



PROMOTIONAL MIX

Chapter 17.1

PROMOTION

- One of the four P's (Marketing mix)
- Any activity that helps in the exposure or sale of a product
 - Persuasive communication.
 - Used to enhance public image/reputation.
 - Persuade people to value their products
- Non-Profit Organizations
 - Rely on it to educate the public about a cause
 - Advocate change in laws/policies
- AIDA: Attention, Interest, Desire, Action



PRODUCT & INSTITUTIONAL PROMOTION

○ Product Promotion

- Method used by businesses to convince prospects to select their good/service instead of a competitor's
 - Explain major features & benefits
 - Identify where it's sold
 - Advertise sales
 - Answer customer questions
 - Introduce New Offerings

○ Institutional Promotion

- Method used to create a favorable image for a business, advocate change, or take a stand on an issue
- Doesn't directly promote the product but may lead to increased sales.
 - Maintain websites for news, general info, and answer ?'s
 - Goodwill: enhance the reputation and foster a favorable image.



PROMOTIONAL MIX-COST EFFECTIVE COMBINATION OF THE FIVE METHODS TO REACH COMPANY GOALS.

1. Personal Selling
2. Advertising
3. Direct Marketing
4. Sales Promotion
5. Public Relations



PERSONAL SELLING

- Requires sales representatives to generate and maintain direct contact with prospects & customers. Real Estate agents, store sales clerk, etc.
 - Meetings
 - In-home demonstrations
 - E-mail & telephone correspondence
- One of the most expensive forms of promotion.
- Takes place after other promotional activities.



ADVERTISING

- Form of non-personal promotion in which companies pay to promote ideas, goods, services.
 - Billboards
 - Business Cards
 - Brochures
 - Internet, Websites
 - Magazines, Newspapers
 - TV, Radio
 - Sports Arenas
 - Cars, Buses
 - Restaurant menus
- One-way communication with prospective customer.



DIRECT MARKETING

- Used to address individuals directly and not through a third party medium (TV, radio, etc.)
 - Direct Mail
 - Telemarketing: customers called by phone
 - E-marketing (apps, email, paid search)
- **Social Media:** electronic media that allows people with similar interests to participate in a social network.
- Goal is to generate sales or leads for sales reps. To pursue.
 - Gives respondents an incentive to respond by visiting a store or Web-site.
 - Discounts and other special offers.
- Engage in one way communication
- **CAN-SPAM Act:** recipients have a way to opt out of e-mails.
- **FTC:** banned many pre-recorded automated telephone solicitations (robocalls) in 2009 Do Not Call Registry
 - Can come from charitable org., politicians, healthcare providers or if you gave your information to a company.



SALES PROMOTION

- Represents all marketing activities beyond the other four mentioned in the marketing mix
 - Directed towards business/retail customers to boost sales.
 - Coupons
 - Money-off promotions
 - Competitions
 - Product Samples
 - Point-of-purchase displays
- Goal: increase sales, inform customers about a new product, create a positive image.



PUBLIC RELATIONS

- Help an organization influence a target audience. See graphic organizer on page 397.
- Influence general opinion and create a favorable public image for a person, organization, company, product, or policy. Contact with reporters who cover an industry or topic.
- Sponsors are mentioned. Example; campaign for Children's Miracle network. Paper balloons to sign when donating at a store.
- **News Releases:** announcement sent to the appropriate media outlet.
- See page 398
 - Newsworthy developments about a company/etc.
 - Social media: interact with customers & get feedback
 - **Publicity:** bringing news information about an organization to the public's attention. (Placement)
Main goal is to develop a positive perception or awareness. Cultural events, scholarships, donate money or land.
 - Political issues or candidates
 - **Positive vs. negative**
 - Free & viewed as more objective. News story v. advertisement. People pay more attention to publicity.
 - Content is NOT controlled because it wasn't paid for. Negative news spreads quickly with cell phone videos on social media.
 - Businesses need to counteract negative publicity quickly.



PROMOTIONAL MIX CONCEPT

- Most companies use a variety of each of these promotional types to make the product widely recognized. See page 400-Use this to guide you when making suggestions to your boss for the beach resort project.
- Cost effective: a variety allows for companies to lower cost and hit a wider range of individuals.
- MUST identify a target market (beach resort-new target market to increase bookings?) and segment the market. Set objective,(what is the beach resort promotional objective?) design message,(you will create a promotion for the project) select promotional activities, allocate budget, measure results. Read through page 402 and the chart at the bottom. (Helpful for project.)
- On-going process that does not STOP.



PROMOTIONAL BUDGET-IT IS IMPORTANT TO CONSIDER ALL ASPECTS OF THE MIX WHEN CREATING THE BUDGET.

- Marketing department determines the mix, establishes the budget, allocates resources, coordinates the campaign, supervises any outside sources, and measures the results.
- Budget may be based on a percentage of sales or what competitors spend.
- It is difficult to measure success but is usually based on whether the effort led to increased sales.



PUSH-PULL

○ Push Policy

- Used with partners in a distribution channel.
- Manufacturer pushes the product through the distribution channel TO THE retailer.
- Purpose: convince retailer to stock the products.
- Trade shows
- Used with company's without strong brand identity.

○ Pull Policy

- Directs promotional activities towards the CUSTOMER.
- Entice (pull) the consumer into the store/Web to buy the product.
- Designed to create customer interest & demand.
- Consumer demand pulls it through the distribution channel.
- Advertising, Displays, Samples

