Chapter 14
Global Marketing Communications
Sales Promotion, Personal Selling, Special Forms of Marketing Communication

Sales Promotion

- Provide a tangible incentive to buyers
- Perceived purchasing risk reduced
- Accountability for activity
- Method of collecting data

Sales Promotion: Global or Local

- In countries with low levels of economic development, low incomes limit the range of promotional tools available
- Market maturity can also be different from country to country
- Local perceptions of a particular promotional tool or program can vary
- Local regulations may rule out use of a particular promotion in certain countries
- Trade structure in the retailing industry can affect the use of sales promotions

In Mexico, liquor companies hire women to go to restaurants and encourage trying a drink in exchange for a free gift.

Sampling

- Sampling
  - Provides consumer with opportunity to try product at no cost
  - May be distributed in stores, in the mail, through print media, at events, or door-to-door
  - Kikkoman soy sauce launched in the United States with a sampling program in supermarkets; today the United States contributes 85% of profit from international operations

Couponing

- Printed certificates entitle the bearer to a price reduction or some other special consideration for purchasing a particular product
- Couponing accounts for 70% of consumer promotion spending in the United States
- Free-standing inserts, in-pack, on-pack, cross coupons
- Book shares different views of coupons around the world
Sales Promotion: Issues and Problems

- Fraud
- Regulations vary by country
- Cultural dispositions to coupons and other sales promotions
  - Malaysians see coupon usage as embarrassing
  - Islam frowns on gambling so sweepstakes may not work

Personal Selling

- Person-to-person communication between a company representative and a prospective buyer
- Focus is to inform and persuade prospect
- Short-term goal: make a sale
- Long-term goal: build a relationship

Personal Selling Hurdles

- Political risks—
  - unstable or corrupt governments change the rules for the sales team
- Regulatory hurdles—
  - governments can set up quotas or tariffs that affect the sales force
- Currency fluctuations—
  - increase and decrease in local currencies can make certain products unaffordable
- Market unknowns—
  - lack of knowledge of market conditions, the accepted way of doing business, or positioning of the product may derail the sales team’s efforts

The Strategic/Consultative Selling Model

The model consists of five interdependent steps, each with three prescriptions that can serve as a checklist for sales personnel

When integrated with an appropriate personal selling philosophy, the result is a high-quality partnership.

The Presentation Plan

- Approach
- Present
- Demonstrate
- Negotiate
- Close
- Follow-up
Sales Force Nationality

Direct Marketing—Going Global

- Communication designed to generate a response in the form of
  - An order
  - Request for further information
  - A visit to a store or other place of business

The world is full of people who are not Americans. Be sure not to treat them like they are. Like politics, all marketing is local. Just because your direct mail campaign worked in Texas, do not assume it will work in Toronto. Although there may be a European Union, but there is no such thing as a “European.”

Pick your target, focus on one country, and do your homework. Customers need to be able to return products locally or at least believe there are services available in their country.

One-to-One Marketing

- Building from customer relationship management
  - Identify customers and accumulate detailed information about them
  - Differentiate customers and rank them in terms of their value to the company
  - Interact with customers and develop more cost efficient and effective forms of interaction
  - Customize the product/service offered to the customer

Direct

- Marketer adds value
- Control of product through delivery
- Direct response

Mass

- Advertising impersonal
- Less control in distribution
- Purchase is deferred

Catalogs

- A magazine style publication that features photographs and extensive information about a company’s products
Infomercials and Teleshopping

- **Infomercial**
  - form of paid TV
  - product is demonstrated, explained,
  - offered for sale by toll-free number on the screen

- **Teleshopping**
  - channels like HSN and QVC
  - exclusively devoted to demonstration and selling

Interactive Television

- ITV allows viewers to interact with the programming content they are viewing
- In the United Kingdom, more than half of pay-TV subscribers use ITV
- Remote controls have buttons to push to order products shown on screen

Expenditures for Outdoor Advertising as a Percentage of Total Ad Spending

- Outdoor Advertising is greatest in France – almost double next market- 3 times the US

Sponsorships

- A company pays a fee to be associated with an event, team, athletic association, or sports facility
- Combines elements of PR and sales promotion
- Draws media attention

Product Placement

- Arranging to have the company’s products and brand names appear in TV shows, movies, and other types of entertainment
- Marketers also lend or donate products to celebrities and other public figures