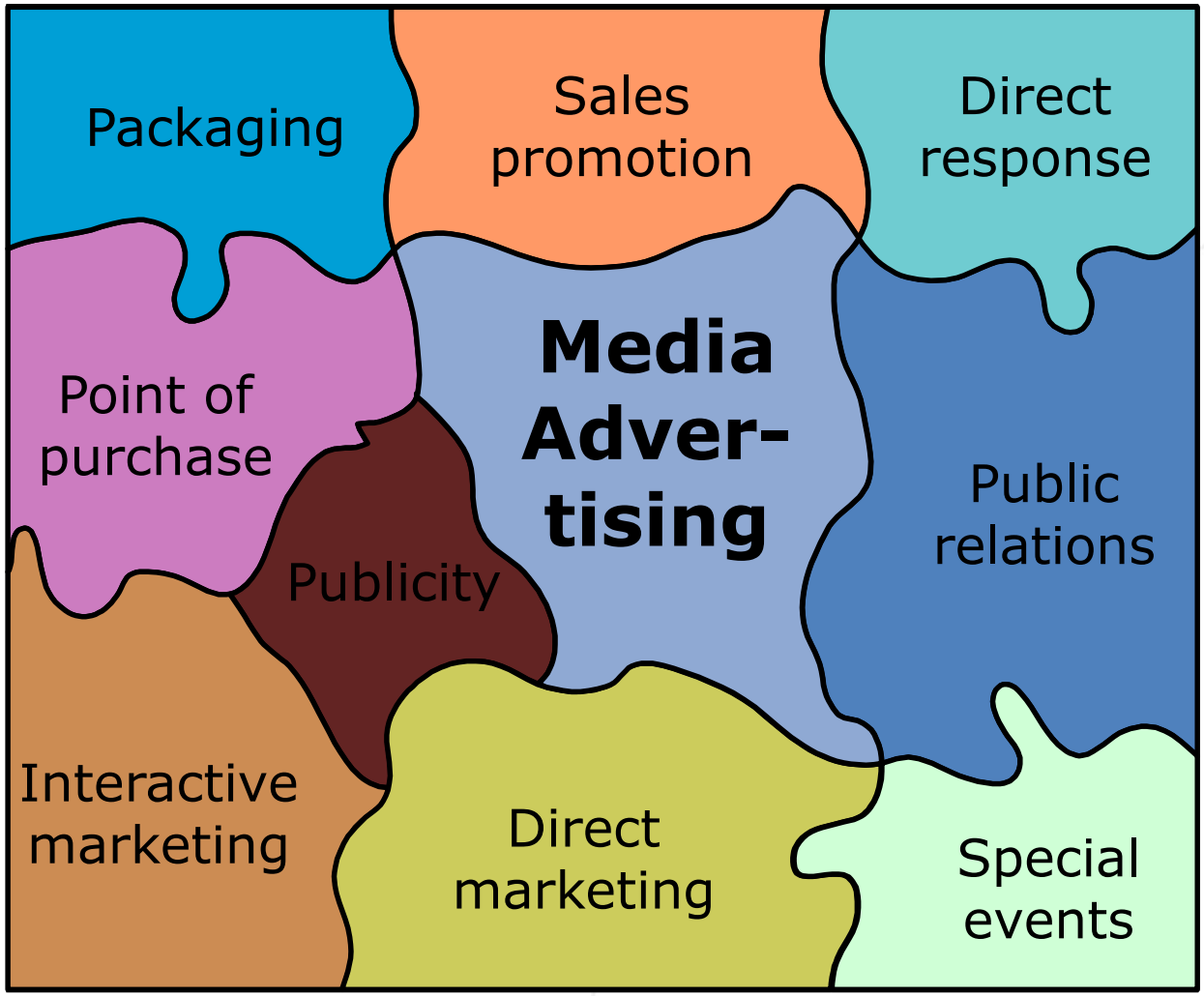
Integrated marketing communications



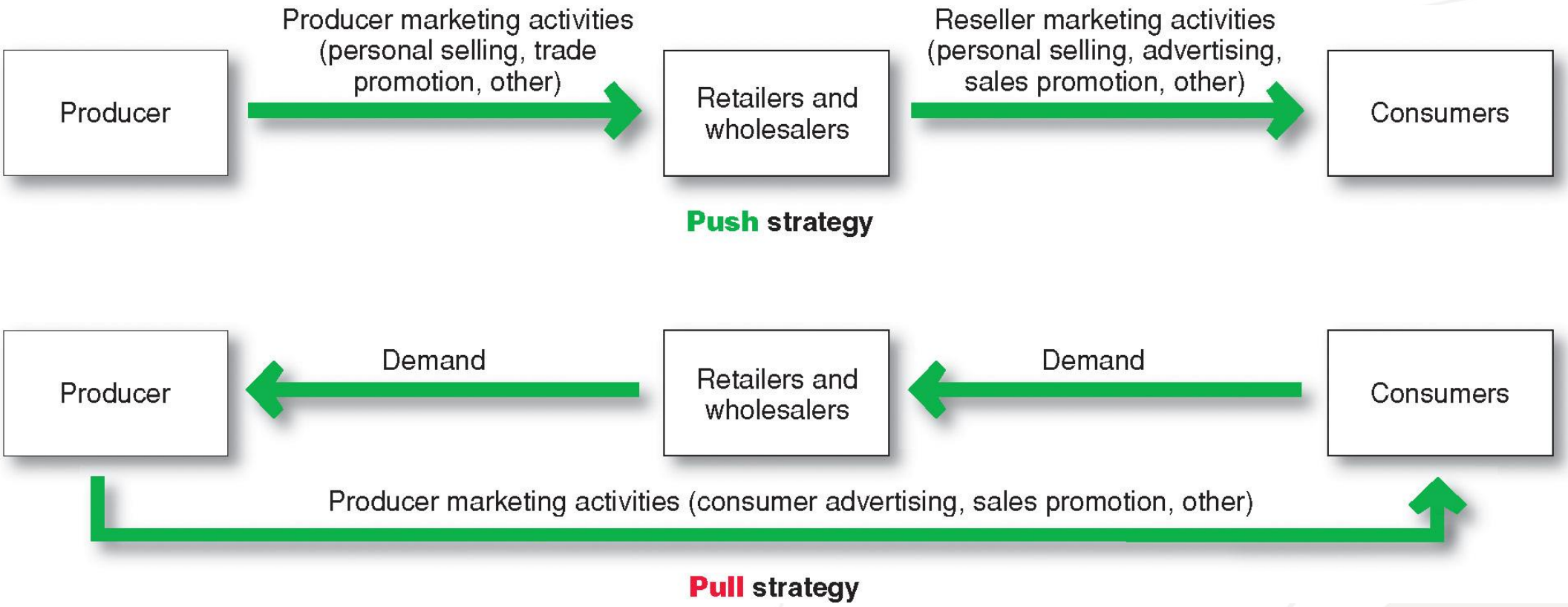
Traditional marketing communications



Integrated Marketing Communications (IMC)



PUSH vs. PULL (promotion) model



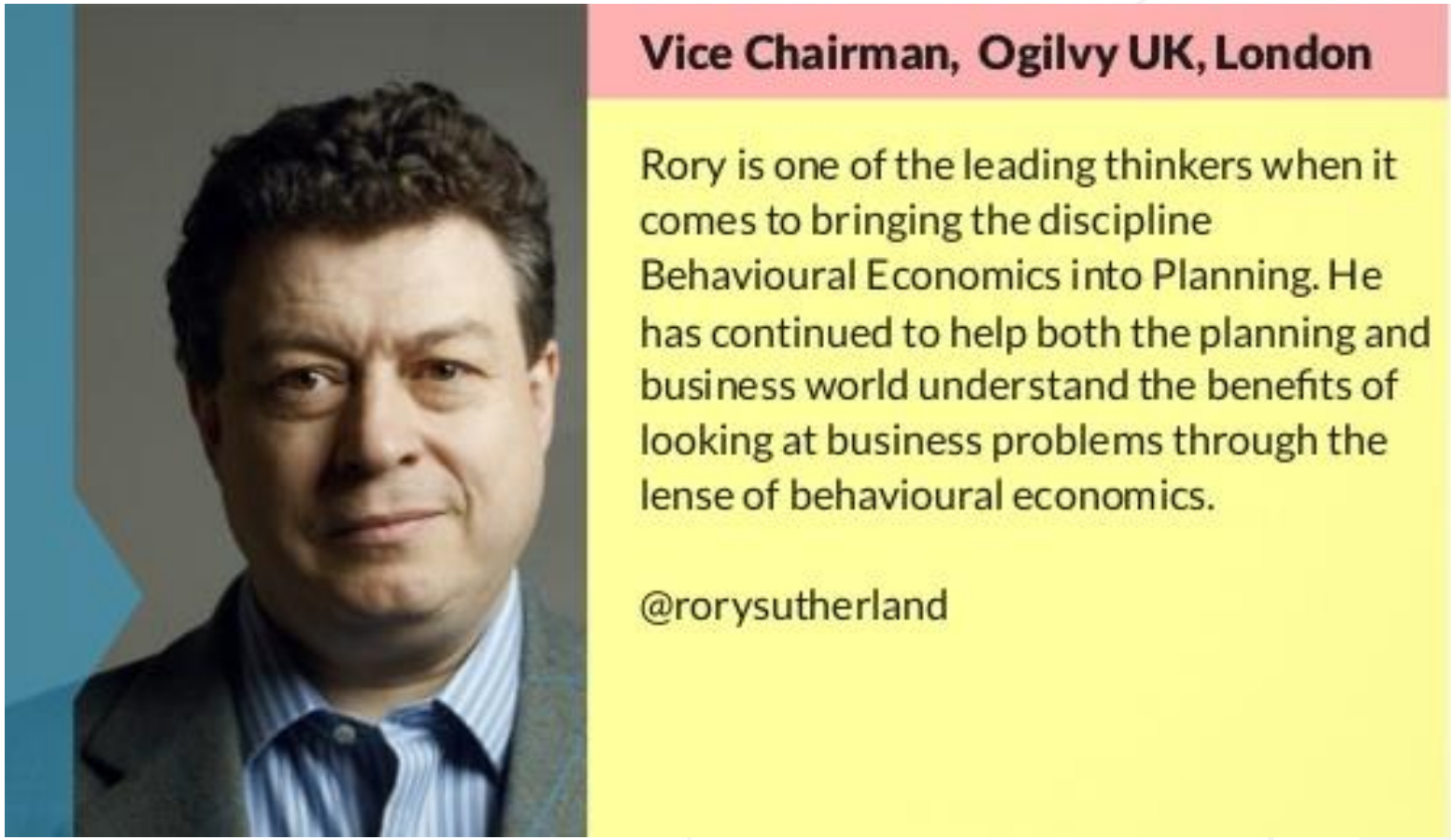
Steps in developing effective marketing communication



- For a message to be effective, the sender's encoding must mesh with the receiver's decoding process.
- Best messages consist of words and other symbols that are familiar to the receiver.
- Marketers may not share their consumer's field of experience but must understand the consumer's field of experience.

Video

- **Rory Sutherland: Lessons from an ad man**
  - http://www.ted.com/talks/rory_sutherland_life_lessons_from_an_ad_man.html



Advertising – some basic milestones in history

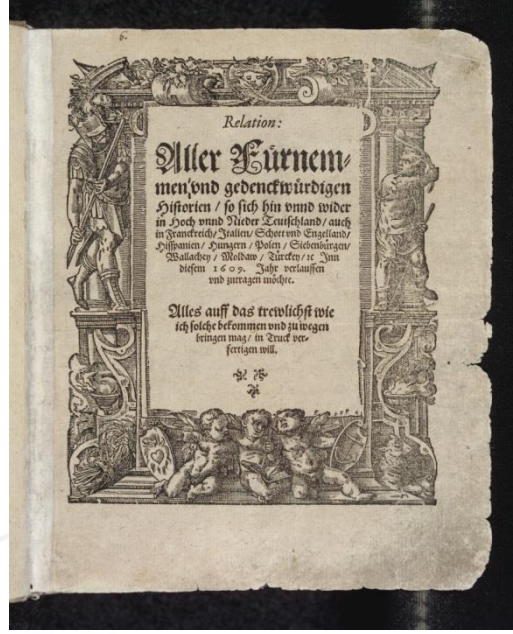


Source of slides like this: https://www.slideshare.net/HubSpot/the-evolution-of-advertising-how-consumers-won-the-war-for-their-attention


#ConsumerWin
For the first time, the recording of information no longer belongs to just an elite few.
Photo: illuminaut on Flickr

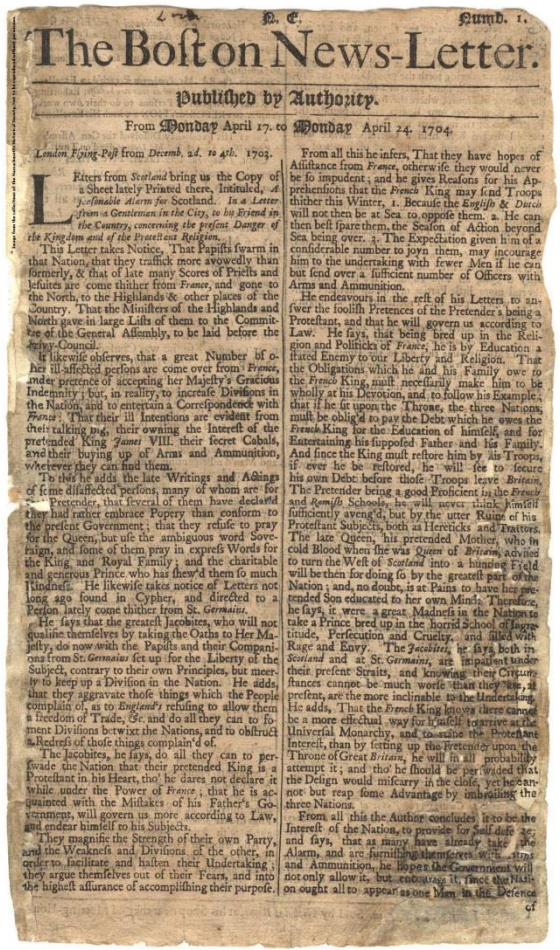
Printed media

- 17th century
  - 1605 – **„Relation aller fürnemmen und gedenckwürdigen Historien“**
    - Strasbourg (France) *(Holy Roman Empire)*
    - Johann Carolus


Relation:
Aller Fürnem-
men/vnd gedenckwürdigen
Historien / so sich hin vnnd wider
in Hoch vnnd Nieder Teutschland/ auch
in Frankreich/ Italien/ Schottvnd Engellandt/
Hispanien/ Hungern/ Polen/ Siebenbürgen/
Wallachey/ Moldaw/ Türckey/ &c. Jnn
diesem 1609. Jahr verlauffen
vnd zutragen möchte.
Alles auff das trewlichst wie
ich solche bekommen vnd zuwegen
bringen mag/ in Truck ver-
fertigen will.

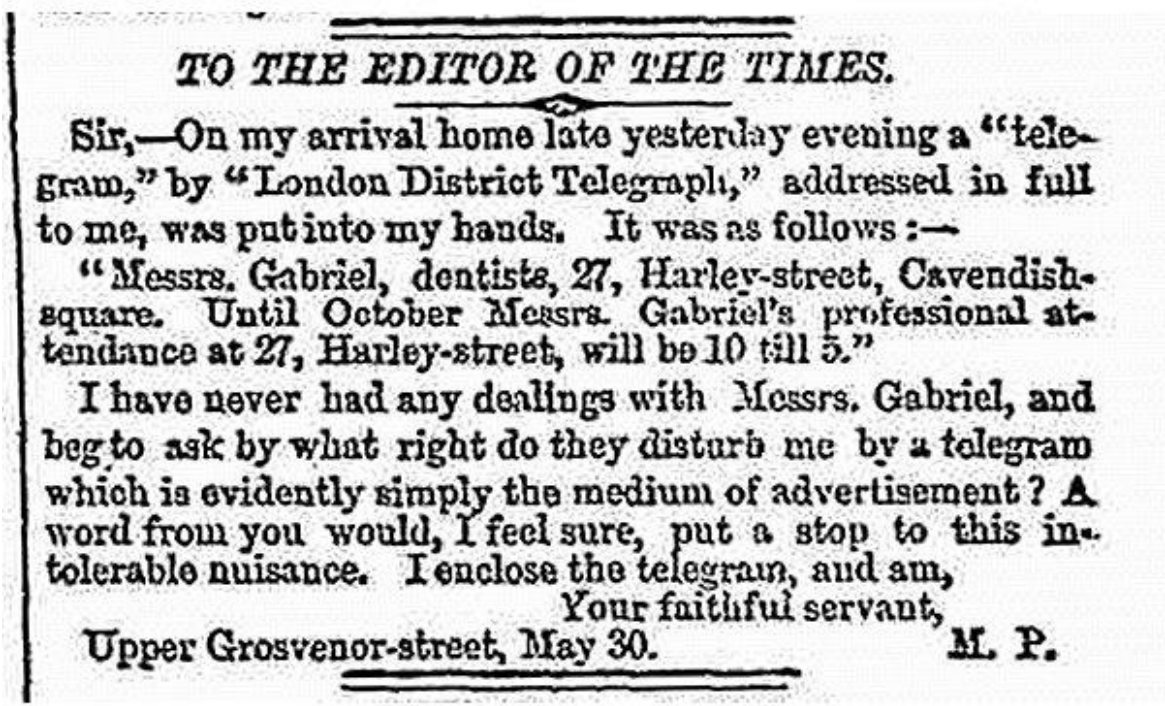
  - 1631 – **french** newspapers Gazette de France (La Gazette)
  - 1665 – **british** newspapers Oxford Gazette
  - 1690 – **american** newspapers
    - Publick Occurrences Both Forreign and Domestick
      - only one issue

  - 1704 – american newspapers The Boston News-Letter
    - real estate advertisement (Oyster Bay, Long Island)
      - *„At Oyster-bay on Long-Island in the Province of N.York, There is a very good Fulling-Mill, to be Let or Sold, as also a Plantation, having on it a large new Brick house, and another good house by it for a Kitchin & work house, with a Barn, Stable, etc. a young Orchard, and 20 Acres clear Land. The Mill is to be Let with or without the Plantation: Enquire of Mr. William Bradford Printer in N.York, and know further“*


N. E. Numb. 1.
The Boston News-Letter.
Published by Authority.
From Monday April 17. to Monday April 24. 1704.
London Flying-Post from Decemb. 2d. to 4th. 1703.
Letters from Scotland bring us the Copy of a Sheet lately Printed there, Intituled, A seasonable Alarm for Scotland. In a Letter from a Gentleman in the City, to his Friend in the Country, concerning the present Danger of the Kingdom and of the Protestant Religion.
This Letter takes Notice, That Papists swarm in that Nation, that they traffick more avowedly than formerly, & that of late many Scores of Priests and Jesuits are come thither from France, and gone to the North, to the Highlands & other places of the Country. That the Ministers of the Highlands and North gave in large Lists of them to the Committee of the General Assembly, to be laid before the Privy-Council.
It likewise observes, that a great Number of ill-affected persons are come over from France, under pretence of accepting her Majesty's Gracious Indemnity; but, in reality, to increase Divisions in the Nation, and to entertain a Correspondence with France: That their ill Intentions are evident from their talking big, their owning the Interest of the pretended King James VIII. their Secret Cabals, and their buying up of Arms and Ammunition, wherever they can find them.
To this he adds the late Writings and Actings of some disaffected persons, many of whom are for the Pretender, that several of them have declared they had rather embrace Popery than conform to the present Government; that they refuse to pray for the Queen, but use the ambiguous word Sovereign, and some of them pray in express Words for the King and Royal Family; and the charitable and generous Prince who has shew'd them so much Kindness. He likewise takes notice of Letters not long ago found in Cypher, and directed to a Person lately come thither from St. Germains.
He says that the greatest Jacobites, who will not qualifie themselves by taking the Oaths to Her Majesty, do now with the Papists and their Companions from St. Germains set up for the Liberty of the Subject, contrary to their own Principles, but meerly to keep up a Division in the Nation. He adds, that they aggravate those things which the People complain of, as to England's refusing to allow them a freedom of Trade, &c. and do all they can to foment Divisions betwixt the Nations, and to obstruct a Redress of those things complain'd of.
The Jacobites, he says, do all they can to perswade the Nation that their pretended King is a Protestant in his Heart, tho' he dares not declare it while under the Power of France; that he is acquainted with the Mistakes of his Father's Government, will govern us more according to Law, and endear himself to his Subjects.
They magnifie the Strength of their own Party, and the Weakness and Divisions of the other, in order to facilitate and hasten their Undertaking; they argue themselves out of their Fears, and into the highest assurance of accomplishing their purpose.
From all this he infers, That they have hopes of Assistance from France, otherwise they would never be so impudent; and he gives Reasons for his Apprehensions that the French King may send Troops thither this Winter, 1. Because the English & Dutch will not then be at Sea to oppose them. 2. He can then best spare them, the Season of Action beyond Sea being over. 3. The Expectation given him of a considerable number to joyn them, may incourage him to the undertaking with fewer Men if he can but send over a sufficient number of Officers with Arms and Ammunition.
He endeavours in the rest of his Letters to answer the foolish Pretences of the Pretender's being a Protestant, and that he will govern us according to Law. He says, that being bred up in the Religion and Politicks of France, he is by Education a stated Enemy to our Liberty and Religion. That the Obligations which he and his Family owe to the French King, must necessarily make him to be wholly at his Devotion, and to follow his Example; that if he sit upon the Throne, the three Nations must be oblig'd to pay the Debt which he owes the French King for the Education of himself, and for Entertaining his suppos'd Father and his Family. And since the King must restore him by his Troops, if ever he be restored, he will see to secure his own Debt before those Troops leave Britain. The Pretender being a good Proficient in the French and Romish Schools, he will never think himself sufficiently aveng'd, but by the utter Ruine of his Protestant Subjects, both as Hereticks and Traitors. The late Queen, his pretended Mother, who in cold Blood when she was Queen of Britain, advised to turn the West of Scotland into a bloody Field will be then for doing so, by the greatest part of the Nation; and, no doubt, is at Pains to have her pretended Son educated to her own Mind. Therefore, he says, it were a great Madness in the Nation to take a Prince bred up in the horrid School of Ingratitude, Perfecution and Cruelty, and filled with Rage and Envy. The Jacobites, he says, both in Scotland and at St. Germains, are impatient under their present Straits, and knowing their Circumstances cannot be much worse than they are, at present, are the more inclinable to the Undertaking. He adds, That the French King knows there cannot be a more effectual way for him self to arrive at the Universal Monarchy, and to ruine the Protestant Interest, than by setting up the Pretender upon the Throne of Great Britain, he will in all probability attempt it; and tho' he should be perswaded that the Design would miscarry in the close, yet he cannot but reap some Advantage by imbroiling the three Nations.
From all this the Author concludes it to be the Interest of the Nation, to provide for Self-safety &c. and says, that as many have already taken the Alarm, and are furnishing themselves with Arms and Ammunition, he hopes the Government will not only allow it, but encourage it. Since the Nation ought all to appear as one Man in the Defence of

Telegraph

- 1844 – telegraph invention; telegram from Washington to Baltimore (Samuel Morse)
  - 1864 – first known „spam“ (via telegraph)
    - http://www.computerhistory.org/revolution/the-web/20/392/2172



TO THE EDITOR OF THE TIMES.

Sir,—On my arrival home late yesterday evening a "telegram," by "London District Telegraph," addressed in full to me, was put into my hands. It was as follows:—

"Messrs. Gabriel, dentists, 27, Harley-street, Cavendish-square. Until October Messrs. Gabriel's professional attendance at 27, Harley-street, will be 10 till 5."

I have never had any dealings with Messrs. Gabriel, and beg to ask by what right do they disturb me by a telegram which is evidently simply the medium of advertisement? A word from you would, I feel sure, put a stop to this intolerable nuisance. I enclose the telegram, and am,

Your faithful servant,

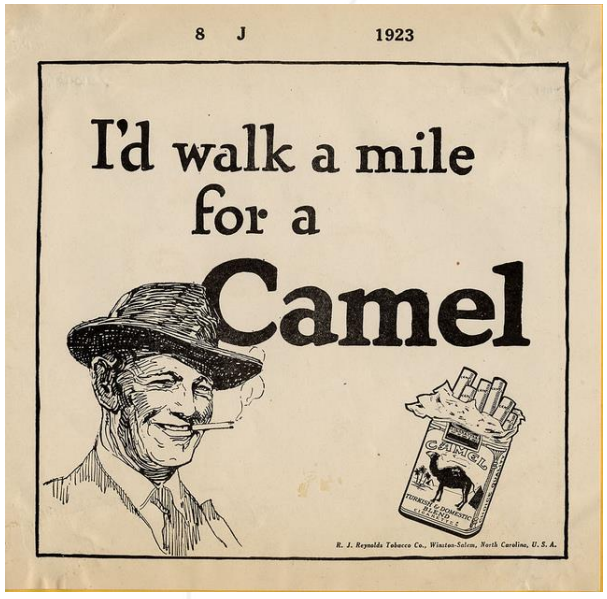
Upper Grosvenor-street, May 30. M. P.

Ad Agencies

- 1850 – Volney B. Palmer
  - **first ad agency USA** (Philadelphia)
  - „space broker“

- 1869 – N. W. Ayer & Son (Philadelphia, USA)
  - **„full-service“ agency**
    - planning, making, realisation of ad campaigns

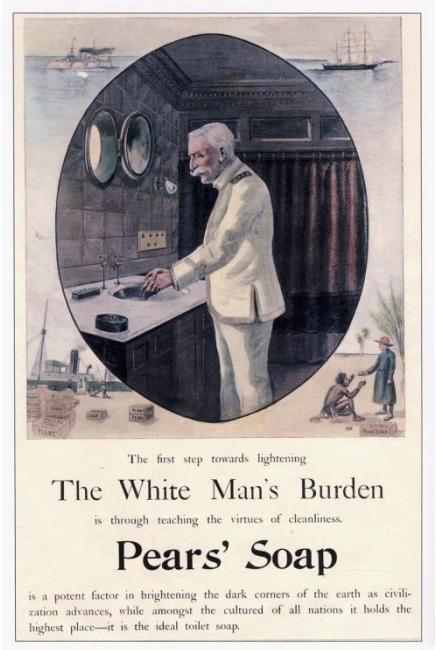






- 19th century
  - **Thomas J. Barratt** („father of modern advertising“)
    - **Pears Soap**
      - first registred brand
      - slogans
        - » *„Matchless for the complexion.“* a *„Good morning. Have you used Pears' soap?“*
    - *„Tastes change, fashions change and the advertiser has to change with them. An idea that was effective a generation ago would fall flat, stale, and unprofitable if presented to the public today. Not that the idea of today is always better than the older idea, but it is different - it hits the present taste.“* (1907)







20th century

- industrialization
  - mass production
    - *Bonsack machine – mass production of cigarettes*
    - population growth
    - mass marketing



- Edward Bernays (Sigmund Freud's nephew)
  - founder of Public Relations
    - » *„If we understand the mechanism and motives of the group mind, is it not possible to control and regiment the masses according to our will without their knowing about it? The recent practice of propaganda has proved that it is possible, at least up to a certain point and within certain limits.“ [http://en.wikipedia.org/wiki/Propaganda_(book)]*
    - » Easter Parade, 1929
      - Torches of Freedom



Sexual appeal in media

- Woodbury Soap Company
  - J. Walter Thompson Co., Woodbury Soap, *„The skin you love to touch“*, 1911.
    - **ad made by a woman**
  - *„These advertising women, in writing ads that provided a narrow definition of women's lives—a definition confining women to home and market—secured their own independence, financial and otherwise.“*
    - Jennifer Scanlon, Inarticulate Longings: The Ladies' Home Journal, Gender and the Promises of Consumer Culture. (New York: Routledge, 1995), 193.



I. a II. World War

- PSA (public service announcements)
  - public service advertising
  - non-commercial advertising
  - public interest advertising
  - cause marketing
  - social marketing

- The War Advertising Council (Ad Council today)
  - http://www.adcouncil.org/







1922

Broadcast **radio** figures out how to finance its existence by selling its *first ad*. WEAF in NYC offers **10 minutes** for **$100**.




1924
Sponsored content emerges when N.W. Ayer & Sons produce the first sponsored radio show, "The Eveready Hour."

1929

Lucky Strike spends $12.3 million on advertising – at the time, the **most spent** to promote one product.



Photo: oswaldo on Flickr


1930
More than
half of U.S.
homes
have a
radio
(55.2%).

1930

WGN-AM Chicago creates the **first daytime radio** ***soap opera***, *Clara, Lu, and Em.*



1930

Colgate-Palmolive later becomes its *sponsor* to reach the stay-at-home **housewife**.



1930

Over **50** soaps came on air in the 1930s!



1930

Oh, one more thing:
The concept of the **happy homemaker housewife originated in soaps** so their sponsors could create demand for domestic products.



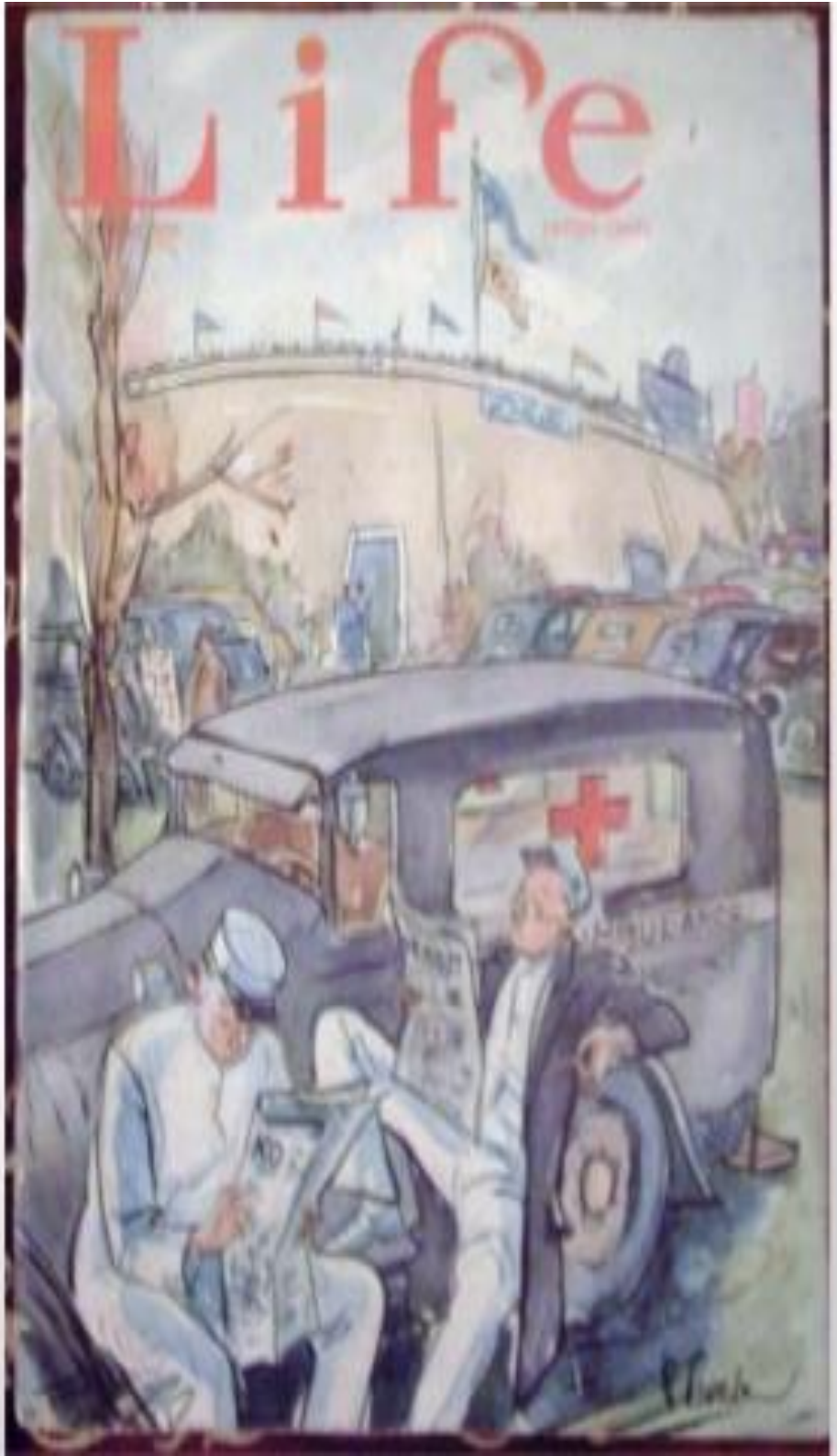
1933



55% of American homes have a **radio**.

1936

LIFE publishes its first edition and later becomes the **first magazine to carry *$100 million*** in annual advertising.



1937

American Tobacco Co. **pays a handful of senators** ***$1,000*** each to endorse Lucky Strike cigarettes.

U. S. Senator Gerald P. Nye says:

"I enjoy the comfort a light smoke gives my throat"





THE FINEST TOBACCOS—
"THE DREAM OF THE CROP"

A Light Smoke "It's Toasted"—Your Throat Protection

AGAINST IRRITATION—AGAINST COUGH

Ad No. 7-31

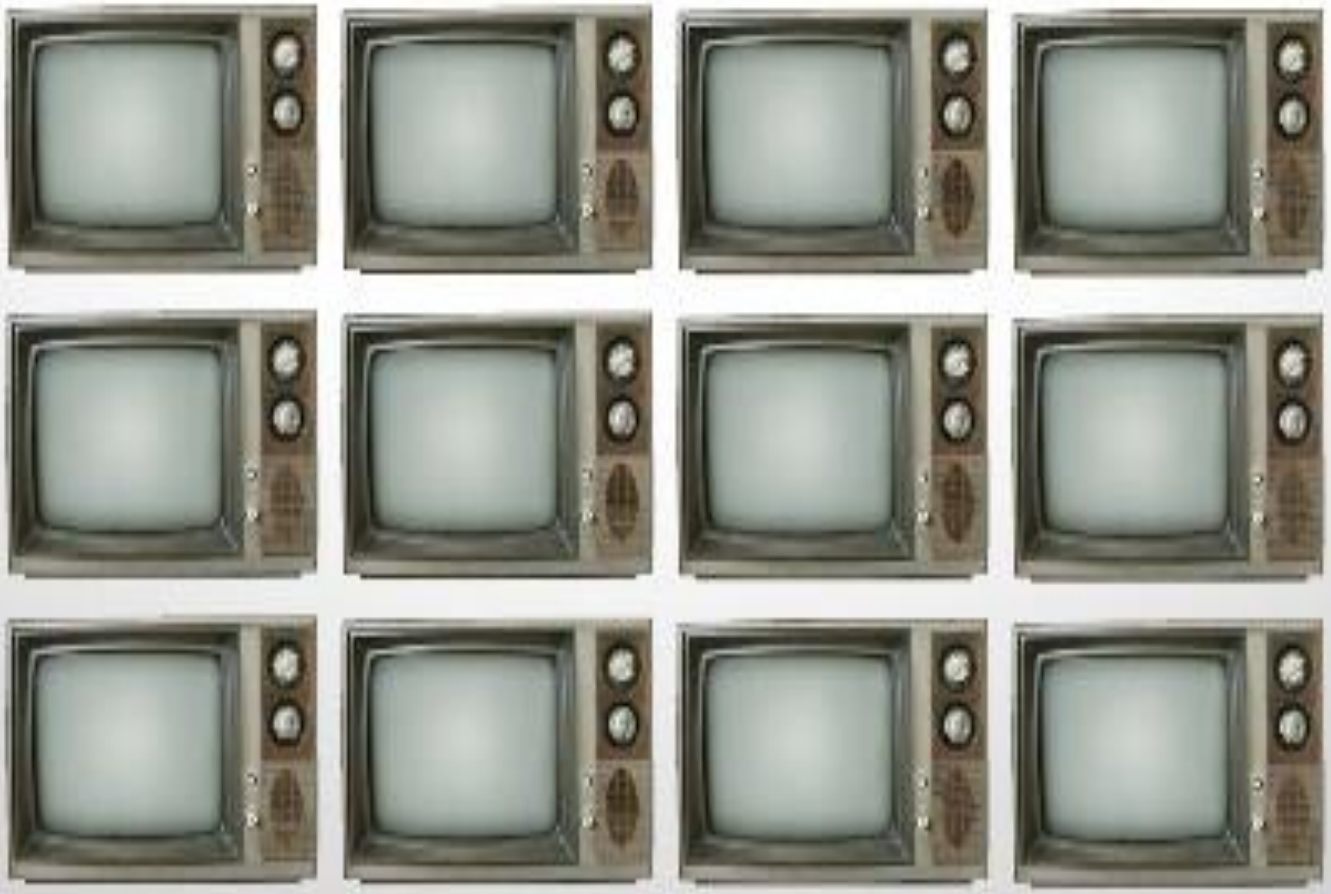
1941

With **7,500** TV sets in NYC households, NBC's WNBT **begins telecasting**.


1941
BULOVA
The first TV commercial for Bulova Clocks reaches 4,000 TV sets.

1946

America has 12 broadcasting TV stations.



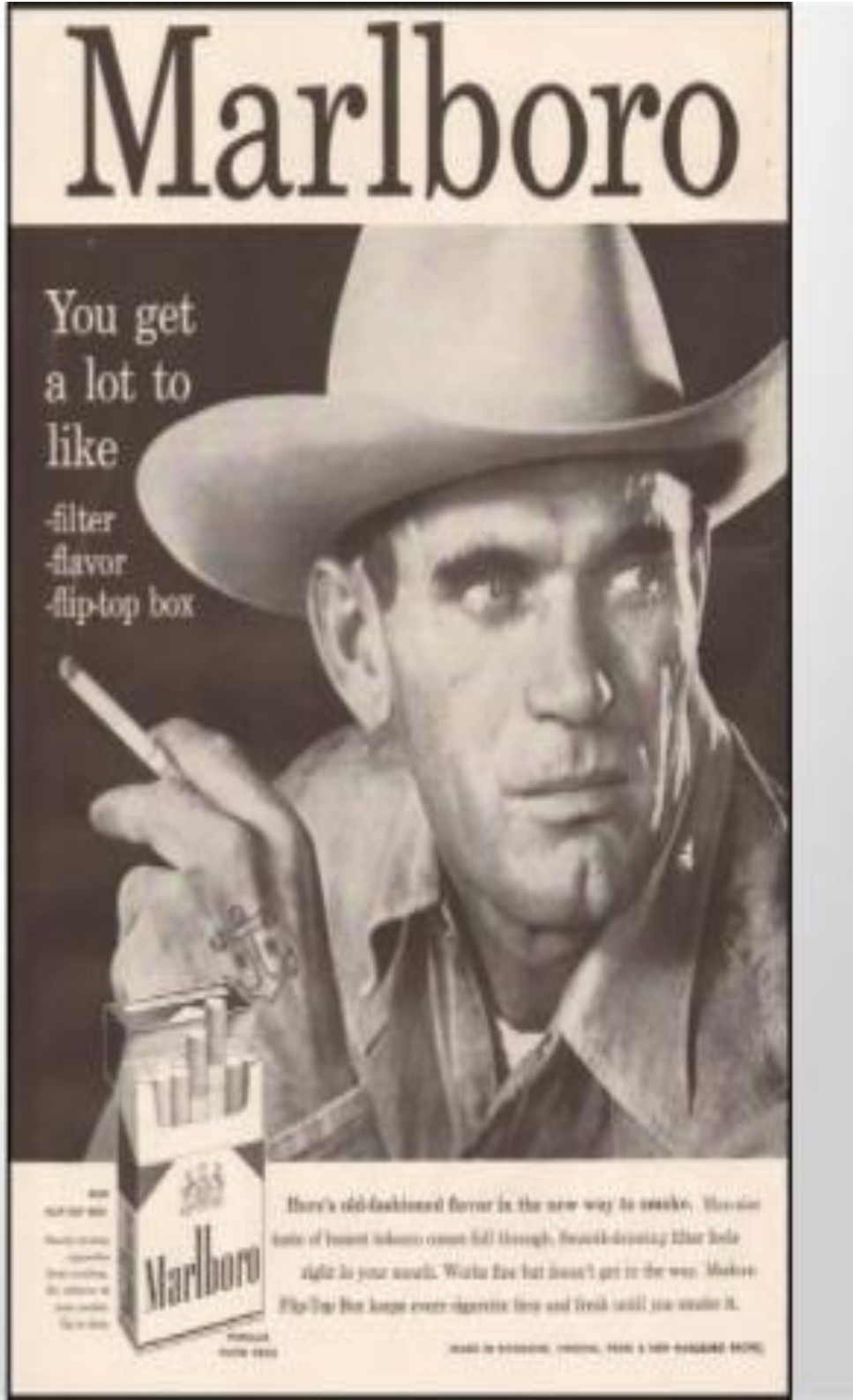
1954

TV ad revenue surpasses that of **radio** and **magazines**.



1955

Leo Burnett agency launches the **Marlboro Man** campaign. It becomes the **world's *best-selling* cigarette brand**.



1960

The *Think Small* VW campaign by Doyle Dane Bernbach introduces the ***creative team***: copywriter + art director.



Think small.

1963

"The Pepsi Generation" ads spark the *cola wars*.



1964

The New Yorker and other **magazines** ***ban*** **cigarette advertising** after the Surgeon General declares smoking is harmful.


1967
McDonald's airs its first TV commercial claiming burgers, fries, and shakes are "fun."

1967

The **first** *Super Bowl* airs on CBS and NBC.

60 seconds of ad time cost $85,000. Today, it costs around **$4 MILLION** for half the time.

1971

Congress *prohibits* broadcast advertising of **cigarettes**.



Photo: walknboston on Flickr


1971
Coca-Cola airs "Hilltop," featuring
a united, multicultural group
singing on a hillside.

1971

Social scientist **Herbert Simon** introduces the concept of ***attention economics***.



A ***wealth*** of **information** creates a ***poverty*** of **attention**.


Consumer attention first
starts to become
understood as scarce
and therefore extremely
valuable.

1972

Positioning **becomes important** with the publication of **Al Ries'** and **Jack Trout's** *AdAge* article, "Positioning: The Battle for Your Mind."

ADVERTISING defined?

IT'S ALL ABOUT *positioning*

Marketers begin to use advertisements to declare what brands stand for in order to **shape how a brand is perceived in the minds of consumers**


1975
VCRs hit mass market and gave consumers the ability to time shift and fast forward through recorded ads.
Emerson
DA-4 HEAD
#ConsumerWin
Photo: brad montgomery on Flickr

1981

IBM introduces the **personal computer**, making desktop publishing a breeze.




1984
Apple launches its mega-successful Macintosh with the first Super Bowl commercial directed by moviemaker Ridley Scott.


1984
Apple's board didn't like it, so
TBWA\Chiat\Day sold all media
placements ... except for one.


1984
The ad (accidentally) and permanently raised the bar for all future Super Bowl advertising.

1991 - 2000

THE ONSET OF INTEGRATED MARKETING

A growing volume of products, market *competition* and ads leads advertisers to realize something ...




Advertising
alone is
not enough
to drive
sales.
Photo: kalyan02 on Flickr



Advertising *isn't* the only thing shaping a brand image in the mind of the consumer, either.



It's shaped by messages from *many* sources.

ADVERTISING defined?

ADVERTISING defined?

IT'S ALL ABOUT *integrated marketing*

ADVERTISING defined?

IT'S ALL ABOUT *integrated marketing*

Agencies develop integrated marketing communications to convey **unified, customer-centric messaging** through events, sales, PR, customer service, promotions, *and* advertising.

1990

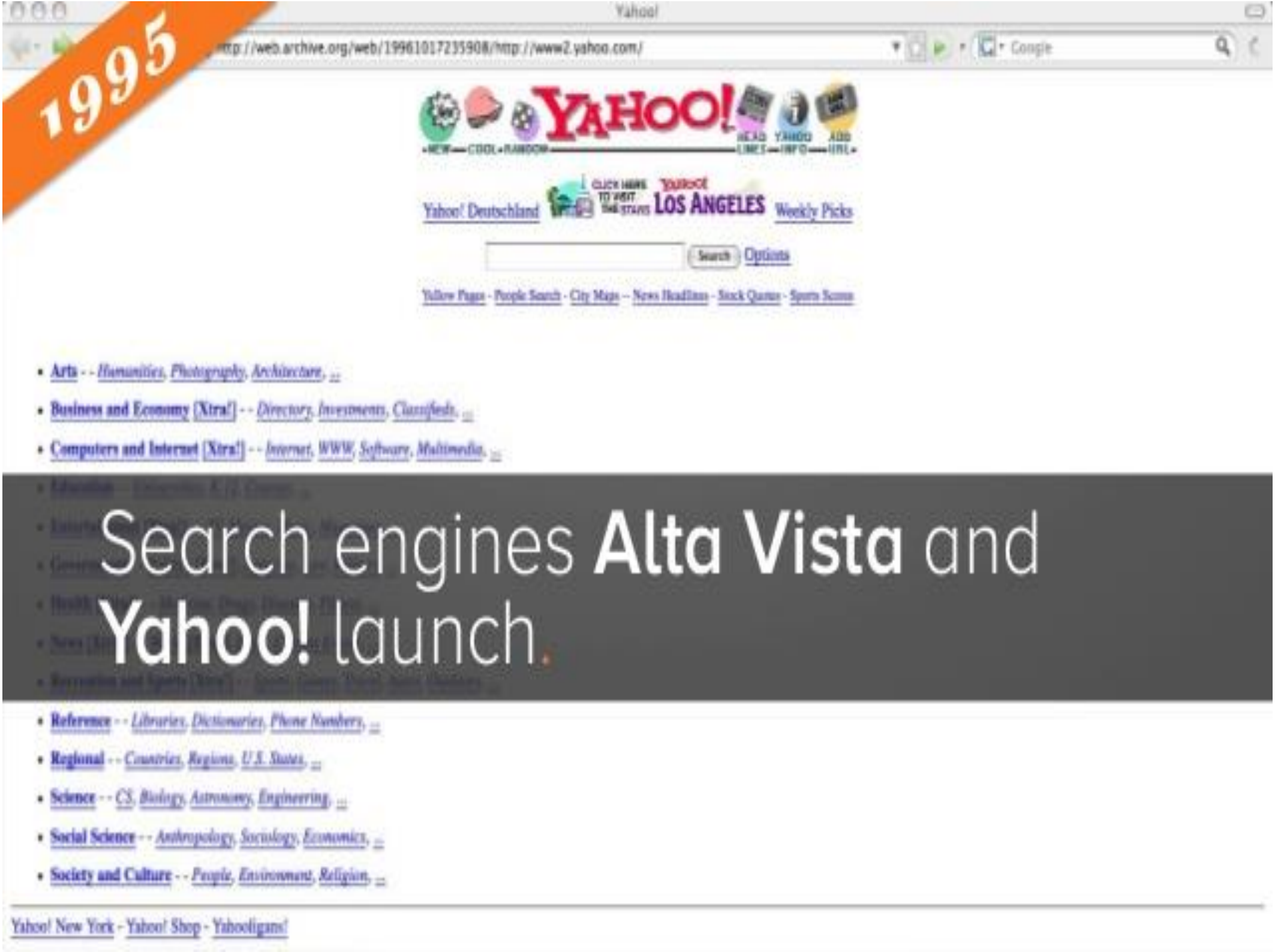
Cell phones begin to reach the mass market.




1993
The internet has 5 million users
around the world.

1994

First incident of *email spam*: **Canter and Siegel** law firm posts an ad to several newsgroups to promote its immigration law practices.



Search engines **Alta Vista** and **Yahoo!** launch.



Search engines *Google* and *MSN* launch.

2000

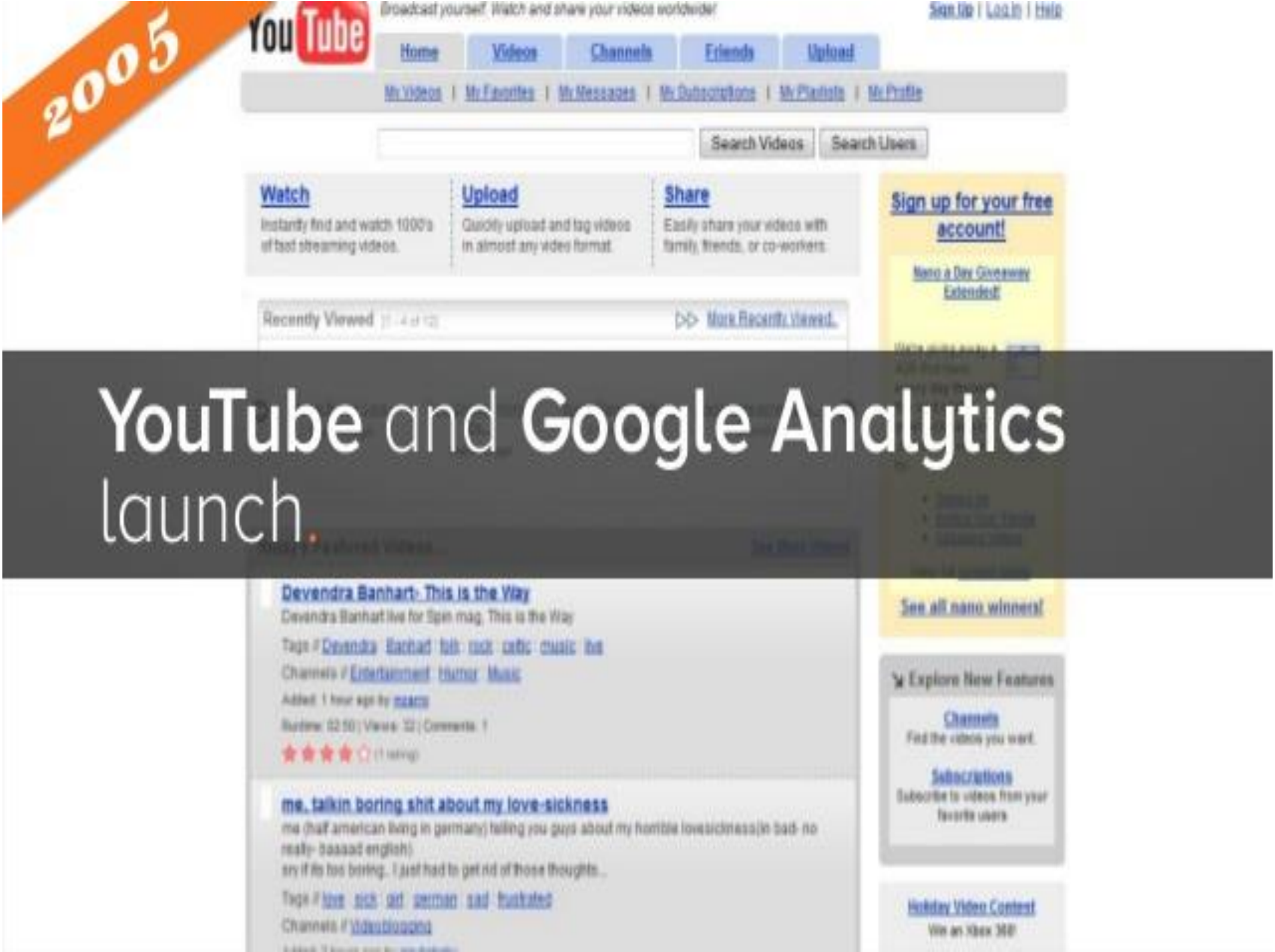
The internet has a whopping **400 million users**, making it the *fastest* growing ad medium since ... ever.

2000

Ads start to invade mobile. A Finnish news outlet is the first to offer sponsored news headlines via *SMS*.


2000
The stock market crashes and the dot-com bubble bursts. Internet advertising all of a sudden seems unstable.


2003
yspace.com.
a place for friends
Help | SignUp
Search
powered by Google
Home | Browse | Search | Invite | Film | Mail | Blog | Favorites | Forum | Groups | Events | Videos | Music | Comedy | Classifieds
Cool New Videos
31,944 uploaded today!
MySpace launches.
Member Login
Remember Me
LOGIN
SIGN UP!
Forgot your password?
Books
Blogs
ChatRooms
Classifieds
Comedy
Filmmakers
Games
Horoscopes
Jobs NEW!
Movies
Music
Music Videos
MySpaceIM
Schools
TV On Demand NEW!
Videos
Cool New People
Derek
Laura
andrew
MySpace Music
[more music]
The Legion Of Doom
Electronic / Big Beat / Alternative
Los Angeles, California
Trever Keith (of Face to Face) and producer Chad Blinman



YouTube and Google Analytics launch.



Facebook launches for college students only.

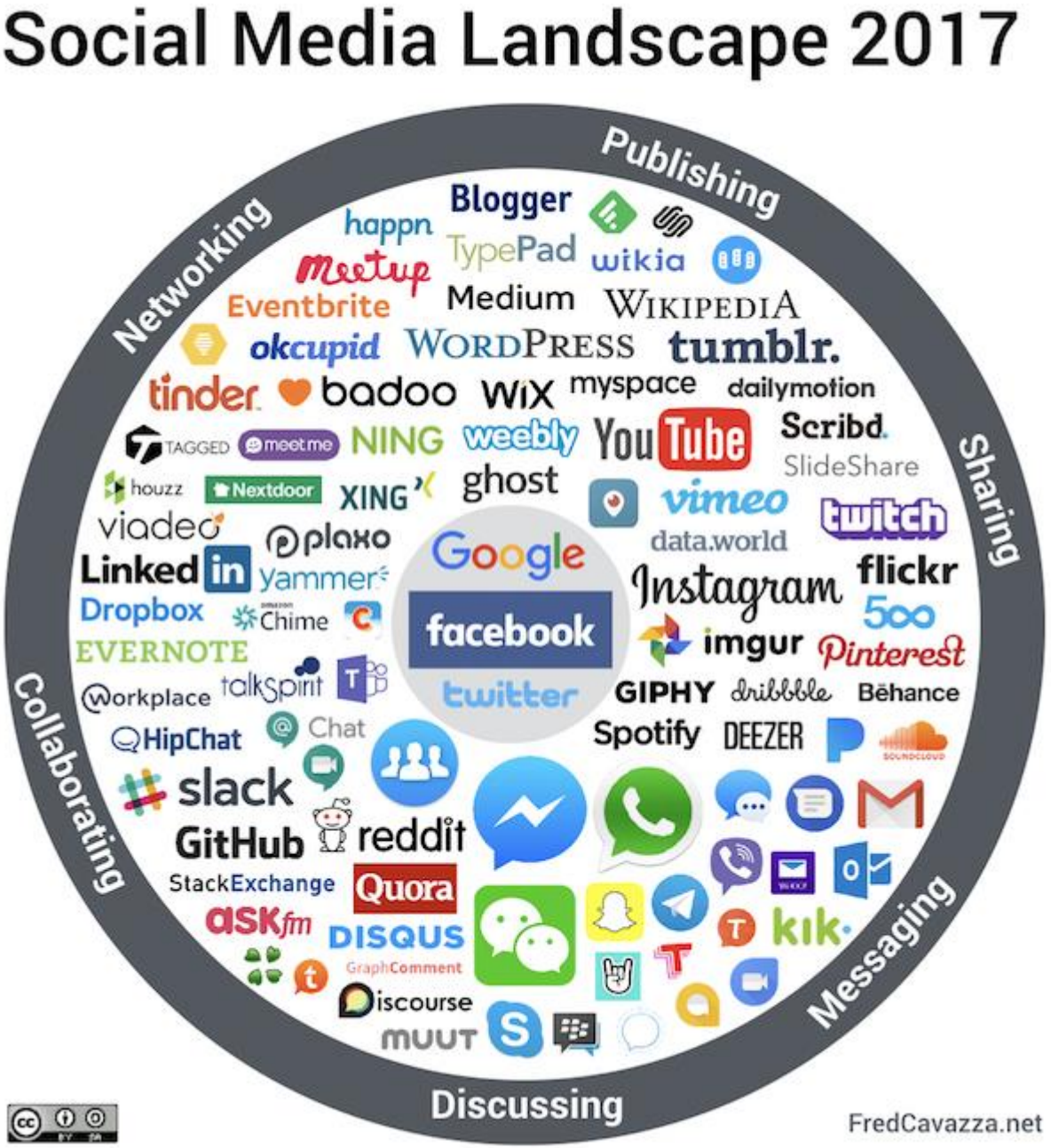
2007

Apple releases the first iPhone.



Marketers are starting to understand the value of being *findable*, *accessible*, and *prolific* online.

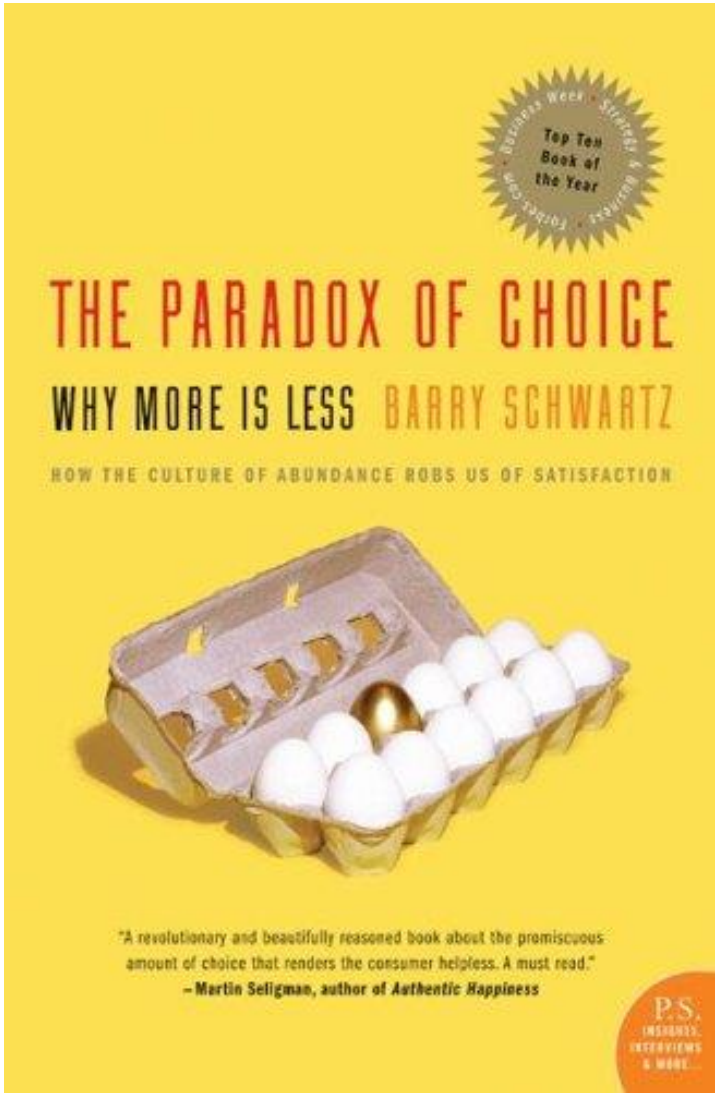
Today's Social Media Landscape looks like THIS

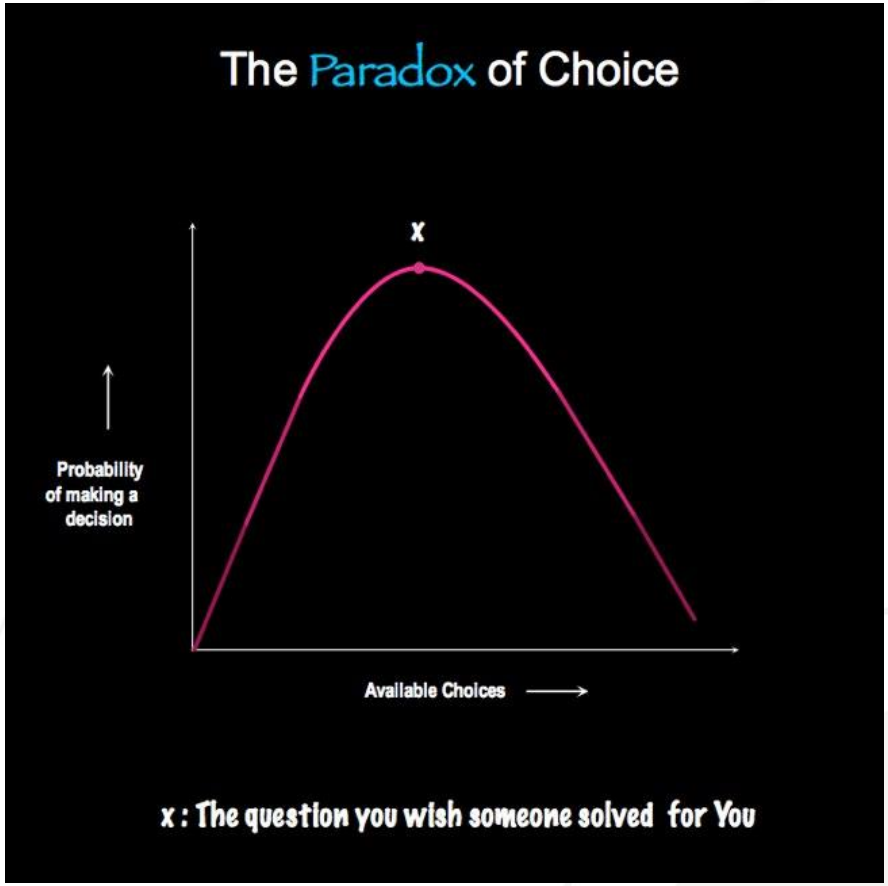



SOCIAL MEDIA MARKETING MADNESS
I'M A MARKETER.
I BLOG ABOUT MARKETING.
I HAVE A PODCAST ABOUT MARKETING BLOGGERS.
I TWEET ABOUT PODCASTERS THAT TALK ABOUT MARKETING BLOGGERS.
I HAVE A FACEBOOK GROUP FOR TWITTER USERS THAT TWEET ABOUT PODCASTERS THAT TALK ABOUT MARKETING BLOGGERS...
HILL & SHAH
HubSpot

Video (TED): Barry Schwartz – Paradox of Choice

- http://www.ted.com/talks/barry_schwartz_on_the_paradox_of_choice?language=cs





http://en.wikipedia.org/wiki/The_Paradox_of_Choice