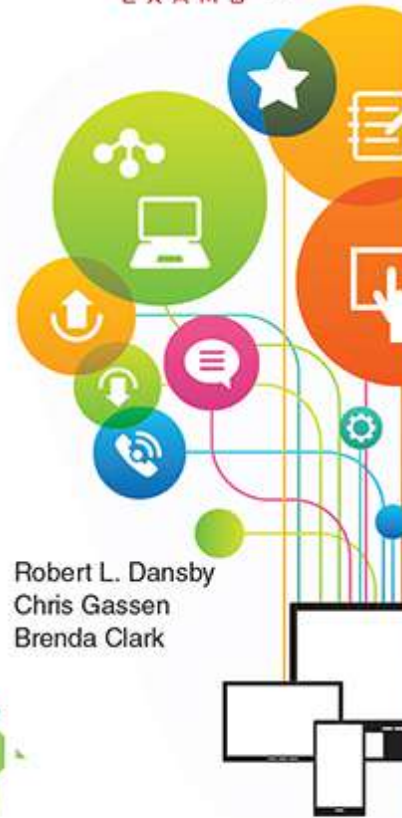


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# Principles of Business, Marketing, and Finance

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# Principles of Business, Marketing, and Finance

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**Promotion**

# Section 12.1

## Role of Promotion

# Objectives

- **Explain** promotion as one of the four Ps of marketing.
- **Explain** the promotional mix.
- **Define** the concept of integrated marketing communications.

# Key Terms

- promotion
- product promotion
- institutional promotion
- persuasion
- communication process
- sender
- encoding
- channel
- receiver
- decoding
- feedback
- promotional mix
- advertising
- visual merchandising
- storefront
- marquee
- public relations (PR)
- press release
- integrated marketing communications (IMC)
- promotional campaign
- electronic promotion
- participatory marketing
- AIDA



# Essential Question

What role do promotion strategies play in marketing?

# Promotion Strategies

- **Promotion** is the process of communicating with potential customers in an effort to influence their buying behavior
- **Product promotion** is promoting specific products
- **Institutional promotion** focuses on promoting the company rather than its products
- Promotion informs, persuades, or reminds the audience of a message

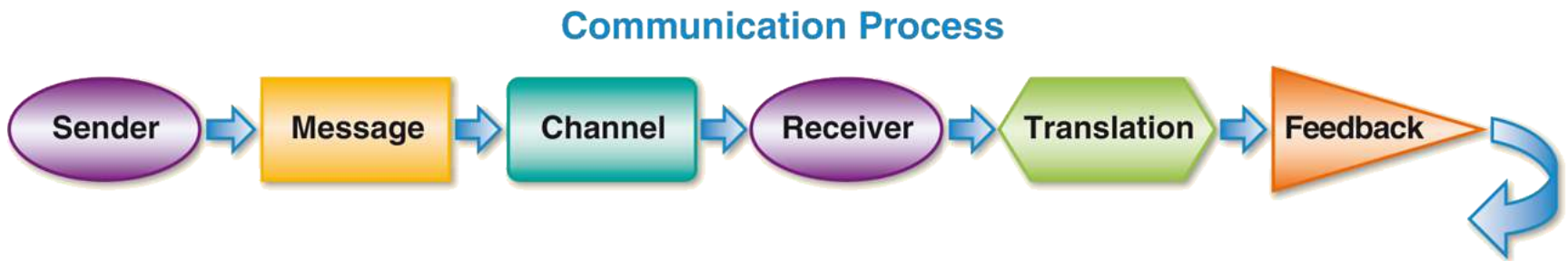
# Promotion Strategies

- Messages that *inform* provide information or education
- Messages that *persuade* attempt to change the behavior of the receiver
  - **Persuasion** uses logic to change a belief or get people to take a certain action
- Messages that *remind* appear in multiple places over a period of time



# Promotion Strategies

- **Communication process** is a series of actions on the part of the sender and the receiver of a message and the path the message follows



# Promotion Strategies

- Six elements of the communication process:
  - **Sender:** Person who has a message to communicate
  - *Message:* Encoded information conveyed by sender. **Encoding** is the process of turning the idea for a message into symbols that can be communicated
  - **Channel:** How the message is transmitted
  - **Receiver:** Person who reads, hears, or sees the message
  - **Translation:** Message is decoded. **Decoding** is translating a message into terms the receiver can understand
  - **Feedback:** Receiver's response to the sender

# Promotional Mix

- **Promotional mix** is a combination of the elements used in a promotional campaign



# Promotional Mix

- **Advertising** is any nonpersonal communication paid for by an identified sponsor
  - Aimed at the *target market*
- Print media
  - Newspapers, magazines, outdoor signage, *transit promotion*
- Broadcast media
  - Radio and television *commercials* and *infomercials*

# Promotional Mix

- Sales promotions encourage customers to buy product as soon as possible
- **Visual merchandising** is the process of creating floor plans, displays, and fixtures to attract customer attention and encourage purchases
  - *Point-of-purchase (POP)* displays
- **Storefront** is the store exterior that reflects the image of the business
  - **Marquee** is an overhanging structure containing a sign at the entrance of the store

# Promotional Mix

- **Public relations (PR)** is applying communication skills that promote goodwill between a business and the public
  - **Press release:** A story featuring useful company information written by the company PR contact
  - *Formal speech:* Speech that is scripted
  - *Public communication:* Speaking to a large group
  - *Proactive public relations:* Company presents itself in a positive manner to build an image
  - *Reactive public relations:* Counteracts a negative public perception about the company

# Promotional Mix

- *Personal selling* is any direct contact between a salesperson and a customer
- Includes product demonstrations and impromptu speaking
  - *Impromptu speaking* is talking without advanced notice to plan what will be said

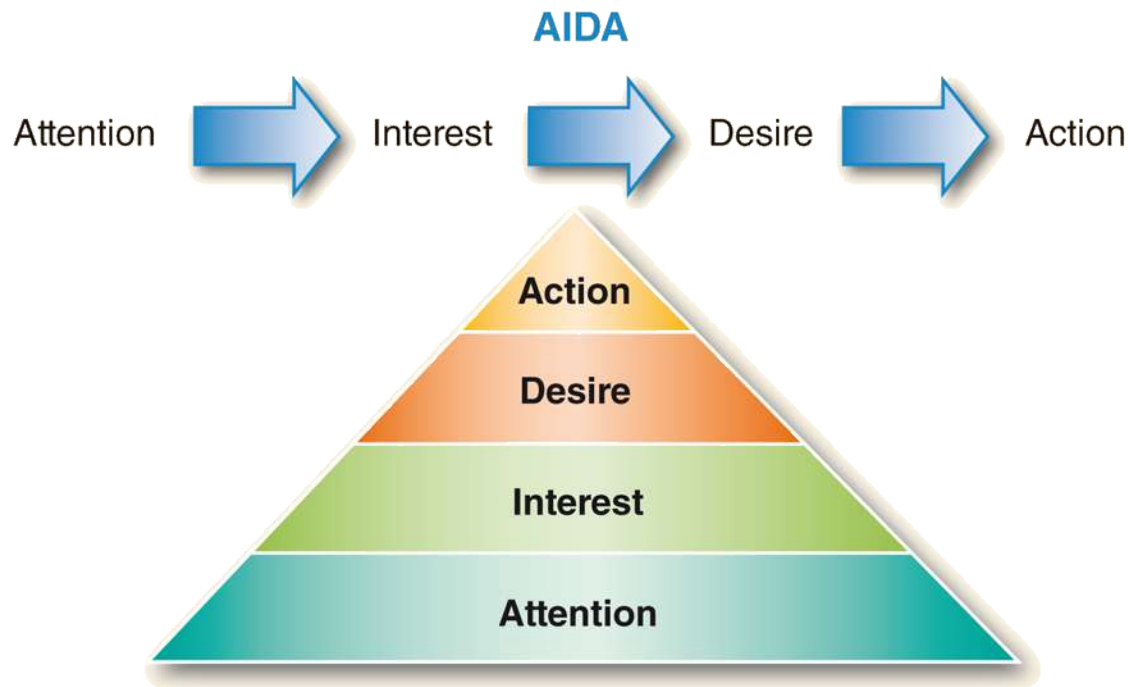
# Integrated Marketing Communications

- **Integrated marketing communications (IMC)** is a promotional strategy that combines the elements of the promotional mix to create a unified marketing message
- **Promotional campaign** is the coordination of marketing communications to achieve a specific goal;  
*promotional plan*
  - **Electronic promotion** uses the Internet, e-mail, or other digital technology
  - **Participatory marketing** uses multiple elements to communicate and interact with customers



# Integrated Marketing Communications

- Elements of the promotional mix are focused on attracting customer attention, interest, desire, and action



# Section 12.1 Review

1. What are the six elements of the communication process?

The six elements of the communication process are the sender, message, channel, receiver, translation, and feedback.

2. What are common elements in the promotional mix?

Common elements in a promotional mix include advertising, sales promotion, public relations, and personal selling.

3. Give examples of print media advertising.

Newspapers, magazines, directories, direct mailings, and outdoor signage are print media.

# Section 12.1 Review

4. Explain the importance of a business storefront as an element of visual merchandising.

The storefront of a business is an important element of visual merchandising. The storefront is the store exterior that reflects the image of the business. It is often the first image or impression a customer has of a business.

# Section 12.1 Review

5. Explain the role of participation as a key element of marketing.

Participatory marketing is a promotion strategy that uses multiple elements to communicate and interact with customers. It requires the strategy of communicating with customers rather than communicating at customers. Contests, free samples, and an opportunity to voice an opinion are examples of ways in which customers can participate marketing activities.

# Section 12.2

## Advertising

# Objectives

- **Explain** how to create an effective advertising campaign.
- **Describe** four elements of an advertisement.
- **Explain** how advertising benefits society.

# Key Terms

- advertising campaign
- unique selling proposition (USP)
- metrics
- creative plan
- headline
- hook
- copy
- brand name
- logo
- tagline
- action word
- typography
- typeface
- weight
- environmental print
- art
- layout
- white space
- signature
- Advertising Self-Regulatory Council (ASRC)



# Essential Question

How can a marketer develop an effective advertisement?



# Advertising Campaigns

- **Advertising campaign** is a coordinated series of linked ads with a single idea or theme

## Steps for Creating an Advertising Campaign

1. Set campaign goals.
2. Identify the target audience.
3. Establish the budget.
4. Select the media.
5. Create the message.
6. Establish the metrics.
7. Analyze the results.

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# Advertising Campaigns

- Advertising campaign goals should be defined and measurable
- Identifying target audience determines message and media
- Budget must be established before selecting media
- Select media that best communicates message and reaches audience

# Advertising Campaigns

- Marketing message should be valuable to customers
  - **Unique selling proposition (USP)** is a statement summarizing the features and benefits of the company or product, how it differs from the competition, and how it is better than the competition
- Metrics track and evaluate promotion activity
  - **Metrics** are standards of measurement
- Campaign results are evaluated to determine success and changes

# Creating an Advertisement

- **Creative plan** outlines the goals, primary message, budget, and target market for different ad campaigns
- Classic structure for an ad



```
graph TD; A([Elements of an Advertisement]) --- B[Headline]; A --- C[Copy]; A --- D[Graphics]; A --- E[Signature];
```

The diagram illustrates the classic structure for an advertisement. It features a central yellow oval at the top labeled "Elements of an Advertisement". A horizontal line extends from the bottom of this oval, with four vertical lines connecting it to four rounded rectangular boxes below. From left to right, these boxes are: a green box labeled "Headline", an orange box labeled "Copy", a teal box labeled "Graphics", and a purple box labeled "Signature".

## Elements of an Advertisement

Headline

Copy

Graphics

Signature

# Creating an Advertisement

- **Headline** consists of the words designed to grab attention so viewers will read the rest of the ad
  - Aspect of an ad that grabs attention is often called the **hook**
- **Copy** is ad text that provides information and sells the product; *body copy*
  - Brand name is name given to a product consisting of words, numbers, or letters
  - **Logo** is a picture, design, or graphic image that represents the brand
  - **Tagline** is a phrase or sentence summarizing an essential part of the product or business; *slogan*

# Creating an Advertisement

- Apply the *four Cs of communication*: clarity, conciseness, courtesy, and correctness
- Copy should:
  - Create intrigue
  - Appeal to the senses
  - Sound newsworthy
  - Use action words. **Action words** are verbs that tell the readers what to do
  - Meet goals

# Creating an Advertisement

- Graphics provide visual interest
- **Typography** is the visual aspect of the words printed on a page
  - **Typeface** is a particular style for the printed letters of the alphabet, punctuation, and numbers
  - **Weight** refers to the thickness and slant of the letters
  - **Environmental print** is print that appears in everyday life

# Creating an Advertisement

- **Art** is all of the elements that illustrate the message of an ad
  - Includes photos, charts, logos
- **Layout** is the arrangement of the headline, copy, and art on a page
  - **White space** is the blank areas on a page where there is no art or copy
- **Signature** identifies the person or company paying for the ad



# Benefits of Advertising on Society

- Increase employment
- Stimulates competition among businesses
- Encourages consumers to seek higher standard of living
- Speeds up the acceptance of new products
- Inform customers about product choices
- Provides revenue for programming and print vehicles
- Helps people learn about health and social issues

# Benefits of Advertising on Society

- Many laws govern advertising
- Industry self-regulates
  - **Advertising Self-Regulatory Council (ASRC)**  
establishes the policies and procedures for advertising self-regulation
  - The *Better Business Bureau (BBB)* promotes fair advertising and selling practices across all industries
- Advertising *ethics* follow rules of truth and accuracy
- Businesses have a duty to improve society in general

# Section 12.2 Review

1. List examples of unique selling propositions often included in advertising.

Price, features, benefits, new items, store location, hours, and sale pricing are USPs often included in advertising.

2. Why is accuracy important in advertising?

Accuracy is important in communication that goes to the public from an organization. Errors, such as misrepresenting a product or misquoting a price, can cause negative public relations for a business.

Grammatical errors, such as misspelling, improper capitalization, and punctuation errors, also tend to negatively affect the public's perception of a business.

# Section 12.2 Review

3. What are five expectations of effective advertising copy?

Effective advertising copy creates intrigue, appeals to the senses, sounds newsworthy, uses action words, and meets goals.

4. What is the function of white space in layout?

White space acts as a frame for the message. It can also separate the parts of an ad so they stand out.

# Section 12.2 Review

5. Identify five federal agencies or offices that are involved in advertising laws and regulations.

The Federal Trade Commission (FTC), Food and Drug Administration (FDA), Federal Communication Commission (FCC), US Patent and Trademark Office, and the Library of Congress are all involved in advertising laws and regulations.