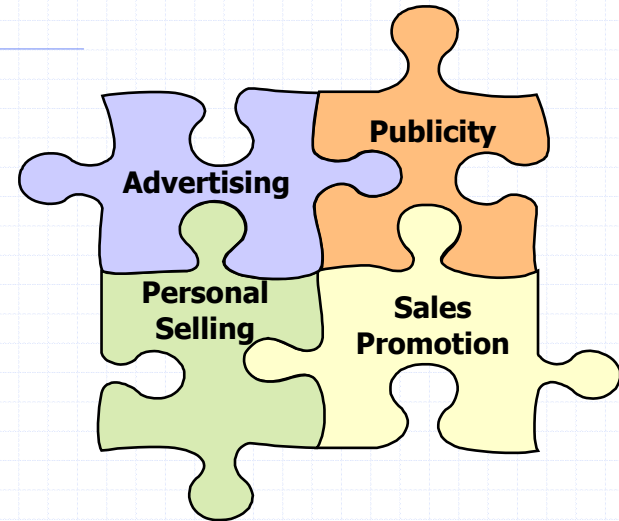


The Promotional Mix









Still Chapter 15
Marketing

Elements of the Promotional Mix



Advertising

- Any **paid** form of **non-personal** communication through a **mass medium** by an organization about its products or services.

Television 	Radio 	Newspaper 	Magazine 
Outdoor 	Direct Mail 	Transit 	Internet 

Advantages/Disadvantages of Advertising



Advantages	Disadvantages
Reaches millions of people	High total cost
Low cost per person	Target audience may not be in right place to receive message
Reaches geographical diverse people at the same time	Impersonal
Most creative and expressive form of promotion	Slow or no feedback
Repetition	



Examples of Publicity



- ◆ Grand opening
 - Bring in celebrities
 - Hold a special event
- ◆ Writing a column in newspaper or magazine
- ◆ Sponsorship
 - Sports
 - Charity events
 - Community events
- ◆ Announcements
 - New products
 - New management hires
 - Remodel or new location
- ◆ Product placements
 - Magazines
 - Movies
 - Television

Advantages and Disadvantages of Publicity

Advantages:

- ◆ May be free
- ◆ Credibility
 - A positive review from a columnist is more likely to persuade someone to buy a new product than an advertisement.
- ◆ Connects product with community
- ◆ Breaks through advertising "noise"

Disadvantages:

- ◆ May be Negative
- ◆ Lack of Control



Personal Selling

- ◆ Selling is **direct, personal communication** with prospective customers in order to **assess needs** and **satisfy those needs** with the appropriate products and services.



Advantages/Disadvantages of Personal Selling

Advantages	Disadvantages
Provides more information	High cost per customer
Flexible, customized message	Time intensive
Immediate user feedback	Less control of message
Persuasive	Requires skilled personnel
Personal follow-up	

Sales Promotions



Offering incentives to customers in order to increase sales

- ✗ Contests
- ✗ Free samples
- ✗ Coupons
- ✗ Frequent buyer programs
- ✗ Gifts
- ✗ Rebates
- ✗ Special Events

Advantages

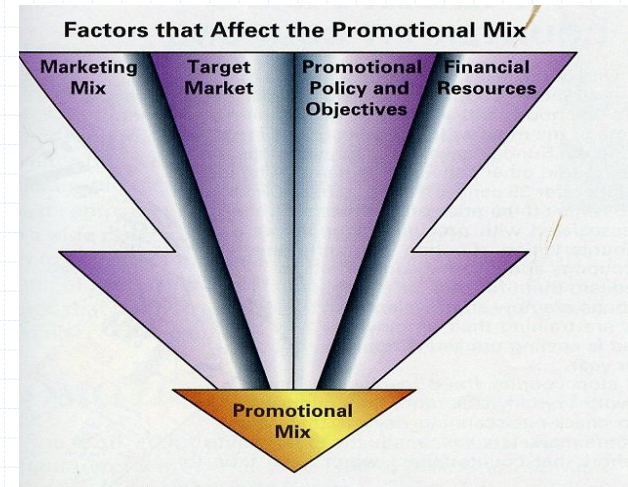
- Immediate increase in sales
- Good way to attract new customers

Disadvantages

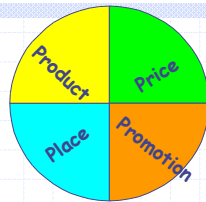
- Customers may become dependent and not buy without an incentive
- May reduce profits



Factors that Affect the Promotional Mix



The Marketing Mix



◆ **Product's** position in the product life cycle

- Introduction
- Growth
- Maturity
- Decline

◆ **Price**

- Expensive items require more personal selling

◆ **Place** - Geographical location

◆ **Cooperative promotions**

Target Market



◆ Focus on target market's needs and wants

◆ Different promotions for:

- Teens
- Young families
- Retired couples
- High income
- Low income

◆ **Affects:**

- Message
- Encoding
- Message Channel
- Anticipated noise
- Feedback



Company Promotion Policy and Objectives

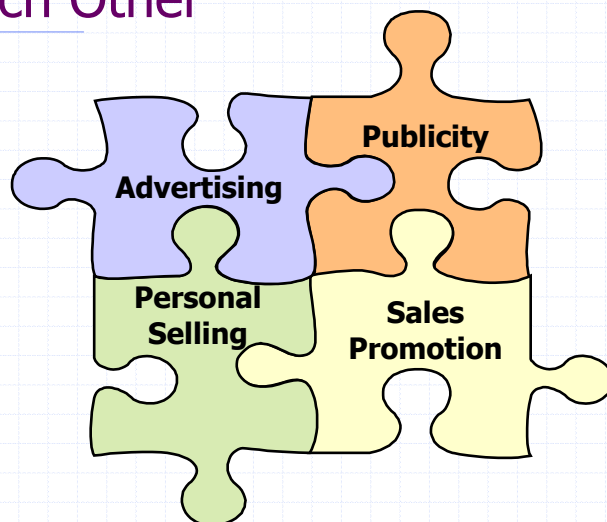
- ◆ Different companies have different promotional philosophies
 - Auto industry and rebates
 - Kraft deciding not to advertise to kids
 - Nebraska Furniture Mart and SALES
 - Pepsi products and contests
 - Hershey's did not advertise until 1950
 - Word-of-mouth philosophy
- ◆ Is primary objective to inform, persuade or remind?

Company Resources

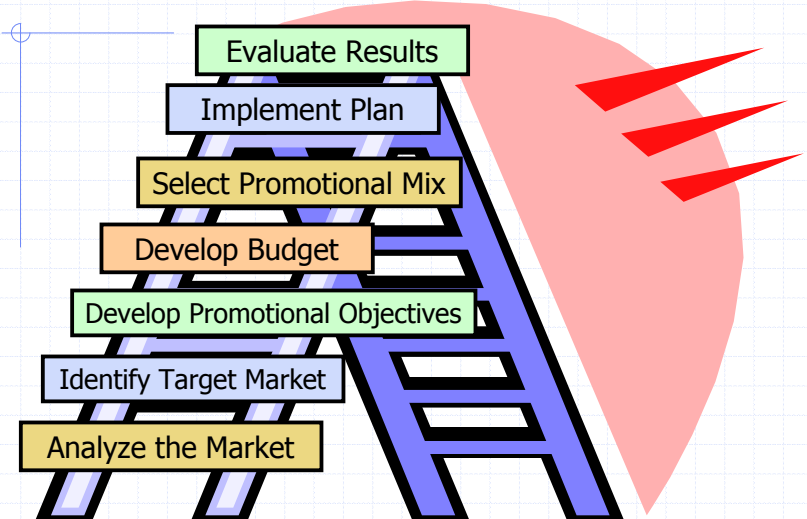
- ◆ Financial situation
- ◆ What is budget for promotions
- ◆ How can limited dollars best be spent on different promotions
- ◆ Nebraska City Tourism example



Promotional Activities Support Each Other



Steps in Promotional Plan



Analyze the Market

- ◆ Market Research
- ◆ Census Data
- ◆ Competitors
- ◆ Strengths
- ◆ Weaknesses

Identify Target Market

- ◆ Based on Market Analysis
- ◆ How does your product satisfy their needs and wants?
- ◆ What promotional strategies may be effective?



Develop Promotional Objectives

- ◆ Purpose of promotion
 - Inform
 - Persuade
 - Remind
- ◆ Objectives should be measurable

Develop Budget

- ◆ Budget should be based on objectives
- ◆ Not, objectives based on budget
- ◆ What percent of budget will be allocated to various promotional activities



Select Promotional Mix

- ◆ What promotional strategies will be used?
 - Advertising
 - Personal Selling
 - Publicity
 - Sales Promotions
- ◆ How will they complement one another?
- ◆ Plan with target market in mind
- ◆ Think about communication process
 - Encoding
 - Message Channel



Implement Plan

- ◆ Create schedule with timetable
- ◆ Assign responsibilities

Evaluate Results

- ◆ Based on objectives
- ◆ Research again
- ◆ Continue?
- ◆ Revise?
- ◆ Change direction?

