

## **Chapter 11 :Promotion and Branding**

### **1. What is promotion?**

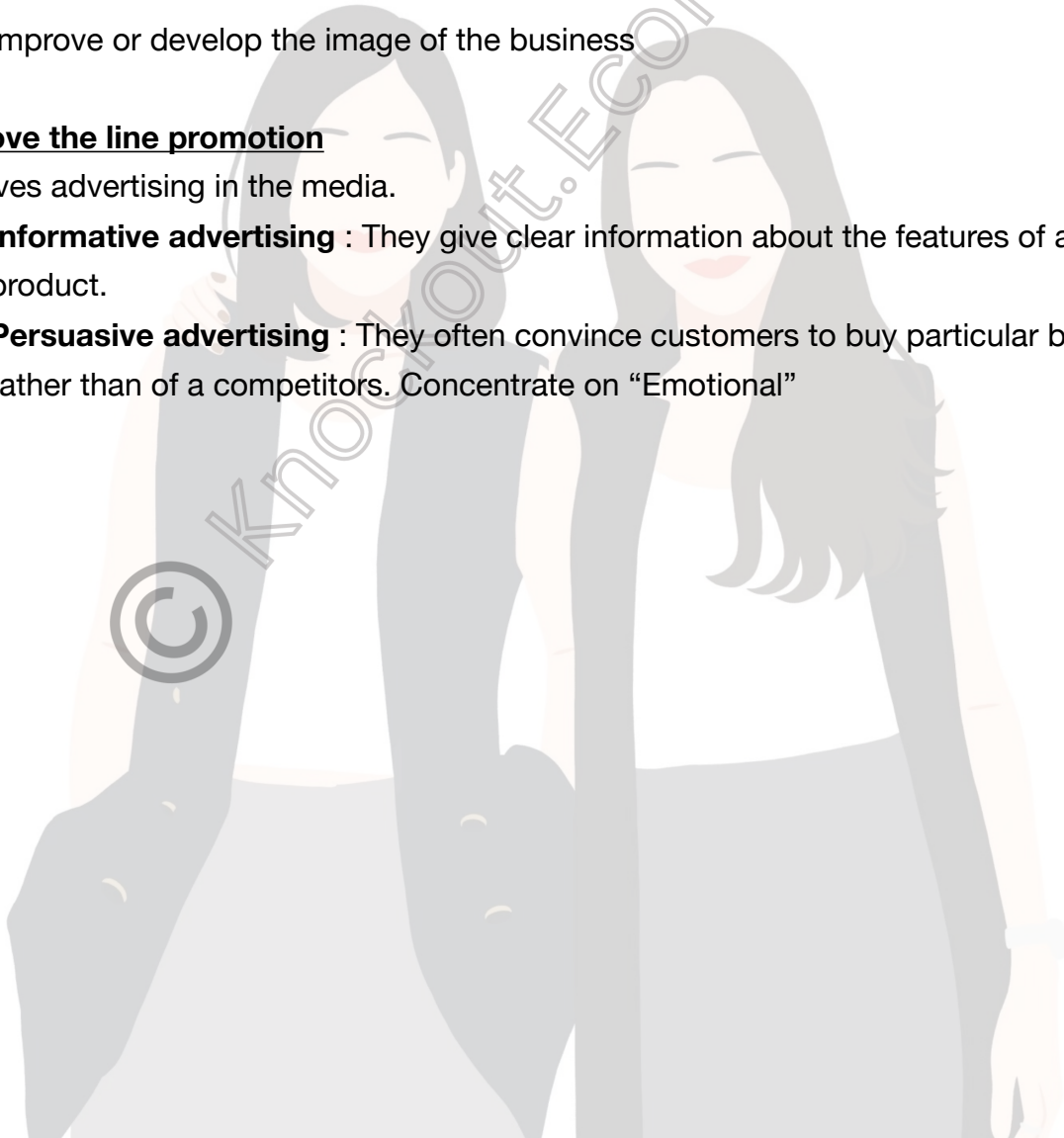
This involves business drawing attention to their products, services, or companies. Also some specific aims

- Tell consumers about new product
- Remind customer about existing products
- Reach a target audience that is spread over wide area
- Reassure customers that rival products are not as good
- Improve or develop the image of the business

### **2. Above the line promotion**

: involves advertising in the media.

- **Informative advertising** : They give clear information about the features of a product.
- **Persuasive advertising** : They often convince customers to buy particular brand rather than of a competitors. Concentrate on “Emotional”



For example ;

Media	Advantages	Disadvantages
Television	<ul style="list-style-type: none"> <li>- Large audiences can be reached</li> <li>- The use of products can be demonstrated</li> </ul>	<ul style="list-style-type: none"> <li>- It is very expensive</li> <li>- Some viewers avoid television ads</li> </ul>
Newspaper and Magazines	<ul style="list-style-type: none"> <li>- It can refer to in the future</li> <li>- It is relatively cheap</li> </ul>	<ul style="list-style-type: none"> <li>- It is not eye-catching, no movement and sound</li> <li>- Individuals ads may be lost in “ Sea of ads”</li> </ul>
Internet	<ul style="list-style-type: none"> <li>- Firms can select audience</li> <li>- It can be measured</li> <li>- For goods available online, there is no delay between seeing ads and shopping for the product online</li> </ul>	<ul style="list-style-type: none"> <li>- Some ads such as pop-up ads irritating</li> <li>- Not everyone can access internet</li> </ul>

### 3. Below the line promotion

**3.1 Sales promotion** : encourage people to buy products

- Free gifts : Business might give free gifts to customers when they buy the products -
- Coupons : Money-off voucher
- Loyalty Cards : Points are collected and then exchanged for cash
- Competitions : An attractive prize is offered to the winners
- BOGOF offers : buy one get one free
- Money-off deals : offer customers discount such as 30% off.

### **3.2 Public Relationship (PR) : business communicate with stakeholders**

- Press Releases : Some information about the business may be presented to the media
- Press conferences : This is where representatives meet with the media and present information to the person

### **3.3 Merchandising and packaging** : point of sales , something interest, eye-catching and likely to encourage sales

- Product layout : The layout of products in a store is often planned very carefully to encourage shoppers to follow particular routes and look at certain products.

### **3.4 Direct mailing** : where business mail out leaflets or letters to households.

**3.5 Direct selling or personal selling** : This might involve “a sale rep” at household or businesses hoping to sell products. It could also a telephone call from call centre where sales staff are employed to sell over the telephone.

## **4. Choosing methods of promotion**

**4.1 Cost** : Cost effective or not?

**4.2 Market type** : Local business often rely on adverts in local newspapers and listing in business phone directories. On the other hands, mass market is likely to use television or national newspaper.

**4.3 Product type:** Certain products are better suited to certain methods of promotion. Eg. Supermarket => not personal selling

**4.4 Stage in the product life cycle** :It is common for promotional methods to change as a product gets older.

**4.5 Competitors' promotions** : It is common for businesses to copy successful methods of promotion used by rivals.

**4.6 Legal factors** : eg. EU tobacco products cannot be advertised on television.

5.) Types of branding

: aims of businesses is to build a powerful brand. Brand involves in giving product a name, sign, symbol, logo, design, etc.

## **5. Types of branding**

**5.1 Manufacturing Brands :** brands created by the producers of goods and services. The manufactures are involved in the production, distribution, promotion and pricing decision.

**5.2 Own-label brands:** (private brands) are products which are manufactured for wholesalers and retailers by other businesses. But the wholesalers and retailers sell the products under their own name.

**5.3 Generic brands:** are products that only contain the name of the actual product category rather than company or product name. Eg . Mama (noodles)

## **6.) The benefits of strong branding**

- **Added value :** A strong brand may add value to a product in the eyes of customers. eg. Brandname bags
- **Ability to charge premium price :** Products with strong brands can be priced higher than those of competitors.
- **Reduced price elasticity of demand :** The strength if a brand may be reflected in the price elasticity of demand for the product. Firms prefer demand inelastic since increase price will less impact on demand.