

## Chapter 39

### Promotion

#### Overviews

1. Above the line and below the line promotion techniques
2. Public relations- improving company image/brand
3. How technology is used in promotion; targeted advertising online, viral advertising, social media and e-newsletters
4. The importance of brand
5. Promotion strategies for different market segments; advertising, sponsorship, product trials, special offers, branding

#### 1. Promotion

- There are 2 method of promotion
- 1) **Above-the-line** : involves advertising on TV, via the internet and other form of medias
- 2) **Below-the-line** : involves sales promotion e.g. Coupon, free gifts, but 1 get 1 free, product placements in TV.

#### 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

#### 2. Above-the-line promotion

: involves advertising on TV, via the internet and other form of medias

Advertising Media	Advantages	Disadvantages
Television (eg. household products)	<ul style="list-style-type: none"><li>• Get more audience</li><li>• The product can be shown in an attractive way.</li></ul>	<ul style="list-style-type: none"><li>• Very expensive</li></ul>

<p><b>Radio</b> (eg. Local services)</p>	<ul style="list-style-type: none"> <li>• Cheaper than TV</li> <li>• Usually reach large audience</li> </ul>	<ul style="list-style-type: none"> <li>• Cannot put visual message.</li> <li>• Quite expensive relative to other methods.</li> <li>•</li> </ul>
<p><b>Newspapers</b> (eg. local events)</p>	<ul style="list-style-type: none"> <li>• Can be selected to target a particular group of people.</li> <li>• Relatively cheap</li> <li>• Adverts are permanent and can be cut and kept.</li> </ul>	<ul style="list-style-type: none"> <li>• It is often black and white, so not very eye-catching.</li> </ul>
<p><b>Magazines</b> (e.g. golf)</p>	<ul style="list-style-type: none"> <li>• It is a very effective way to reach a specific target group.</li> <li>• Magazine adverts are in</li> </ul>	<ul style="list-style-type: none"> <li>• Magazines are often published once a month or a week.</li> <li>• It's more expensive than</li> </ul>
<p><b>Poster/Billboards</b> (eg. Local event / Airlines)</p>	<ul style="list-style-type: none"> <li>• Permanent</li> <li>• Relatively cheap</li> <li>• Potential seen by everyone</li> </ul>	<ul style="list-style-type: none"> <li>• Not detailed information can be included.</li> <li>• Can easily be missed as people go past them.</li> </ul>
<p><b>Cinemas, DVD</b></p>	<ul style="list-style-type: none"> <li>• Can give visual image of product</li> <li>• Relatively low cost</li> </ul>	<ul style="list-style-type: none"> <li>• Seen by a limited number of people.</li> </ul>
<p><b>Leaflets</b></p>	<ul style="list-style-type: none"> <li>• Cheap</li> <li>• Given out on the street can reachout a wide range of people.</li> </ul>	<ul style="list-style-type: none"> <li>• May not be read</li> <li>• Direct email could be delivered door to door or mail to large people.</li> <li>• Annoying some of the consumers.</li> </ul>

<p><b>Internet</b></p>	<ul style="list-style-type: none"> <li>• Order can be made</li> <li>• It is cheaper TV</li> <li>• A large amount of information can be placed on websites which can be seen by large people.</li> <li>• Can select a group of customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Internet access is limited in some areas.</li> <li>• There is a lot of competition from other websites.</li> <li>• Security issues may discourage customers from buying online.</li> </ul>
<p><b>Other forms of publicity</b></p>	<ul style="list-style-type: none"> <li>• Very cheap form of advertising eg T-shirt,</li> </ul>	<ul style="list-style-type: none"> <li>• May not be seen by customers in the target</li> </ul>
<p><b>Product placement (When brand goods and services are featured in</b></p>	<ul style="list-style-type: none"> <li>• Products are associated with the image in the programme or movie</li> </ul>	<ul style="list-style-type: none"> <li>• Can be expensive to pay for the placement of the product.</li> </ul>

### 3. Below the line promotion

#### 3.1) Sale promotion

- 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. E.g. discount 20 percent after spending 10,000.-
- **Gift :** is placed in the packaging of a product to encourage the consumer to buy it.
- **BOGOF** (Buy one get one free)
- **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.

#### 3.2) Merchandising and packaging

- Some businesses may arrange point of sale that is eye catching to encourage sales, called merchandising

#### 3.3) Direct mailing

- Is where businesses send households leaflets or letters or emails.

#### 3.4) Direct selling or personal selling

Involve a salesperson calling at households or businesses hoping to sell products.

#### 3.5) Exhibitions and trade fairs

Some businesses attend trade fairs or exhibitions to promote their products.

#### 3.6) Public relations

- **Press release:** some information about the business may be presented to the media
- **Press conference:** this is where representative face the media and present information verbally.
- **Sponsorship:** linking business brands with sporting events through sponsorship.

Sponsorship means making a financial contribution to an even in return for publicity.

#### 4. Using technology in promotion

- 1) **Online targeted advertising;** it can be directed at people who are likely to be interested in the product.
- 2) **Viral advertising:** direct marketing technique in which a company persuades internet users to forward its publicity material in emails or via social media
- 3) **Social media;** Facebook, twitter, instagram

#### Advantaged of social media

- Cheap
- Business can respond immediately
- Business can communicate directly with customers
- Business can reach out many customers
- Adverts can be accurately targeted

4) **E-newsletters;** it is sent to customers who have already purchased some goods or services or have expresses an interest in the company

#### 5. Branding : Branding is used to

- Differentiate the products
- Create customer loyalty
- Help recognition
- Development an image
- Raise price

#### 6. The use of promotion strategies in different market segment

1. Advertising

E.g. mass markets => use TV advertising or social media

E.g. niche market => specialist magazine or specialist website

2. Sponsorshop

E.g. used int he markets where image or product positioning is important such as Rolex, sponsor of golf tournament

3. Product trials e.g. gym and fitness

4. Special offers; price discount on fast moving consumer goods.