

A Study on the Meaning and Future of Sales Promotion in New Marketing Communication Environment

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새로운 마케팅 커뮤니케이션 환경에서 세일즈 프로모션의 의미와 미래에 관한 연구

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Abstract This study examines the meaning and growth background of sales promotion in a new marketing communication environment and predicts its future direction. This study analyzed experiential marketing, individual marketing, media creative, and viral marketing as growth background of sales promotion in a new marketing communication environment, and predicted future direction of sales promotion as brand communication, consumer-brand relationship, application of ICT, integrated marketing communication. This study has a significance of analyzing the changing function and predicting the future direction of sales promotion in new marketing communications environment.

Key Words : Sales promotion, Experiential marketing, Individual marketing, Media creative, Viral marketing

요 약 본 연구에서는 새로운 마케팅 커뮤니케이션 환경에서 세일즈 프로모션의 의미와 성장 배경을 검토하고 향후 방향을 예측하여 보았다. 본 연구에서는 새로운 마케팅 환경에서의 세일즈 프로모션의 성장 배경으로 체험 마케팅, 개인 마케팅, 미디어 크리에이티브, 바이럴 마케팅에 대해 분석하였다. 또한 미래 세일즈 프로모션의 방향으로 브랜드 커뮤니케이션, 소비자 브랜드 관계, ICT 활용, 통합 마케팅 커뮤니케이션을 예측하여 보았다. 본 연구는 새로운 마케팅 커뮤니케이션 환경에서 세일즈 프로모션의 변화하는 기능을 분석하고 향후 진행 방향을 예측해본다는 의미를 가진다.

주제어 : 세일즈 프로모션, 체험 마케팅, 개인 마케팅, 미디어 크리에이티브, 바이럴 마케팅

1. Introduction

The traditional definition of a sales promotion is a direct incentive for consumers or distributors to provide additional value or incentives for immediate sales. Sales promotions represented by coupons, incentives, sampling, and price discounts have a great impact on the marketing promotion mix with

advertising performed by the company. Traditionally, if it is the role of advertising to provide a reason for buying a product, it is the role of sales promotion that provides incentives to purchase certain products. In other words, if advertising is intended to change consumers' perceptions, sales promotions directly induce consumers' purchasing behavior. In general, advertising is the best way to build a long-term brand,

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and sales promotion is known to be a good way to increase short-term sales.

However, in today's rapidly changing marketing communication environment, the meaning of sales promotion is changing and its importance is growing. Sales promotions are being newly watched in the context of new marketing communication environment where the influence of traditional advertising is diminishing and active participation and experience of individual consumers become important. Sales promotion, in particular, is moving beyond a strategy of simply raising short-term sales volume, and in the long term, it is making a 'relationship' with consumers and influencing brand image. And today's advertising and marketing environment, behavior of consumer is emphasized. So sales promotion which has a characteristic of behavior by nature should be viewed newly. In this context, this study examines the meaning and growth background of sales promotion in a new marketing communication environment and predicts its future direction.

2. The Background of Growth of Sales Promotion in New Marketing Communication Environment

2.1 Experiential Marketing and Sales Promotion

Experience is a personal event that responds to any stimulus. For example, when we think about buying things, experience is a response to stimuli provided before and after purchase by the marketing efforts of the company[1].

Experiential marketing deals with consumer sense, emotion, cognitive experience, behavior, and relationship as important concepts rather than product features and benefits. First of all, it differs in that it focuses on consumer experience and sees consumption as a whole rather than a single act.

Experiential marketing is a marketing activity that develops product, promotes advertising, and promotes

sales promotion activity so that identifies what experiences, values, and lifestyles consumers want in a specific consumption situation of a product or service and activates as fully as possible. This experiential marketing shows that the topic of marketing is shifting from scientific thinking to human experience, and it has already proved a considerable effect in various industries.

In today's marketing communications environment, the growth of sales promotion is related to the attraction of experiential marketing. Consumers no longer accept what the media is showing, and they want to experience the brand themselves in the field. It is sales promotion to meet consumers nearest to them, to give them a brand experience and to lead their true response. In recent years, the importance of sales promotion has become more and more important in the reality that consumer activeness is increasing in processing marketing communication messages and consumers' ad avoidance phenomenon is increasing, so the effect of traditional advertising is decreasing. Consumers become more loyal to the brand in the process of experiencing and enjoying the brand directly in the field through sales promotion.

2.2 Individual Marketing and Sales Promotion

Considering today's media usage behavior, which is expanding consumer activeness, it is necessary to strengthen the participation of individual consumers in marketing communication process. This allows the consumer to engage more in the advertising message and ultimately increase the involvement of the brand. In addition, it is necessary to emphasize the importance of establishing and strengthening relationships with individual consumer in everyday business as well as messages in current and future marketing communication. For this purpose, it is important to manage various contact points with individual consumer.

Looking at the consumption trends in recent years in the viewpoint of individual marketing, the word smart

comes to mind. The emergence of smart consumers enabled the advertising avoidance phenomenon, the spread of information sharing of products, and consumers' involvement in company activities. In response to this phenomenon, sales promotion activities are also done smartly, using big data to tailor coupons and customized ads through consumer analysis. One way to maximize the sales promotion effect in a new marketing communication environment is to identify the characteristics of individual consumer and to put marketing resources on them. Since the development of the Internet and smartphone market has enabled the analysis and segmentation of individual consumers' data, it is possible to send messages to them, so marketing efficiency can be increased by implementing marketing techniques tailored to their characteristics. In this way, sales promotions have gained new leaps of time as customized sales promotions have been carried out for individual consumer considering their consumption behaviors and tendencies

2.3 Media Creative and Sales Promotion

The advertising industry, which is seeking to transform itself in response to a rapidly changing media environment, has recently focused on the concept of 'media creative'. Recently, the number of media has increased tremendously in multi-channel environment. The increase of consumer activeness and ad avoidance due to advertising skepticism in new media communication environment make commercial messages difficult to send to and persuade consumers[2]. In this context, the use of creative media becomes important in the brand communication process.

The world's advertising industry is trying to find creative media. Now, creative must be as effective as message in the media. If the core of creative is to differentiate and create something new, media creative means to use new and effective media to differentiate from existing ones. Depending on whether you use the media creatively or not, even if the same message is transmitted, the communication effect can be greatly

changed. Now the definition of media as a container for creativity is no longer conceivable. Media itself is an active creative that communicates with the public. As media creativity becomes more important in this way, the advertising industry is shifting from a traditional and schematic media advertising concept to a creative solution concept that can achieve its goals, namely, to provide a practical solution. That's why the world's advertising industry is trying to find creative media, including rediscovering of existing advertising media as well as creating new media.

The needs for a new marketing communication media out of traditional media advertising can be a new look at sales promotions. Event-driven sales promotion is an effective means of marketing communication in which media creativity can be demonstrated in terms of providing a variety of enjoyable experiences to consumers. In particular, the expansion of mobile devices and social media will increase the use of sales promotions in terms of media creative.

2.4 Viral Marketing and Sales Promotion

Word-of-mouth refers to interpersonal communication that occurs between two or more individuals. In recent years, the explosive growth of the Internet has made online word of mouth one of the most influential means of communication in society[3][4]. The growth of sales promotions in the new marketing communication environment is related to the growth of viral marketing. Viral marketing, which is an online word of mouth, spreads mainly through earned media. Earned media is essentially media based on online word of mouth, like personal social media or personal blogs. Therefore, the earned media strategy should be creative contents strategy that allows the contents of the message to be heard from the audience's earned media. Event-driven creative sales promotion is great contents that can be a successful viral marketing tool.

Sales promotion allows consumers to use product or brand in the promotion event field. With the recent

development of social networking, it became much easier to talk about this sales promotion event. After consumers experience sales promotion, they put aka "authentication shots" on the SNS. As a result, the sales promotions automatically enjoy word of mouth effect, which leads to the publicity of the brand itself. In the past, sales promotions were effective only for consumers who participated in the sales promotion field, but as SNS developed today, the effect of these sales promotions spread to more consumers through viral marketing.

3. Future of Sales Promotion in New Marketing Communication Environment

3.1 Brand communication

Future sales promotion will focus more on the direction of building brand image and enhancing advertising image. In the case of discount promotion or coupon issuing promotion, which is a traditional sales promotion, there is a disadvantage in that it ends up as a tool for increasing the purchase in a short period of time, but when the sales promotion is performed for a long period of time, the image of the brand can be lowered. However, future sales promotion will be directed toward strengthening the image of the brand that is forming the brand image and promoting the advertising. In such an environment, sales promotion should not merely meet with consumers in terms of 'sales', but should meet with consumers from the standpoint of 'branding'. In other words, the center of gravity will gradually shift from "sales promotion" to "branding promotion".

Future sales promotions should be within the framework of overall brand communication. In the past, it was simply a tool for immediate sales growth, but now it should be used as a marketing tool to convey brand identity to consumers. In addition, the specific progress of sales promotional events is likely to lead to

an image of the brand itself. It seems like Coca-Cola is doing various sales promotions with the motto of "happiness". In the case of Coca-Cola, although it was promoted under the name of sales promotion, it promoted in the same tone & manner as other marketing communication faithfully following the concept of 'happiness'. In conclusion, it has become very important for sales promotional ideas to become a positive image of a brand because it has become easier for people to perceive the sales promotion itself to expand into brand image. That is, sales promotion can have a significant impact on brand growth.

3.2 Consumer-brand Relationship

The recent change in marketing environment emphasizes the importance of the relationship between the consumer and the brand. Since 1980s, the marketing environment is shifting from 4P centered mass marketing to relationship marketing, experience marketing, and one-to-one marketing, which put stress on the relationship with individual consumer. The change in marketing paradigm is necessarily bringing about the academic and practical interest in the relationship between the consumer and the brand[5][6][7][8][9][10].

Sales promotion is recognized as an important marketing tool in the recent media environment in that it seeks such a detailed target and can attract individual customers' active participation and experience, that is, sales promotion is important marketing communication tool in new marketing communication environment in which consumer brand relationship is important. In addition to being able to inform products, services, and brands in ways that are appropriate for consumers with different preferences, sales promotions minimize consumer anxieties in a variety of ways. Through direct sales promotions targeting consumers, companies can provide consumers with the opportunity to experience the brand, and with that, they can engage with the brand and ultimately increase their preference for the product.

3.3 Application of ICT

Recently, the use of ICT in all industrial sectors has become prominent in the era of the fourth industrial revolution. This is happening in the field of advertising and marketing communications. While the four major media ads are gradually declining, new media advertising based on the Internet is steadily growing. In recent years, new forms of advertising and marketing communications have emerged that use new ICT beyond new media advertising. The use of new ICT in future sales promotions will also increase. In other words, sales promotion using new ICT such as Internet, artificial intelligence, virtual augmented reality, location based services such as beacon, drones and so on, are fast growing and the future growth rate will be faster.

In this situation, the desirable sales promotion is a sales promotion that embodies various creatives and fresh ideas using smart media. Nowadays, it is smart media age, and it is possible to execute sales promotion effectively to consumers through various media. Therefore, media creative concept becomes even more important in sales promotion. However, sales promotion using smart media will not be effective if ideas or contents that can not be sympathized are transferred to the audience with the help of smart technology. Strategies and creatives are still important in the process of sales promotion using ICT.

3.4 Integrated Marketing Communication

The future direction of sales promotion is more faithful to IMC concept. Today, integrated marketing communication is a concept that companies should keep in mind in order to achieve their desired marketing objectives. In the meantime, some scholars have attempted to establish the IMC concept[11][12][13][14][15].

In the case of integrated marketing communication based on the convergence of media, it is necessary to establish a strategy in which various media or various technologies are combined without being buried in the

characteristics of the sales promotion itself. It is the most efficient way to get into consumers to provide opportunities to participate and enjoy themselves as an interactive element, communicating more interactively than promoting in the same way to consumers who own a variety of devices. Therefore, in the method of delivering messages, a crossover-type campaign to link between marketing communication media is needed, rather than a method of delivering messages centered on promotions.

It is necessary for each marketing communication media to directly or indirectly form a relationship with consumers through various off-line channels, not on a separate message. Through this, consumers can not only consume their own brands but also create synergy effects. It is important that advertising and sales promotions should function organically rather than acting individually as marketing devices. It is necessary for the brand to talk and show through advertising or sales promotions, so that it can be a process to add consumers' positive experiences to the brand centered value.

4. Conclusion

In today's rapidly changing marketing communication environment, the meaning of sales promotion is changing and its importance is growing. Sales promotions are being newly watched in the context of new marketing communication environment. In this context, this study examined the meaning and growth background of sales promotion in a new marketing communication environment and predicts its future direction. This study analyzed experiential marketing, individual marketing, media creative, viral marketing, and reality as growth background of sales promotion in a new marketing communication environment, and predicted future direction of sales promotion as brand communication, consumer-brand relationship, application of ICT, integrated marketing communication.

In the new marketing communications environment,

sales promotion is changing rapidly. Sales promotion in the era of smart media will be very diverse and novel. The important thing is that sales promotion is not just a short-term strategy to increase sales. Now sales promotion will be a means to materialize the brand message delivered through advertising and will play a role in providing that substance to consumers. Therefore, sales promotion should not simply contact consumers from the perspective of 'sales', but from the perspective of 'branding'. In other words, we have to change from the perspective of 'sales promotion' to the perspective of 'branding promotion'. It is the future direction of sales promotion to meet the consumers nearest to them, to give them a brand experience and to lead their true responses.

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