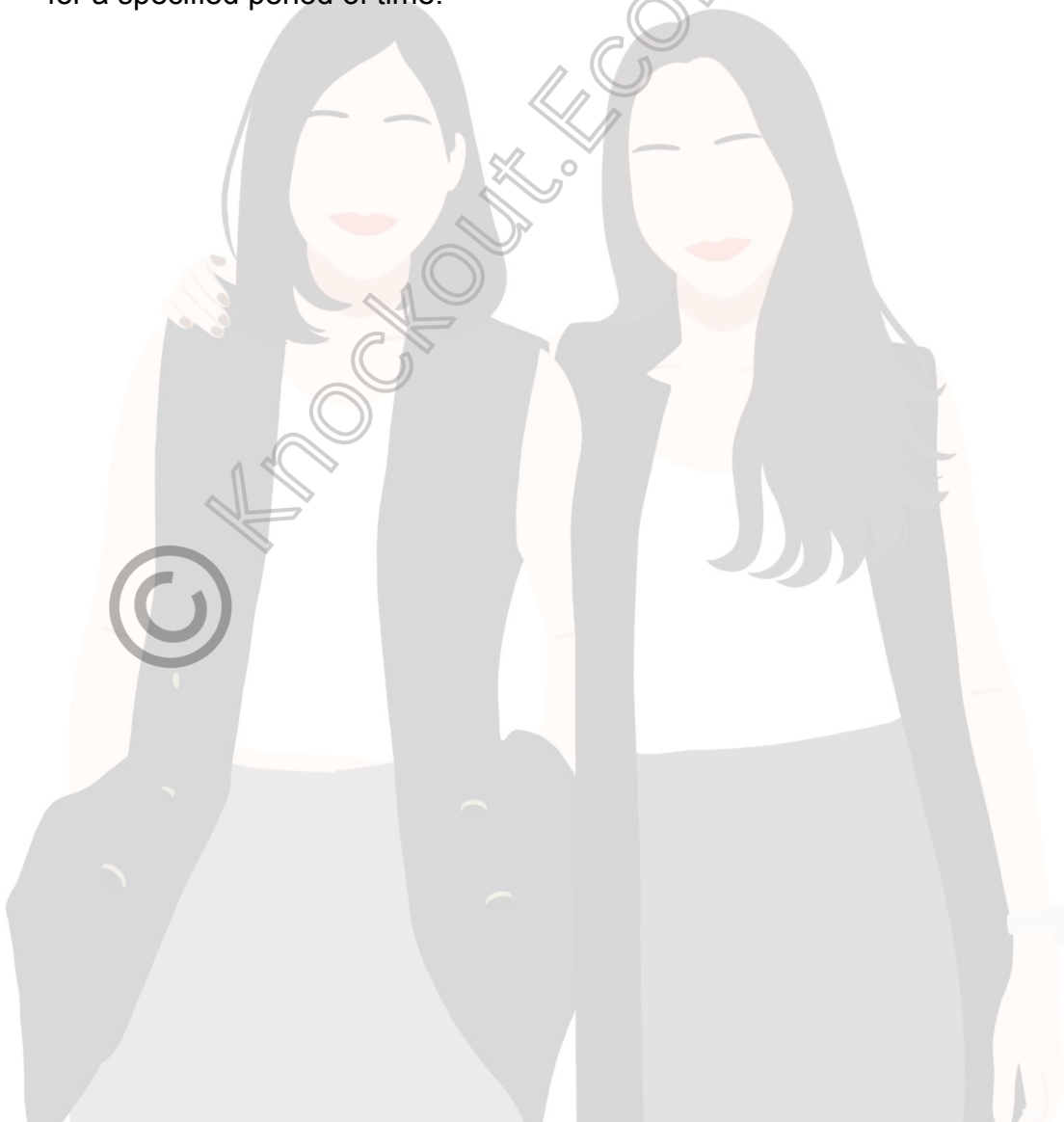


Chapter 14 : The marketing mix - Promotion and technology marketing

Key terms

1. Informative advertising: where the emphasis of advertising or sales promotion is to give full information about the product.
2. Persuasive advertising: advertising or promotion which is trying to persuade the consumer that they really need the product and should buy it.
3. Target audience: people who are potential buyers of a product or service.
4. Sales promotion: incentives such as special offers or special deals aimed at consumers to achieve short-term increases in sales.
5. Marketing budget: a financial plan for the marketing of a product or product range for a specified period of time.

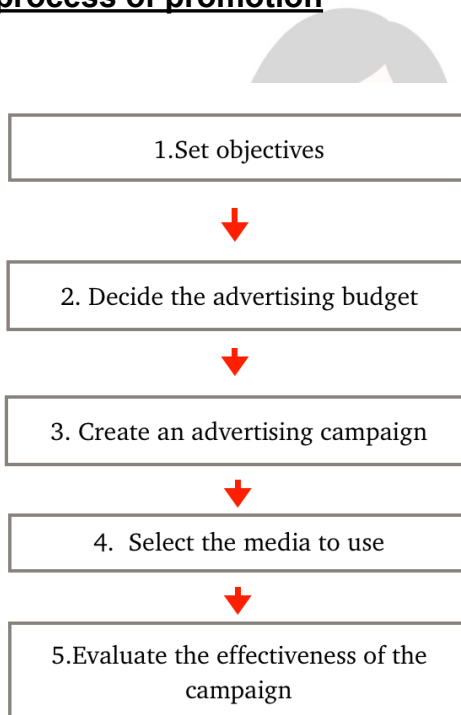


1. **Promotion and the aims of promotion :**

The aims of promotion

- To inform people about particular issues, often used by a government.
- To introduce new products on to the market
- To compete with competitors's products
- To create a brand image
- To increase sales
- To improve the company image

The process of promotion



2. **Different forms of promotion and how they influence sales**

There are two main different forms of promotion, which are advertising (Above-the line promotion) and sale promotion (below-the line promotion).

2.1 Advertising (Above-the-line)

: to give product information and to persuade people to buy

- **Informative advertising:** is where the emphasis of advertising is to give full information of the product.
- **Persuasive advertising:** is advertising or promotion which is trying to persuade the consumer that they really need the product and should buy it.

Advertising Media

Advertising Media	Advantages	Disadvantages
Television (eg. household products)	<ul style="list-style-type: none"> • Get more audience • The product can be shown in an attractive way. 	<ul style="list-style-type: none"> • Very expensive
Radio (eg. Local services)	<ul style="list-style-type: none"> • Cheaper than TV • Usually reach large audience 	<ul style="list-style-type: none"> • Cannot put visual message. • Quite expensive relative to other methods. • It cannot look back at a hard copy.
Newspapers (eg. local events)	<ul style="list-style-type: none"> • Can be selected to target a particular group of people. • Relatively cheap • Adverts are permanent and can be cut and kept. • A lot of information can be put in the advert. 	<ul style="list-style-type: none"> • It is often black and white, so not very eye-catching.
Magazines (e.g. golf)	<ul style="list-style-type: none"> • It is a very effective way to reach a specific target group. • Magazine adverts are in color and therefore more attractive. 	<ul style="list-style-type: none"> • Magazines are often published once a month or a week. • It's more expensive than newspapers.

Poster/Billboards (eg. Local event / Airlines)	<ul style="list-style-type: none"> • Permanent • Relatively cheap • Potential seen by everyone 	<ul style="list-style-type: none"> • Not detailed information can be included. • Can easily be missed as people go past them.
Cinemas, DVD	<ul style="list-style-type: none"> • Can give visual image of product • Relatively low cost • Can be very effective if your target audience goes to see a particular film. 	<ul style="list-style-type: none"> • Seen by a limited number of people.
Leaflets	<ul style="list-style-type: none"> • Cheap • Given out on the street can reach out many people. • Advert can be permanent and can be kept. 	<ul style="list-style-type: none"> • May not be read • Direct email could be delivered door to door or mail to large people. • Annoying some consumers.
Internet	<ul style="list-style-type: none"> • Order can be made • It is cheaper TV • A large amount of information can be placed on websites. • Can select a group of customers. 	<ul style="list-style-type: none"> • Internet access is limited in some areas. • There is a lot of competition from other websites. • Security issues may discourage customers from buying online.
Other forms of publicity	<ul style="list-style-type: none"> • Very cheap form of advertising eg T-shirt, Delivery vehicles 	<ul style="list-style-type: none"> • May not be seen by customers in the target market
Product placement	<ul style="list-style-type: none"> • Products are associated with the image in the programme or movie • Can target a specific audience who view or music video. 	<ul style="list-style-type: none"> • Can be expensive to pay for the placement of the product. • May have negative effects on the customer if the image is not attractive to them.

2.2 Sale promotion: incentive aims at consumers to achieve short-term increases in sales. This can encourage new, existing consumers to buy the product.

- **Price reduction:** reduce price in shops at specific times of the year and money-off coupons to be used when a product is next purchased.
- **Gift :** is placed in the packaging of a product to encourage the consumer to buy it.
- **BOGOF** (Buy one get one free)
- **Point of sale:** is the place where the products are displayed and demonstrated.
- **After sale service** e.g. Warranty 1 years.
- **Free sample :** can be handed out in the shop to encourage the consumer to try the product and hopefully buy it.

The advantages of sales promotion

- It can promote sales at times in the year when sales are traditionally low.
- It encourages new customers to try existing products.
- It encourages consumers to try new products.
- It encourages customers to buy a product more often or in greater quantities.
- It encourages customers to buy your product instead of a competing brand.

The need for cost-effectiveness in spending the marketing budget on promotion

A marketing budget : is a financial plan for the marketing of a product or product range for a specific period of time. This needs to consider “ cost-effectiveness “ : the relationship between monetary units input and desired outcome e.g. sales revenue, expense on advertising.

3. What type of promotion should be used?

4.1 State of product life

4.2 The nature of product itself

4.3 The cultural issues involved in international marketing