Why does this ad for a drug that helps lower cholesterol suggest readers should "Ask your doctor if Zetia is right for you"? For the answer, see the text.

Channel Strategies

Chapter 12 discussed the channel flow from a producer to intermediaries to consumers. Achieving control of the channel is often difficult for the manufacturer, and promotional strategies can assist in moving a product through the channel of distribution. This is where a manufacturer has to make an important decision about whether to use a push strategy, pull strategy, or both in its channel of distribution.[15]

push strategy
Directing the promotional mix to channel members to encourage them to order and stock a product.

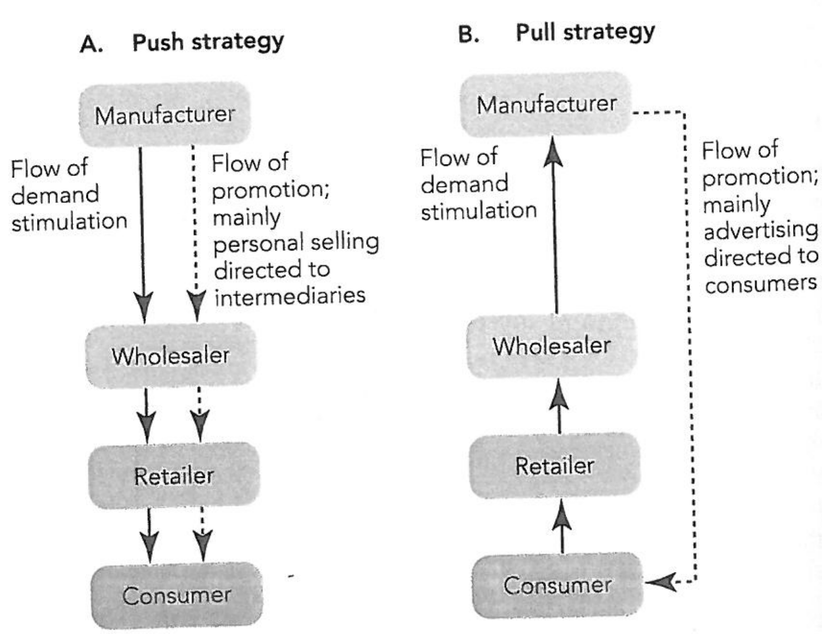
pull strategy
Directing the promotional mix at ultimate consumers to encourage them to ask the retailer for the product.

Push Strategy Figure 14–4A shows how a manufacturer uses a **push strategy**, directing the promotional mix to channel members to gain their cooperation in ordering and stocking the product. In this approach, personal selling and sales promotions play major roles. Salespeople call on wholesalers to encourage orders and provide sales assistance. Sales promotions, such as case discount allowances (20 percent off the regular case price), are offered to stimulate demand. By pushing the product through the channel, the goal is to get channel members to push it to their customers.

Ford Motor Company, for example, provides support and incentives for its 3,430 Ford dealers. Through a multilevel program, Ford provides incentives to reward dealers for meeting sales goals. Dealers receive an incentive when they are near a goal, another when they reach a goal, and an even larger one if they exceed sales projections. Ford also offers some dealers special incentives for maintaining superior facilities or improving customer service. All of these actions are intended to encourage Ford dealers to "push" the Ford products through the channel to consumers.[16]

Pull Strategy In some instances, manufacturers face resistance from channel members who do not want to order a new product or increase inventory levels of an existing brand. As shown in Figure 14–4B, a manufacturer may then elect to implement a **pull strategy** by directing its promotional mix at ultimate consumers to encourage them to ask the retailer for a product. Seeing demand from ultimate consumers, retailers order the product from wholesalers and thus the item is pulled

FIGURE 14–4
Push and pull strategies direct the promotional mix to different points in the channel of distribution.



through the intermediaries. Pharmaceutical companies, for example, now spend more than $4.2 billion annually on *direct-to-consumer* prescription drug advertising, to complement traditional personal selling and free samples directed only at doctors.[17] The strategy is designed to encourage consumers to ask their doctor for a specific drug by name—pulling it through the channel. Successful campaigns such as the print ad which says, "Ask your doctor if Zetia is right for you," can have dramatic effects on the sales of a product.

learning review

7. Promotional programs can be directed to __________, __________, or both.
8. Describe the promotional objective for each stage of the product life cycle.
9. Explain the differences between a push strategy and a pull strategy.

DEVELOPING AN IMC PROGRAM

LO4

Because media costs are high, promotion decisions must be made carefully, using a systematic approach. Paralleling the planning, implementation, and evaluation steps described in the strategic marketing process (Chapter 2), the promotion decision process is divided into (1) developing, (2) executing, and (3) assessing the promotion program (see Figure 14–5).

Identifying the Target Audience

The first step in developing the promotion program involves identifying the *target audience,* the group of prospective buyers toward which a promotion program will be directed. To the extent that time and money permit, the target audience for the promotion program is the target market for the firm's product, which is identified from primary and secondary sources of marketing information. The more a firm knows about its target audiences—including demographics, interests, preferences, and behaviors—the easier it is to develop a promotional program. A firm might use a profile based on gender, age, and income, for example, to place ads on specific TV programs or in particular magazines. Similarly, a firm might use *behavioral targeting*—collecting information about your web-browsing behavior to determine the banner and display ads that you will see as you surf the Web. Behavioral targeting is discussed in more detail in Chapter 18.[18]

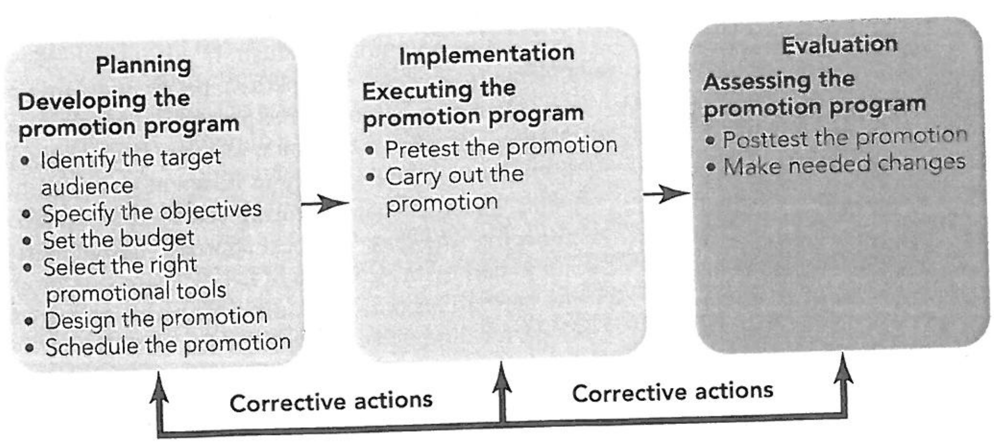


FIGURE 14–5
The promotion decision process includes planning, implementation, and evaluation.