Chapter 16

Retail Communication Mix

Strong Brands Provide Value to Retailers and Their Customers

Value to Retailers
- Attract Customers
- Build Loyalty
- Higher Prices Leading to Higher Gross Margin
- Reduced Promotional Expenses
- Facilitates Entry into New Markets

Gap ➔ GapKids

Value to Customers
- Promises Consistent Quality
- Simplifies Buying Process
- Reduces Time and Effort Searching for Information About Merchandise/Retailer

Creating Brand Awareness

Memorable Name ➔ Repeated Exposure ➔ Brand Awareness ➔ Symbols ➔ Event Sponsorship
McDonald's Brand Associations

- Fast Food
- Golden Arches
- Big Mac
- French Fries
- Clean
- Ronald McDonald

Types of Brand Association

- Merchandise Category – Office Depot
- Price/Quality – Target, Wal-Mart
- Specific Benefit – 7-Eleven Convenience
- Lifestyle – The Nature Company

Integrated Marketing Communications

Present a Consistent Brand Image through All Communications with Customers

- Store Design
- Advertising
- Web Site
- Magalog
**Retail Communication Mix**

- Advertising
- Show atmosphere and visual merchandising
- Sales promotions
- Public relations
- Salespeople

**Communication Methods**

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**Types of Sales Promotions**

- Special sales
- Merchandise demonstrations
- Premiums
- Coupons
- Games, sweepstakes, and contests
Steps in Developing a Retail Communication Program

Retail and Vendor Communication Programs

Methods for Setting Communication Budget

Vendor
- Long-term objectives
- Product focused
- National
- Specific product

Retailer
- Short-term objectives
- Category focused
- Local
- Assortment of merchandise

- Marginal analysis
- Objective and task
- Rules of thumb
  - Affordable
  - Percent of sales
  - Competitive parity

Advertising → Sales
Sales → Advertising
Considerations in Evaluating a Vendor Promotion

- Realized margin from the promotion
- Cost of the additional inventory
- Potential increase in sales from the promoted merchandise
- Potential loss from switching
- Additional sales from more customer visits

CRM Campaign Management System

Implementing Retail Advertising Programs

- Developing the Message
- Selecting the Media
- Determining Ad Frequency and Timing
Suggestions for Developing Print Ads

- Dominant headline
- Dominant element
- Simple layout
- Specific, complete presentation
- Distinct visuals
- Name and address of store

Types of Advertising Media

- Newspapers
- Magazines
- Radio
- TV
- Direct mail
- Outdoor
- Shopping guide
- Yellow pages

Types of Internet Advertising

- Banners - >50% of Expenditures
- Rich Media
- Microsites
- Sponsorships - Embedded in Site Content
- Email
Problems with Measuring Effectiveness

- Comparison with Other Media for the
  - Reach
    - Counting Unique Visitors
    - Use of Cookies
  - Frequency
    - Caching
    - Prevent Cache
  - Impact
  - GRPs - Reach x Frequency
- Comparison of Internet Advertising Sites

Generating Traffic for Site

- Domain Name/Brand
- Search Directories and Engines
  - Registration, Top Listing
- External Links - Partnerships
- Publicity
- Paid Advertising
  - Internet
  - Other Media

Monitoring Effectiveness of Traffic Building Approaches

- Monitor Sources of Visits
- Link Behaviors to Sources
  - Registration
  - Time on Site
  - Pages Downloaded
  - Purchases
  - Amount Purchased