

# Chapter 17 Vocabulary

Write definition and one sentence for each word in a Word document or notebook.

1. Promotion
2. Product Promotion
3. Institutional Promotion
4. Promotional Mix
5. Advertising
6. Direct Marketing
7. Social Media
8. Sales Promotion
9. Public Relation
10. News Release
11. Publicity
12. Push Policy
13. Pull Policy
14. Sales Promotions
15. Trade Promotions
16. Consumer Promotions
17. Coupons
18. Premiums
19. Incentives
20. Promotional Tie-Ins
21. Loyalty Marketing Programs
22. Kiosks

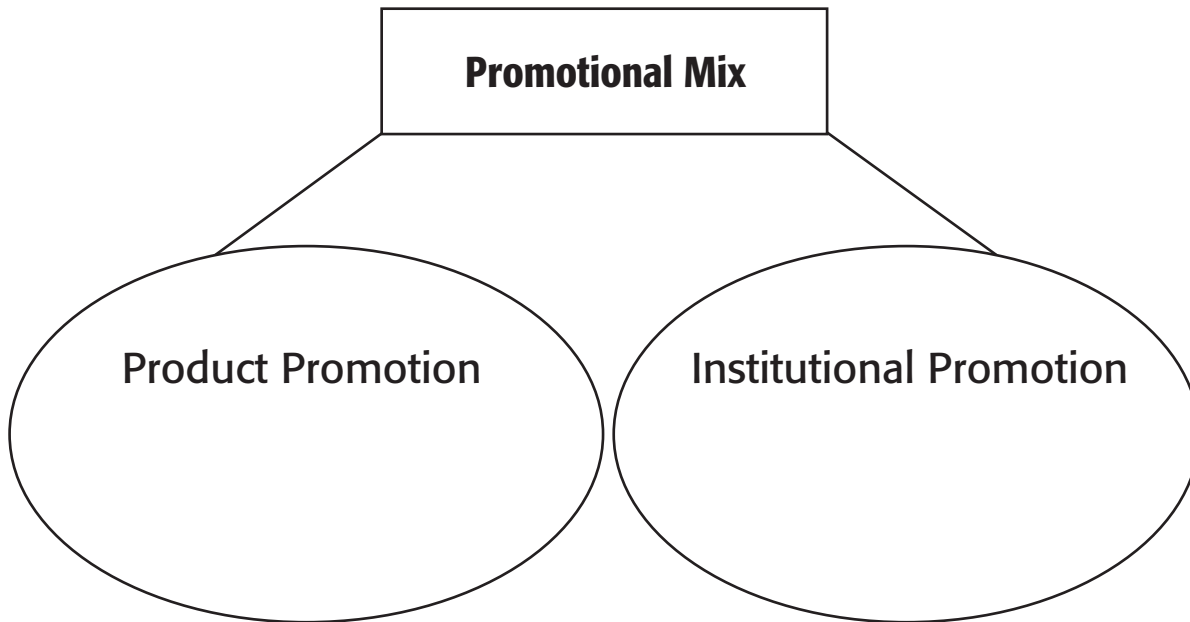


## Chapter 17 Promotional Concepts and Strategies

### Section 17.1 The Promotional Mix

#### Section Graphic Organizer

**Directions** Use the chart to list examples for each different type of promotion.



## Chapter 17 Promotional Concepts and Strategies

### Promotional Mix

**Directions** Use this graphic organizer to evaluate a residential ad, an Internet ad, and a television ad.

	<b>Product or Service</b>	<b>Availability</b>	<b>Seller</b>	<b>Target Audience</b>
<b>Residential Ad</b>				
<b>Internet Ad</b>				
<b>Television Ad</b>				

## **Chapter 17 Promotional Concepts and Strategies**

### **Social Media**

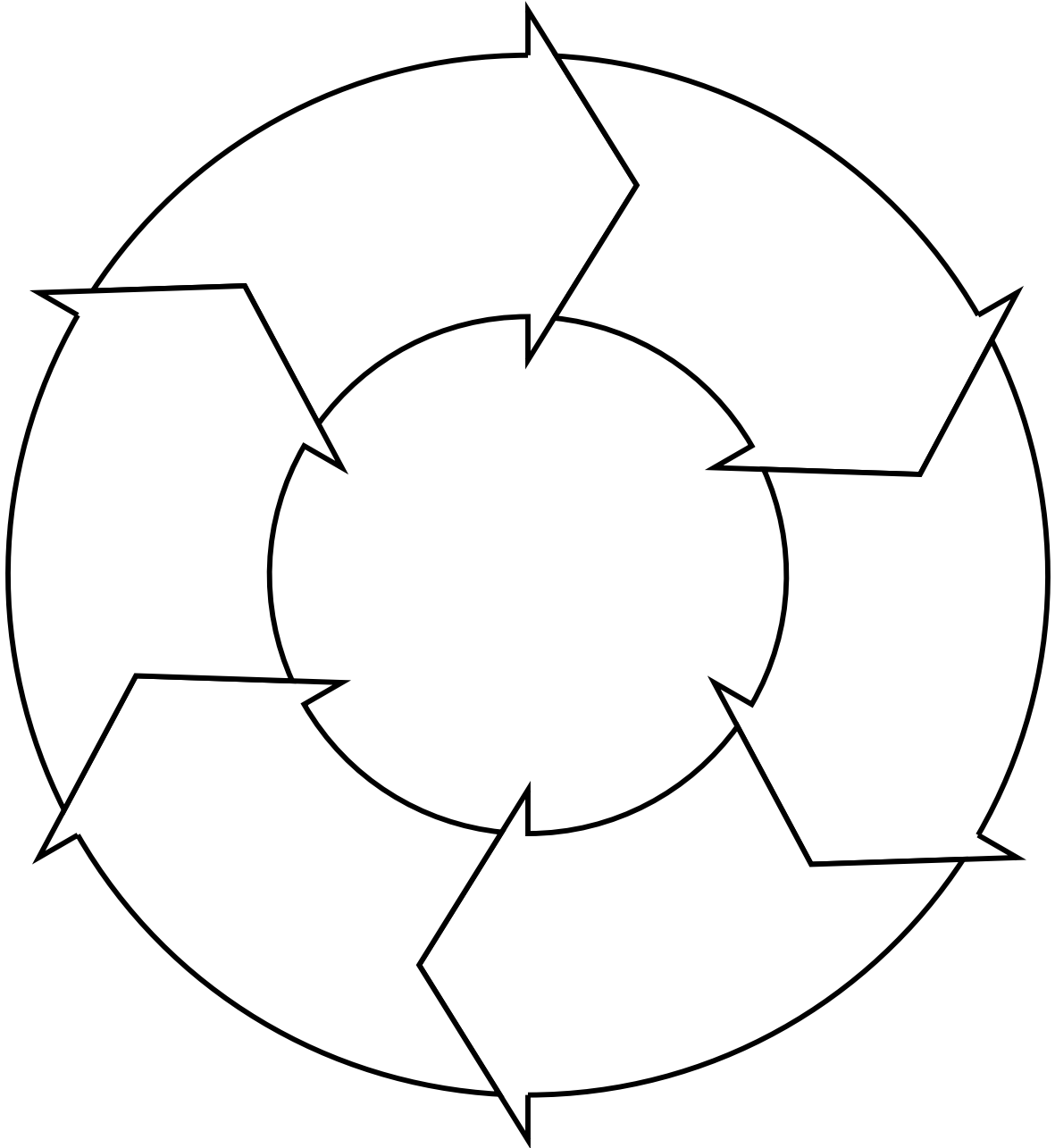
**Directions** Use this graphic organizer to relate student's social media usage to corporate advertising on those sites.

<b>Social Network</b>	<b>Use</b>	<b>Do Not Use</b>

## Chapter 17 Promotional Concepts and Strategies

### Six Steps for Developing a Promotional Mix

**Directions** Use this graphic organizer to discuss the six steps that go into developing a promotional mix.

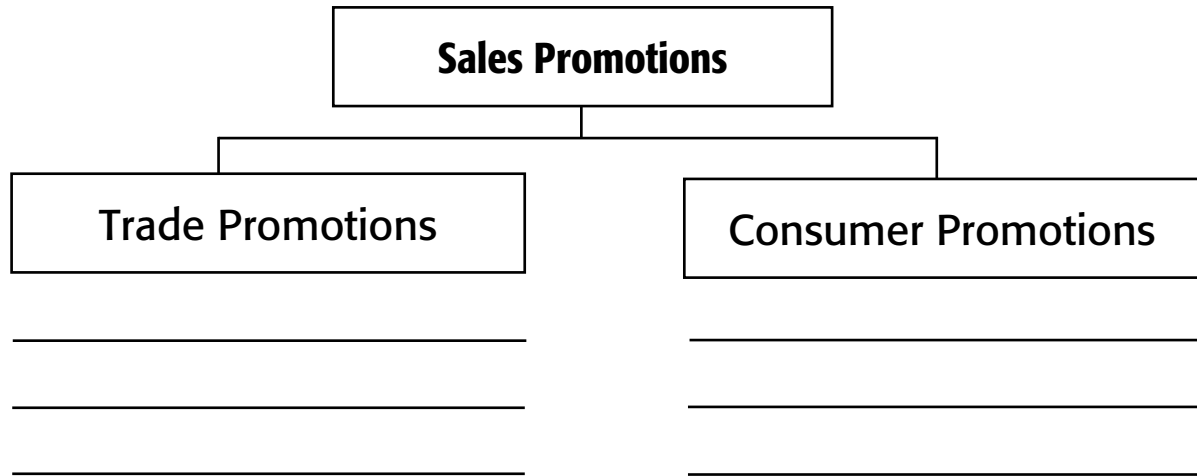


## Chapter 17 Promotional Concepts and Strategies

### Section 17.2 Types of Promotion

#### Section Graphic Organizer

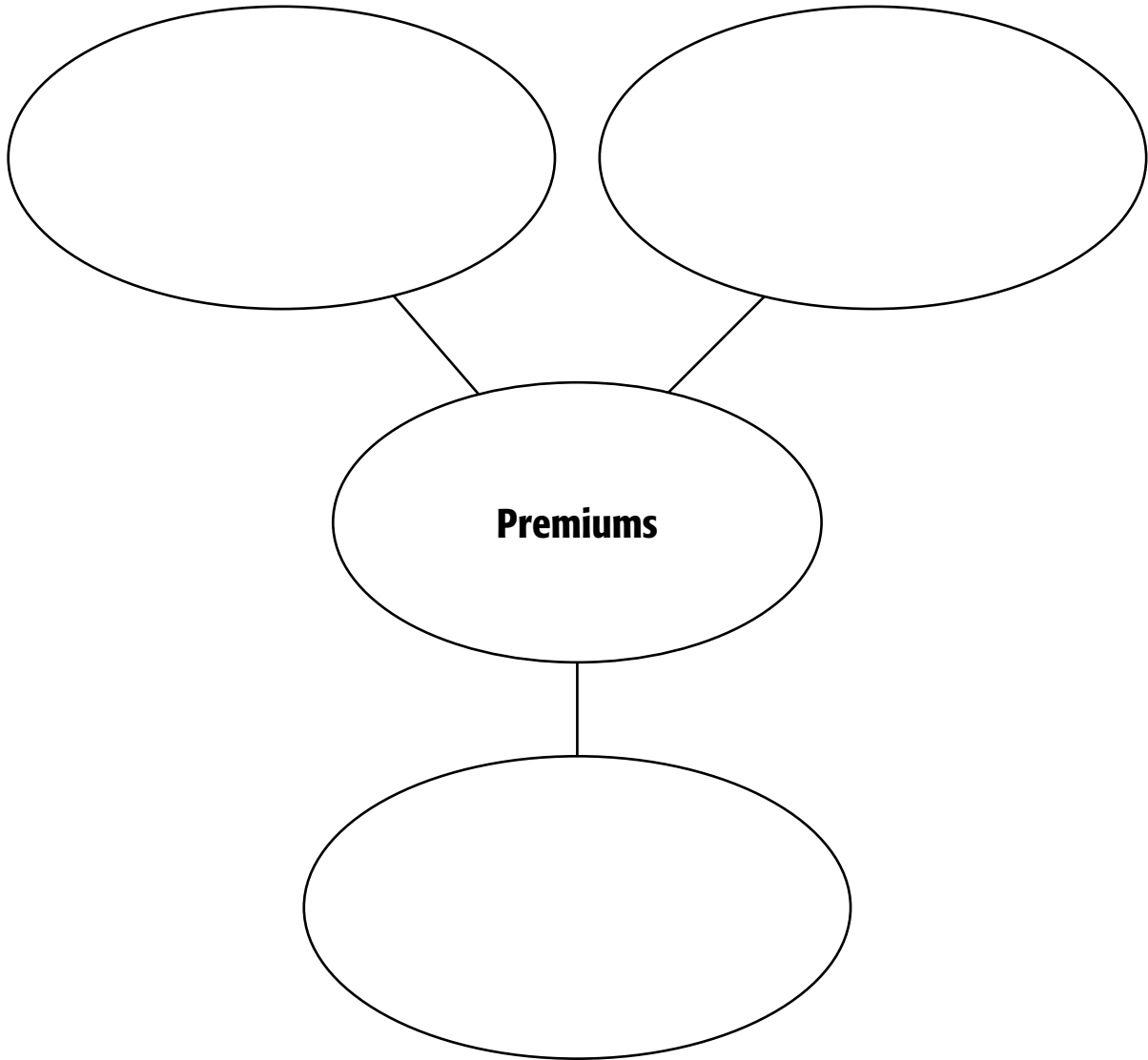
**Directions** Use the chart to list examples for different types of sales promotions.



## Chapter 17 Promotional Concepts and Strategies

### Premiums

**Directions** Use this graphic organizer to evaluate three different types of premiums



**Chapter 17 Promotional Concepts and Strategies****Consumer Promotions**

**Directions** Use this graphic organizer to list examples of each type of consumer promotion.

Coupons	Premiums	Deals	Incentives
Product Samples	Sponsorship	Tie-Ins, Cross-Promotion, Cross-Selling	Product Placement
Loyalty Programs	Online Loyalty Programs	Point-of-Purchase Displays	



Glencoe

# Marketing Essentials



Mc  
Graw  
Hill  
Education

## Chapter 17

promotional concepts  
and strategies

### Section 17.1

The Promotional Mix

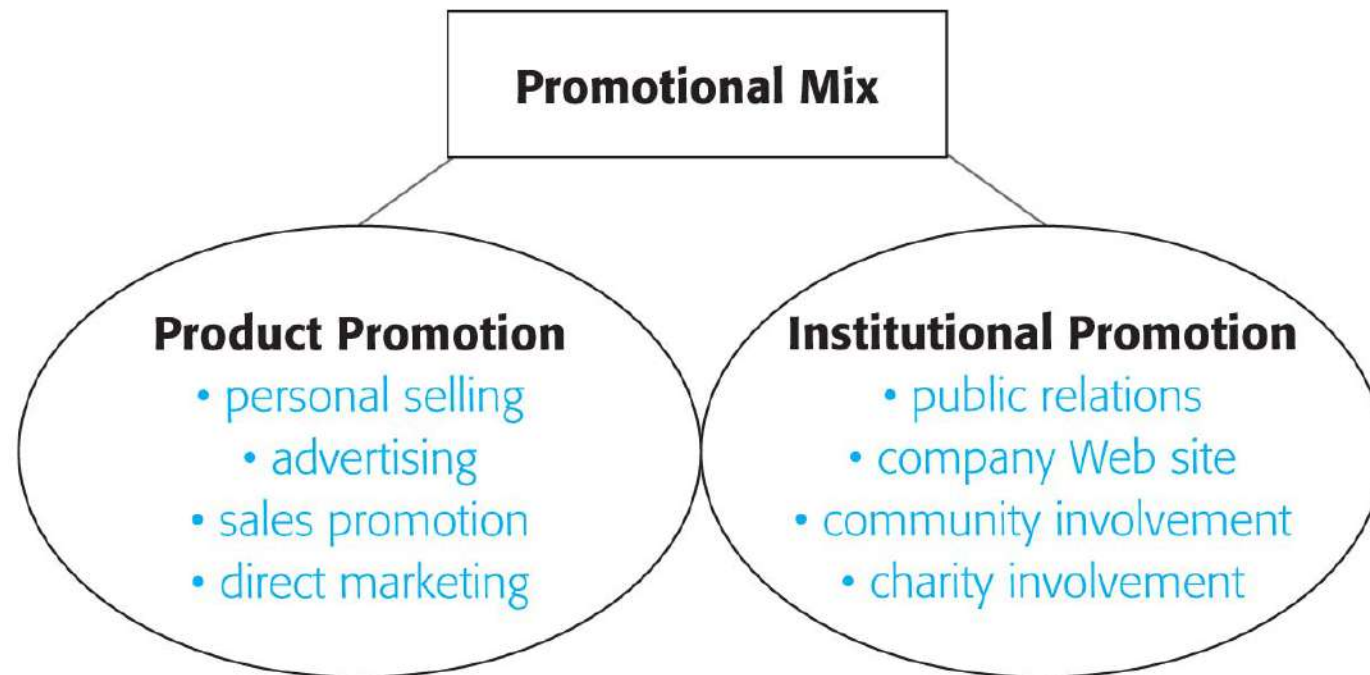
### Section 17.2

Types of Promotion

# The Promotional Mix

Graphic  
Organizer

## Examples of Each Different Type of Promotion



# The Promotional Mix

## Promotion in Marketing

**Companies and nonprofit organizations rely on promotion.**



### **promotion**

Decisions about advertising, personal selling, sales promotion, and public relations used to attract customers.

## Promotion in Marketing

### Promotion Methods

#### Product Promotion

#### Institutional Promotion



#### **product promotion**

A promotional method used by businesses to convince prospects to select their goods or services instead of a competitor's brands.



#### **institutional promotion**

A promotional method used to create a favorable image for a business, help it advocate for change, or take a stand on trade or community issues.

# The Promotional Mix

## Types of Promotion in the Promotional Mix

### The Promotional Mix

#### Personal Selling

▶ Direct contact

▶ Expensive



#### **promotional mix**

A cost-effective combination of advertising, selling, sales promotion, direct marketing, and public relations strategies used to reach company goals.



# The Promotional Mix

## Types of Promotion in the Promotional Mix

### The Promotional Mix

#### Personal Selling

- ▶ Direct contact
- ▶ Expensive

#### Advertising

- ▶ Advertising is everywhere



#### advertising

A form of nonpersonal promotion in which companies pay to promote ideas, goods, or services in a variety of media outlets.



# The Promotional Mix

## Types of Promotion in the Promotional Mix

### The Promotional Mix



#### **direct marketing**

A type of advertising that sends a promotional message to a targeted group of prospects and customers rather than to a mass audience.



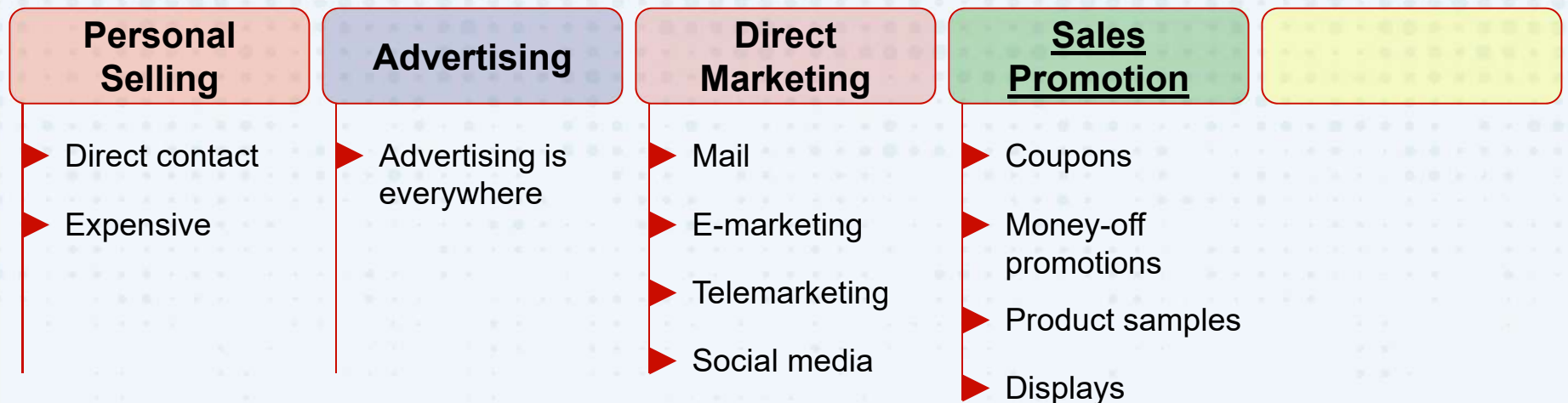
#### **social media**

Electronic media that allows people with similar interests to participate in a social network.

# The Promotional Mix

## Types of Promotion in the Promotional Mix

### The Promotional Mix



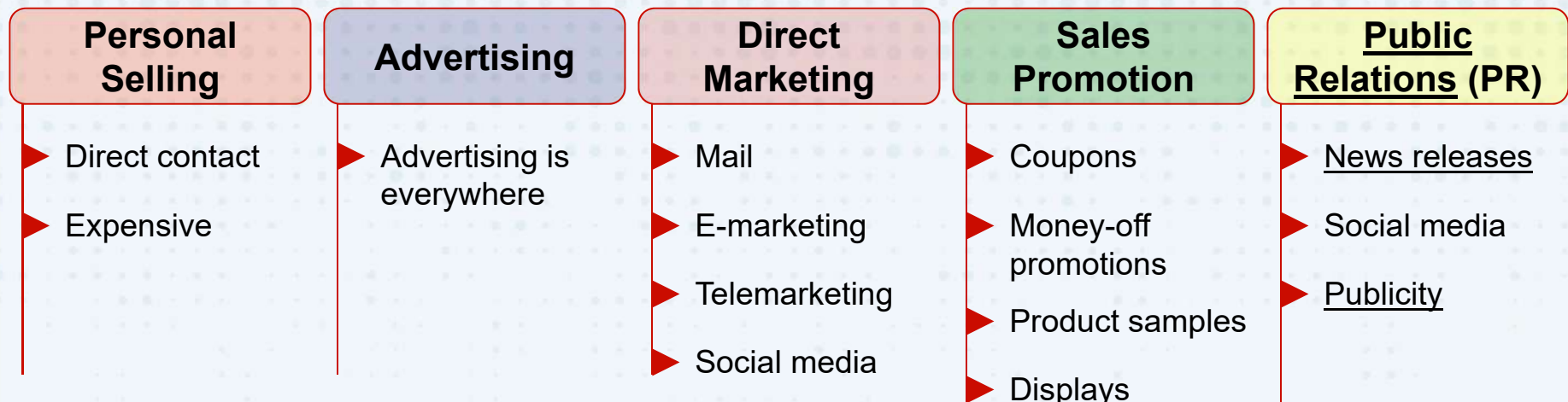
### **sales promotion**

All marketing activities, other than personal selling, advertising, and public relations, that are directed at business or retail customers to boost sales.

# The Promotional Mix

## Types of Promotion in the Promotional Mix

### The Promotional Mix



#### public relations

Activities that help an organization to influence a target audience.



#### news release

An announcement sent to the appropriate media outlets.



#### publicity

Bringing news or newsworthy information about an organization to the public's attention.

# The Promotional Mix

## Types of Promotion in the Promotional Mix

Graphic  
Organizer

### Types of Ads

	<b>Product or Service</b>	<b>Availability</b>	<b>Seller</b>	<b>Target Audience</b>
<b>Residential Ad</b>	Tires for all types of vehicles	Sale July 7–14	Roll-In Tires	People with vehicles
<b>Internet Ad</b>	Cars	Check local dealer	Name- brand car	Internet savvy people who drive
<b>Television Ad</b>	Ab exerciser	While supplies last	Flab-Free Zone	People who want to get into shape

# The Promotional Mix

## Types of Promotion in the Promotional Mix

Graphic  
Organizer

Put the number of users and nonusers in the appropriate spaces on the graphic organizer. Why or why not do you use these sites?

Social Network	Use	Do Not Use
Facebook®		
MySpace®		
LinkedIn®		
YouTube®		
Twitter®		



# The Promotional Mix

## The Concept of Promotional Mix

Graphic  
Organizer

Discuss the Six  
Steps of the  
Promotional Mix





# Types of Promotion

## Graphic Organizer

### Examples of Different Types of Sales Promotions



# Types of Promotion

## Sales Promotions

**Sales promotions are usually supported by advertising activities that include trade promotions and consumer promotions.**



### **sales promotion**

All marketing activities, other than personal selling, advertising, and public relations, that are directed at business or retail customers to boost sales.

# Types of Promotion

## Sales Promotions

### Trade Promotions

Promotional Allowances

Cooperative Advertising

Slotting Allowances

Sales Force Promotions

Trade Shows and Conventions



### **trade promotions**

Sales promotions designed to get support for a product from manufacturers, wholesalers, and retailers.

# Types of Promotion

## Sales Promotions

### Consumer Promotions



#### **consumer promotions**

Sales strategies that encourage customers and prospects to buy a product or service.

# Types of Promotion

## Sales Promotions

### Consumer Promotions

Coupons

Premiums

**Deals or  
Price Packs**



#### **coupon**

A certificate that entitles a customer to a cash discount on goods or services.



#### **premium**

low-cost item given to consumers at a discount or for free.

# Types of Promotion

## Sales Promotions

### Consumer Promotions

Incentives

**Product  
Samples**

**Sponsorship**



#### **incentive**

A higher-priced product, award, or gift card that is earned and given away through contests, sweepstakes, special offers, and rebates.



# Types of Promotion

## Sales Promotions

### Consumer Promotions

Promotional  
Tie-Ins

Product  
Placement

Loyalty  
Marketing  
Programs



#### **promotional tie-in**

Activity that involves sales promotions between one or more retailers or manufacturers; also called cross-promotion or cross-selling.



#### **loyalty marketing program**

A marketing program that rewards customers by offering incentives for repeat purchases, such as a frequent flyer.

# Types of Promotion

## Sales Promotions

### Consumer Promotions

Online Loyalty  
Marketing  
Programs

Point-of-  
Purchase  
Displays  
(Kiosks)



**kiosk**

A point-of-purchase display that is a stand-alone structure.

# Types of Promotion

## Sales Promotions

Graphic  
Organizer

### Three Different Types of Premiums and Descriptions

**Factory packs:** free gifts placed in product packages

**Traffic builders:** low-cost premiums given away at special events

**Premiums**

**Coupon plans:** ongoing programs offering premiums in exchange for labels or coupons from a product

# Types of Promotion

## Sales Promotions

### Graphic Organizer

### Examples of Each Type of Consumer Promotion

Coupons	Premiums	Deals	Incentives
Magazine Online	Discounted Traffic builders	Short-term price reduction	Contests Sweepstakes
Product Samples	Sponsorship	Tie-Ins, Cross- Promotion, Cross-Selling	Product Placement
Toothpaste Shampoo Deodorant	Concert Car racing team Basketball player	Jack in the Box® teamed with Dr. Pepper®	Television series Movie Sporting event
Loyalty Programs	Online Loyalty Programs	Point-of- Purchase Displays	
Frequent buyer Reward Frequent shopper	Yahoo awards points to buyers	High-traffic areas Promote impulse purchases	

# Chapter 17 Promotional Concepts and Strategies

## Section 17.1 The Promotional Mix



### Real-World Application Public Relations

**Directions** Classify each of the following public relations activities as primarily targeted to employees (E), customers (C), or the general community (GC).

- \_\_\_\_\_ 1. Perkins Restaurants provides complimentary meals for the Give Kids The World Foundation.
- \_\_\_\_\_ 2. A medical center sponsors a free health and wellness seminar for its staff members.
- \_\_\_\_\_ 3. The U.S. Department of Transportation and the Council run a print advertisement with a logo that reads, "You Could Learn a Lot From A Dummy. Buckle Your Safety Belt."
- \_\_\_\_\_ 4. The Eaton Corporation offers 100 percent tuition reimbursement for marketing support specialists.
- \_\_\_\_\_ 5. A local marketing education program sponsors an end-of-the-year student recognition dinner for students and parents.
- \_\_\_\_\_ 6. A new office building sponsors a free breakfast for area businesspeople followed by a tour of the complex.
- \_\_\_\_\_ 7. A department store offers a free gift wrapping service for the holiday season.
- \_\_\_\_\_ 8. A company recognizes an employee for her work with the Little League in a company newsletter.
- \_\_\_\_\_ 9. A regional sales manager of the AT&T Phone Center allows his store managers to act as judges at a state DECA Career Development Conference.
- \_\_\_\_\_ 10. A local radio station allows its manager to serve as a business advisor to a Junior Achievement program at the high school.
- \_\_\_\_\_ 11. Company associates at the Outback Restaurant get a discount on a dinner for two people.
- \_\_\_\_\_ 12. Stacey and Theo's restaurant provides a free meal to the homeless for Thanksgiving.
- \_\_\_\_\_ 13. The Ford Motor Company provides an employee suggestion awards program.
- \_\_\_\_\_ 14. A local community college plans an open house to celebrate the opening of a new downtown campus location.
- \_\_\_\_\_ 15. A furniture store provides free delivery to customers in a 15-mile radius of the store.
- \_\_\_\_\_ 16. A personal care consultant is available to advise customers on cosmetics selection.
- \_\_\_\_\_ 17. Harding's supermarkets offer to bag your groceries and take them to your car for free.
- \_\_\_\_\_ 18. Pharmacia becomes a civic theater patron and has its name printed in the program.
- \_\_\_\_\_ 19. The Steelcase Company promotes people from within the company.
- \_\_\_\_\_ 20. Northwest Airlines supports the Make a Wish Foundation by giving 500 bonus miles to frequent fliers who donate \$50 or more.

# Chapter 17 Promotional Concepts and Strategies

## Section 17.1 The Promotional Mix



### Study Skills Time Efficiency

**Directions** Use the tips to help improve how you use your time. Then, review Chapter 17 using the tips as you answer the questions. If the statement is true, circle **T**. If the statement is false, circle **F** and rewrite the statement so that it is true.

#### Time Efficiency

- People procrastinate for many reasons. They may lack confidence in their ability, be unsure about how to start, find a task unpleasant, or have set an impossibly high a standard for themselves.
- To avoid procrastination, motivate yourself by giving yourself a reward upon completing a task. Break complicated tasks into smaller more manageable parts. Work on the unpleasant parts of a task first, so you get them out of the way.

1. A promotion is any form of communication used by a business to inform, persuade, or remind people about its products and improve its public image. T F  
\_\_\_\_\_
2. A news release refers to any activity designed to create goodwill toward a business. T F  
\_\_\_\_\_  
\_\_\_\_\_
3. A promotional mix is used by a business to convince potential customers to buy products from it instead of a competitor. T F  
\_\_\_\_\_  
\_\_\_\_\_
4. Advertising is a paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor. T F  
\_\_\_\_\_
5. Incentives are low-cost items given to customers at a discount or for free. T F  
\_\_\_\_\_
6. A combination of strategies and a cost-effective allocation of resources is called a "product promotion." T F  
\_\_\_\_\_



# Chapter 17 Promotional Concepts and Strategies

## Section 17.2 Types of Promotion



### Real-World Application Promotions

**Directions** Read the case study below. Then answer the questions that follow.

#### Fantastic Prizes and Free Gifts Offered through Sweepstakes

Sweepstakes have been popular ways to attract customers for years, but until recently were advertised primarily through print and broadcast media, particularly through targeted mailings. Now, companies are turning to the Internet with their sweepstakes and are finding big audiences. A recent survey ranked several Internet sweepstakes sites among the top 50 sites in numbers of unique visitors.

On *iwon.com*, Web surfers earn sweepstakes entries for every click. Other sites, such as *alladvantage.com* and *freeride.com*, award points redeemable for prizes when users leave an advertising banner visible at the top of the page as they surf. Other companies offer contests as opposed to sweepstakes. In contests, users must demonstrate some skill. *Webmillion.com* gives points redeemable for sweepstakes entries for correct trivia answers. Web-based giveaways are often cash, but can also be prepaid phone cards, gift certificates for stores and restaurants, and free CDs and books.

The strategy of most Web-based sweepstakes companies is to attract repeat users and then sell the users' demographic information to advertisers. Some simply use the sweepstakes to attract people, and then try to sell them magazines, household products, time-share vacations, cruises, books, and flowers. Although purchases are not required to enter most sweepstakes, companies are clearly trying to lure buyers with the chance at winning free cash. Companies strongly suggest that purchases should be made, and even provide different instructions for entering without a purchase. Two established sweepstakes companies, Publishers Clearing House and American Family Publishers, earn commissions on the products they sell through the sweepstakes.

1. What is the difference between a contest and a sweepstakes?

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2. Sweepstakes are an example of a consumer incentive. Why might businesses use sweepstakes as a sales promotional device?

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3. Most sweepstakes do not require a participant to purchase anything to enter, but many companies highly suggest that you do. Think of techniques to encourage participants.

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# Chapter 17 Promotional Concepts and Strategies

## Section 17.2 Types of Promotion



### Study Skills

#### Determining Your Learning Style

**Directions** Read the tips for determining your learning style. Write a sentence or two to answer each of the questions about the main ideas in Chapter 17.

#### Determining Your Learning Style

People learn in different ways. Knowing your own learning style will help you study more effectively.

- Auditory learners learn best by listening, such as to a teacher's lecture or podcast.
- Visual learners learn best by seeing, such as view a demonstration or video.
- Tactile learners learn best by touching or doing, such as role playing.
- Interpersonal learners learn best by sharing, comparing, and discussing.

1. What are the five basic categories in the promotional mix?

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2. What are the goals of direct marketing?

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3. What are the roles of advertising, direct marketing, and public relations when a company engages in a promotional mix?

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4. What are some types of major trade promotions?

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5. What are some types of major consumer promotions devices?

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6. What is the fundamental concept behind premium marketing?

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## Chapter 17 Promotional Concepts and Strategies



### Test-Taking Practice Test

**Directions** Study the Test-Prep Tips and think about how you can use them to improve your test scores. Take the practice test. Choose the word or phrase that best completes the sentence or answers the question.

#### Test-Prep Tips

- Eat well before taking a test. Have a good breakfast or lunch and avoid junk food. Studies show that you need good nutrition to concentrate and perform your best.
- If you are allowed to use a calculator at a testing site, make sure it is one that is authorized. Also check to see that other electronic devices such as phones, audio devices, and alarms, are turned off.

1. Companies rely on promotion to:
  - a. release newsworthy developments about their products.
  - b. engage in a one-way communication to the customer.
  - c. distinguish between public relations and publicity.
  - d. inform people about their products and services.
2. The main function of publicity is to:
  - a. enable an organization to influence a target audience.
  - b. develop a positive perception or awareness of the organization in the marketplace.
  - c. stimulate sales, reinforce advertising, and support selling efforts.
  - d. increase sales, inform potential customers about new products, and create a positive image.
3. Direct marketing is a type of advertising directed to:
  - a. the general public in an attempt to increase store traffic.
  - b. large retailers in order to convince the retailer to stock the product.
  - c. a mass audience rather than a targeted group of prospects and customers.
  - d. a targeted group of prospects and customers rather than to a mass audience.
4. Sales promotion activities designed to get support for a product from manufacturers, wholesalers, and retailers are called:
  - a. coupons.
  - b. sales force promotions.
  - c. trade promotions.
  - d. consumer promotions.
5. Premiums are:
  - a. low cost items given to consumers at a discount or for free.
  - b. certificates that entitle customers to cash discounts on goods or services.
  - c. higher priced products earned and given away through contests, sweepstakes, and rebates.
  - d. a payment fee for the right to promote products or services at or on a set location.

**Marketing Chapter 17 Study Guide**

*Indicate whether the statement is true or false.*

1. An advantage of publicity is that it costs less than other forms of promotion.
  - a. True
  - b. False
2. Businesses spend more money promoting to consumers than to other businesses.
  - a. True
  - b. False
3. Some companies build good will by advocating for community issues.
  - a. True
  - b. False
4. The format of a company's news releases can change with every announcement released.
  - a. True
  - b. False
5. Some supermarkets offer regular customers store checks tied to the amount of groceries they purchase per quarter. This offer is an example of loyalty marketing programs.
  - a. True
  - b. False

*Indicate the answer choice that best completes the statement or answers the question.*

6. What is a special price discount that is given as an incentive to wholesalers and retailers?
  - a. slotting allowance
  - b. product incentive
  - c. promotional allowance
  - d. rebate
7. The business often has the least control over which type of promotion?
  - a. publicity
  - b. advertising
  - c. personal selling
  - d. sales promotion
8. Outward Bound is selling a backpack together with a pair of hiking boots at one-third off their regular combined price. What type of promotion is this?
  - a. incentives
  - b. product sample
  - c. deal
  - d. sponsorship
9. What type of consumer promotion is an art contest run by a cereal company that is offering a trip to Disneyland for the winner?
  - a. premiums
  - b. licensing
  - c. product samples
  - d. incentives

**Marketing Chapter 17 Study Guide**

10. The Green Place is a gift store selling items that are compatible with ecological issues. Chris coordinates all of the marketing activities of The Green Place so that the store projects the right image to its customers. What is Chris directly involved in?

- a. personal selling      b. sales promotion
- c. publicity              d. advertising

*Enter the appropriate word(s) to complete the statement.*

11. A \_\_\_\_\_ is a display that offers new ways for stores to improve customer service.

12. Jennifer works for New Wave Technology. She ensures that members of the press attend New Wave's annual scholarship dinner, and that the company's name is mentioned in any news articles about the scholarship winners. She works in the area of promotion called \_\_\_\_\_.

13. An airline and a car rental company might combine their promotional resources to create a campaign that increases sales for both companies. This arrangement is known as a promotional \_\_\_\_\_.

14. A promotional \_\_\_\_\_ is a cost-effective combination of strategies designed to reach a company's goals.

15. \_\_\_\_\_ selling involves communicating with customers directly through meetings, demonstrations, e-mail, or telephone communication.

16. Sales promotion activities targeted for manufacturers, wholesalers, and retailers are called \_\_\_\_\_ promotions.

17. Mrs. Kim received a small box of Maple Oats and found she liked it. So she bought a box of the cereal at the market. The sales promotion technique used a product \_\_\_\_\_.

18. A sales force \_\_\_\_\_ is an award given to managers and employees who meet or exceed their company's set sales quota for a product or product line.

19. \_\_\_\_\_ is the type of nonpersonal promotion in which a business can use a variety of media for presentation.

**Marketing Chapter 17 Study Guide**

*Match each item with the correct statement.*

- a. premium
- b. institutional promotion
- c. slotting allowance
- d. push policy
- e. advertising
- f. sponsorship
- g. sales promotion
- h. publicity
- i. social media
- j. news release

20. news presentations that create awareness of an organization in the market place

21. incentives that encourage customers to buy products or services

22. money a manufacturer pays a retail chain to place a product on store shelves

23. form of non-personal promotion

24. a story sent to the media which is written by and about a company or organization

25. interactive electronic media for people with similar interests

26. convince a retailer to stock products being promoted

27. positive communication about a business

28. an item such as a coupon or factory pack that is free to consumers as a condition of purchase

29. negotiated right to use logos and names on retail products

30. Write a news release about a special event that has recently occurred or is about to occur at your school. Include the who, what, when, where, and why information in the first paragraph and develop the story in following paragraphs.

31. To which of the four types of promotion are your talents best suited? Support your answer with examples of your skills that will clearly strengthen the advantages and help overcome the disadvantages of the promotion type you select.