

CHAPTER 17

Promotion

Sections

17.1 Promotion Basics

17.2 Types of Promotion



College
and Career
Readiness

Reading Prep

Before reading the chapter, skim the photos and their captions. As you read, determine how these concepts contribute to the ideas presented in the text.

Check Your Marketing IQ

Before you begin the chapter, see what you already know about marketing by taking the chapter pretest. The pretest is available at www.g-wlearning.com/marketing/.

DECA Emerging Leaders

Marketing Management Team Decision-Making Event, Part 1

Career Cluster: Marketing
Instructional Area: Selling

Knowledge and Skills Developed

Participants will develop many 21st century skills desired by today's employers in the following categories:

- communication and collaboration
- creativity and innovation
- critical thinking and problem solving
- flexibility and adaptability
- information literacy
- initiative and self-direction
- leadership and responsibility
- productivity and accountability
- social and cross-cultural skills

Specific Performance Indicators

- Explain the nature of effective verbal communication.
- Employ communication styles appropriate to a target audience.
- Make oral presentations.
- Explain the nature and scope of the selling function.
- Discuss motivational theories that impact buying behavior.
- Explain the key factors in building a clientele.
- Explain the role of customer service as a component of selling relationships.

Purpose

Designed for a team of two DECA members, the events measure the team's ability to explain core business concepts in the format of a case study in a role-play. This event consists of a 100-question multiple-choice cluster exam for each team member and a decision-making case study situation. The Team Decision-Making Event provides an opportunity for participants to analyze one or a combination of elements essential to the effective operation of a business in the specific career area presented as a case study.

For the purposes of this text, you will be presented with the material for this event in two parts. Part 1 presents the knowledge and skills assessed and an overview of the event's purpose and procedure. Part 2 presents the remaining procedures and the event situation.

Procedure, Part 1

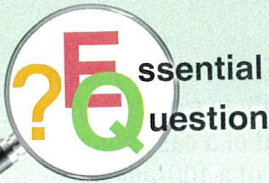
1. For Part 1 in this text, read both the knowledge and skills developed and the specific performance indicators. Discuss these with your team member.
2. If there are any questions, ask your instructor to clarify.

Critical Thinking

1. Evaluate the marketing methods used to meet customer needs.
 2. How is the marketing mix achieved?
- Visit www.deca.org for more information.

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Section 17.1



What does it mean to promote a product?

Promotion Basics

Learning Objectives

- LO 17.1-1 Explain promotion as one of the four Ps of marketing.
- LO 17.1-2 Cite examples of promotional strategies.
- LO 17.1-3 Identify goals of promotion.
- LO 17.1-4 Explain the purpose of a promotional plan.

Key Terms

marketing communication
product promotion
institutional promotion
integrated marketing communications (IMC)
participatory marketing
blog

viral marketing
push promotional concept
pull promotional concept
persuasion
promotional campaign
AIDA

LO 17.1-1

Marketing Promotion

Promotion is one of the four Ps of marketing. It is the process of communicating with potential customers in an effort to influence their behavior or beliefs. Businesses are interested in influencing a customer's buying behavior by promoting the price of a product, its features and benefits, and the place where it is offered. If customers do not know a product exists, they *cannot* buy it. If customers do not know where to find the product, they will *not be able* to buy it. Organizations, such as charities, also conduct promotions. Their goal is often increasing public awareness or influencing the public to support a cause, frequently through financial donations.

Promotion is considered **marketing communication**, which is broadly described as communications from an organization to its customers and to the public. It is the most visible part of marketing. Because it is important to the success of a business, some organizations have a marketing communications team, often called *MarCom*, that focuses on communication for the organization.

Two basic types of promotion are product promotion and institutional promotion. A **product promotion** promotes specific products, as illustrated in Figure 17-1. Most promotional campaigns are product promotions. In contrast, an **institutional promotion** is promoting the company rather than its products, as shown in Figure 17-2. These promotions are designed to create a favorable view of the company and its



©California Milk Advisory Board

Marketing messages are often clever or humorous to draw attention to them, like this advertisement for the California Milk Advisory Board. *What types of marketing messages attract your attention?*

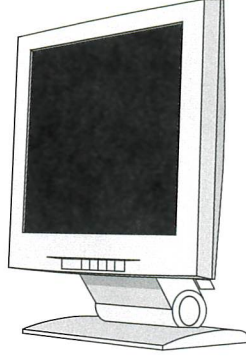
Product Promotion

Get your computer working like a dream.

Slowdown? Virus? Crashes? Raj's fixes every kind of computer, old or new.

Let us make your life easier!

Raj's Computer Repair
www.rajcomputerrepair.com



Goodheart-Willcox Publisher

Figure 17-1 A product promotion is for a specific product.

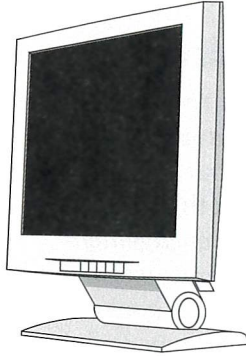
Institutional Promotion

Raj's supports a cleaner Detroit.

We worked with partners to recycle 200 used computers and components last year.

See us for all your computer needs!

Raj's Computer Repair
www.rajcomputerrepair.com



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Figure 17-2 An institutional promotion promotes the company rather than its products.

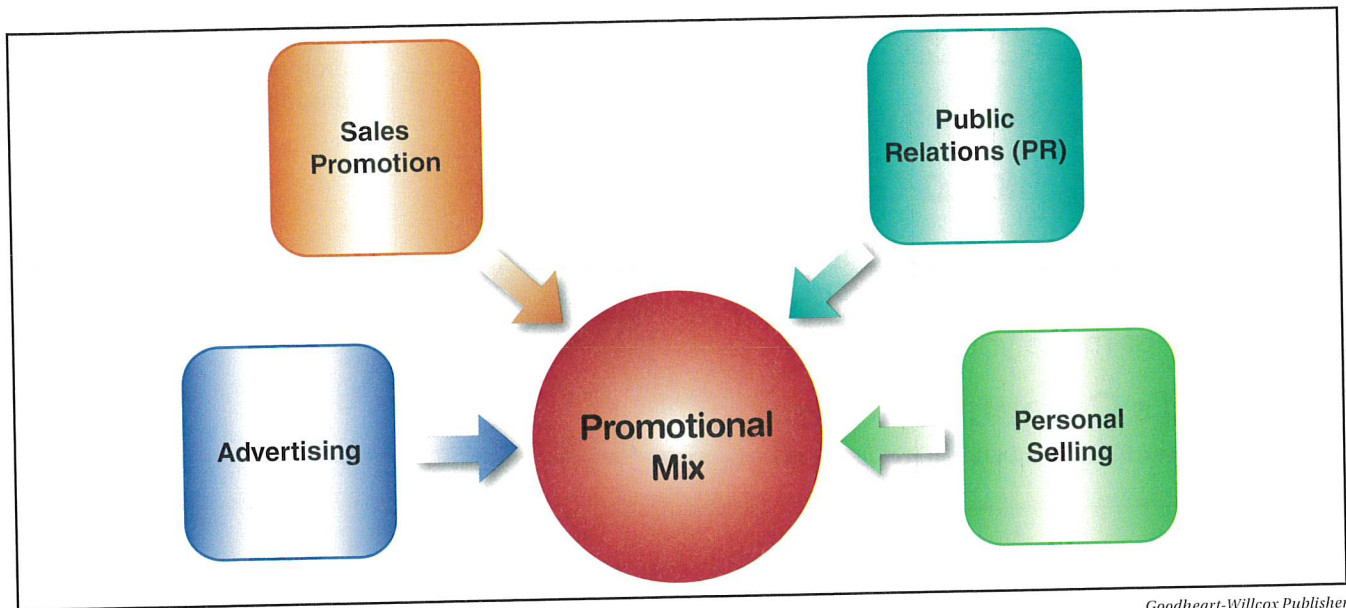
brands and increase awareness. Increased awareness will hopefully lead to increased sales.

LO 17.1-2 Promotional Strategies

Many promotional strategies can be used to promote an organization's products or brands. The *promotional mix*, shown in Figure 17-3, is a combination of the elements of advertising, sales promotion, public relations, and personal selling used to reach the target market. These elements are sometimes referred to as a *promotional channel* because each element of the mix is a channel, or method, used to communicate information. Promotional strategies involve choosing the best promotional mix for the budget. Each dollar spent on promotions should provide a return on the marketing investment.

Integrated Marketing Communications

Integrated marketing communications (IMC) is an approach to marketing that integrates all promotional efforts to deliver one message about a product using various media. Not all the pieces of the promotional mix need to be used at one time. However, when multiple components are used, they must complement each other to effectively convey a clear and consistent message. All the promotional elements used should present a unified image about the product or business. For example, Apple uses the slogan, "Think Different" on each promotional piece. If the slogan were omitted from any element, the message would be lost and money would be wasted. IMC integrates every element to convey the same story.



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Figure 17-3 Many promotional strategies can be used to promote products and an organization's brand.

Participatory Marketing

IMC can be designed to trigger responses from an audience. **Participatory marketing** is a strategy that invites customers to participate in an element of the promotional mix through a type of response. It is also referred to as *engagement marketing* because it requires communicating *with* customers rather than *at* customers. A goal is to create a connection between a customer and the brand. It also seeks input from an audience and takes action on their feedback. This strategy works on the premise that customers will participate in promotional activities when they think they will benefit. Contests, free samples, and opportunities to voice opinions are examples of ways in which customers can participate in marketing promotions. Examples of participatory marketing include e-mail campaigns, social media, videos, and blogs.

- **E-mail campaigns** are a form of participatory marketing that is easy to implement. Organizations can push information to customers who choose to opt-in to the promotion. E-mail can be an effective tactic to provide information, new product updates, or announce sales.
- **Social-media** platforms such as Twitter, Facebook, and Instagram are used by marketers to encourage customers to participate virtually. Social media creates online communities where information, ideas, messages, and pictures can be shared. Marketers can take advantage of social media to make special offers, create dialogue about products,

encourage feedback, and address other topics of interest.

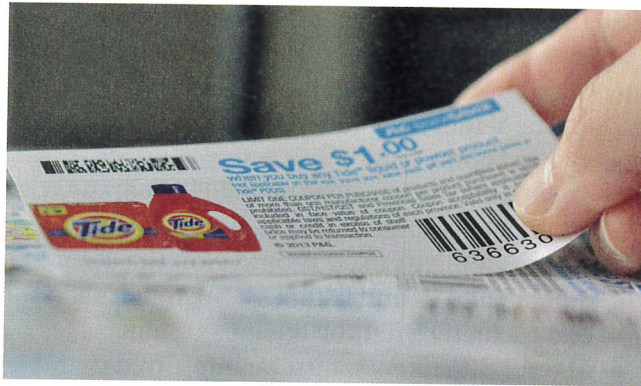
- **Videos** can also be shared through social media. Marketers can post product demonstrations, creative advertisements, and other videos about a product or business that people will want to share. Viewers can leave comments, recommend products, and share links to the videos posted.
- A **blog** is a web page in a journal format created by a person or organization. A blog can be linked to the main business website or function as a stand-alone website. A marketer can make regular posts about products or services and provide the most up-to-date information.

Participatory marketing can be effective, especially when it results in viral marketing. **Viral marketing**, or *buzz marketing*, is information about products that customers or viewers feel compelled to pass along to others. Both are alternative terms for *word-of-mouth advertising*. Social media is the basis of viral marketing because sharing is built into the platforms and shows quick results.

Push and Pull Strategies

Promotional strategies take into consideration how the product travels from the manufacturer to the retailer and then to the customer. These strategies affect which element of the promotional mix is used.

The **push promotional concept** is a manufacturer *pushing a retailer* to handle that manufacturer's merchandise to sell to customers. The



lcatnews/Shutterstock.com

In a pull promotion, the manufacturer pulls customers to actively seek out that manufacturer's product.

How does the push promotional concept encourage customers to buy?

manufacturer works directly with retailers and encourages them to carry products by offering discounts or other incentives. They may provide displays and other materials to make it easier for the retailer to reach a customer.

The **pull promotional concept** is a manufacturer *pulling customers* to actively seek out that manufacturer's product. A pull promotion for a manufacturer may be discounts and promotional items to pull customers into a store to request the item. For example, Procter & Gamble may send coupons directly to customers for a new soap product. The customer has the coupon in hand and goes to the retailer to find the product. Customer demand encourages the retailer to go the manufacturer and stock the product. The pull promotional concept takes advantage of supply and demand. If customers want a product, the retailers will stock it.

L0
17.1-3

Goals of Promotion

Promotion has three goals: to inform, persuade, or remind people about the business or its products. Some promotions do one thing, while others may do all three. Effective promotions reach the target market with a message the customer values.

Inform

Promotions that *inform* tell people something they want or need to know to make decisions. Brochures, advertisements, e-mails, and catalogs make customers aware of the latest product offerings. Businesses aim to keep current and potential customers informed about:

- existing products;
- new products;
- new features of existing products;
- how to use or assemble products;
- safety issues that may affect the use of a product;
- charities and cultural organizations the business supports; or
- events the business sponsors in the community.

Persuade

Persuasion is the use of logic to change a belief or get people to take a certain action. The end goal of most promotions is to persuade people to buy a product. Information is given about product features and consumer benefits. The target market must consider the purchase worthwhile. Otherwise, the message is not persuasive. Rebates, loyalty programs, or new product samples may persuade customers to take action.



PureSolution/Shutterstock.com

The end goal of most promotions is to persuade people to buy a product. *When have you been persuaded by a promotional message?*



Marketing Ethics

Truth-in-Advertising Laws

It is unethical to take part in deceptive advertising or marketing practices. Marketers must comply with truth-in-advertising laws and make promotional messages that are truthful and not misleading. This is not only an ethical and legal consideration, but it is also considered a good business practice.

Remind

Promotions that *remind* are created to strengthen the message in a person's mind by exposing him or her to the message frequently. The first few times a person sees a message, he or she may not remember it. Reminder messages are those that appear in multiple places over a period of time. For example, when watching television, think about how many times you see the same commercial. By showing it often, the goal is to strengthen the message in the mind of the viewer.

L0
17.1-4

Promotional Plan

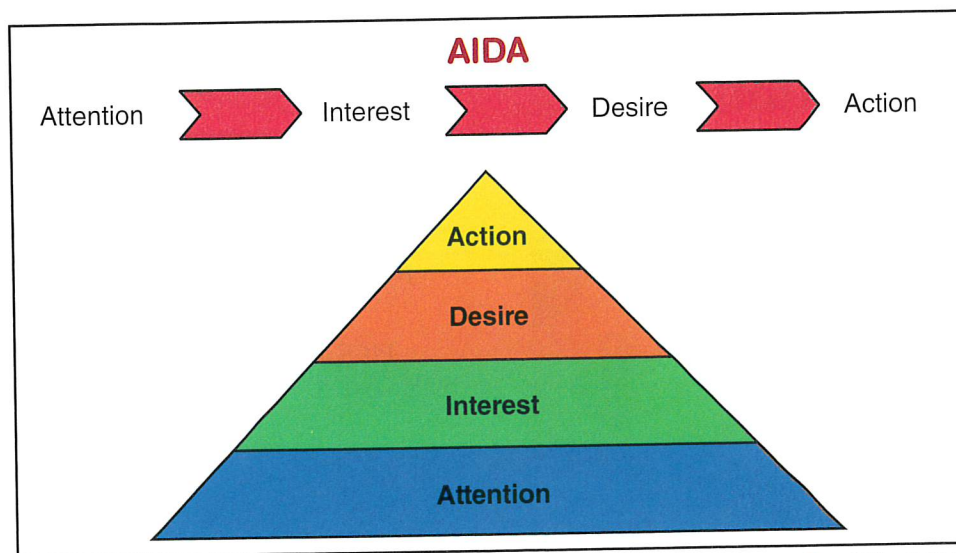
The coordination of marketing communication to achieve a specific goal is a **promotional campaign**. It is also called a *promotional plan*. Promotional

plans are designed to encourage customers to buy. Each element of the promotional mix is focused on attracting customer attention, interest, desire, and action. The acronym for these activities is **AIDA**, which is shown in Figure 17-4.

- **Attention.** Getting customers to look at the product or promotion is the first step. The design elements used should gain the attention of viewers and listeners. Customers should know exactly what the business offers.
- **Interest.** Customers must be interested in the business or product to make a purchase. The promotion should identify the features and benefits most important to the customers. It should show the business is interested in the specific needs of customers.
- **Desire.** The promotion should encourage customers to sample, use, or touch the product. This persuades customers to experience and want it. Positive experiences with the product may create desire to purchase it.
- **Action.** The promotion should explain exactly how, where, and when the product can be bought. It should be convenient for customers to buy.

AIDA integrates the different elements of the promotional mix. Following the AIDA model helps marketers focus and create effective promotional messages.

Included in a promotional plan is a detailed list of goals, dates, and other activities that are carefully researched and documented. This serves as a guideline to make sure the business can reach its goals effectively.



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Figure 17-4 Each element of the promotional mix is focused on attracting customer attention, interest, desire, and action.



Employability Skills

Networking

Networking means talking with others and establishing relationships with people who can help you achieve career, educational, or personal goals. A professional network is a group of professionals you know and who know you. These people are supportive in your career endeavors and may or may not be social friends.

Goals

The first step in creating a promotional plan is to identify the goals for the promotion. Goals should follow the SMART goal model and be specific, measurable, attainable, realistic, and time-related. Promotional campaigns may run for a limited time or be ongoing.

Budget

The promotional budget is important to the overall success of the plan. If a company has multiple products to promote, each product will be assigned a specific budget within which the promotional plan must operate. It is important to

realize that not every plan will have a large budget. Sometimes creativity is necessary when budget dollars are not as high as requested.

Target Market

A target market is the specific group of customers whose needs and wants a company will focus on satisfying. Each dollar of marketing must be spent wisely, so targeting the appropriate customer is necessary to maximize exposure of a product.

Marketing Mix

The marketing mix is the strategy for using the elements of product, price, place, and promotion. Each of these elements will influence the budget and the target market. For example:

- the *product* must be clearly defined to determine the type of promotion that is appropriate;
- the *price* of an item can determine which element of the promotional mix is needed, such as coupons or rebates, which will be influenced based on projected revenue; and
- *place* is important, especially if the product is only available online or in a store.

Promotional Mix

The promotional mix will be determined based on the goals, budget, target market, and



Targeting the appropriate market, such as parents of young children, can maximize the exposure of a product. *How is this promotional message appropriate for its target market?*

Kraphix/Shutterstock.com

marketing mix for the product. Decisions will be made as to which elements will be used to reach the customer in the target market. If more than one promotional element is used, IMC will be used to create a unified marketing message. This means that advertising, sales promotion, public relations, direct marketing, and personal selling must all work together to strengthen the brand and use the budget in an effective manner.

Implementation

The promotional plan is the overall strategy for the product that is being marketed. A detailed budget and schedule of execution will be created for the plan. Within the promotional plan, there may be specific plans related to individual promotional elements that were selected. For example, a separate advertising plan, including a schedule and budget, may be necessary if advertising pieces are part of a campaign. This can apply to each promotional mix element that is used.

Evaluation

Metrics are standards of measurement that determine the effectiveness of a promotion.

Metrics can be basic, such as tracking the number of website visits during a promotion. They can be complex, such as tracking the number of products sold during a promotion. Each dollar spent on promotions should provide a return on the marketing investment. Sales tracking can help marketers learn which promotions influenced sales the most. Examples of metrics include the following.

- *New-customer metrics* measure market share, cost of acquiring new customers, customer awareness levels, and brand awareness.
- *Customer-retention metrics* measure customer retention and abandonment rates, brand loyalty, return visits, and the likelihood to refer a brand.
- *Product metrics* measure overall customer satisfaction, ease of learning and using a product, and first-time-user satisfaction.

Marketers choose the best metrics to meet the goals of the promotion. After evaluating the results, decisions can be made on what worked and what did not work. This helps guide decisions regarding future promotions.

Section 17.1 Review

Check Your Understanding

1. Distinguish between a product promotion and an institutional promotion.
2. Describe the concept of the promotional mix.
3. Provide examples of participatory marketing.
4. Explain the AIDA model.
5. How are promotions commonly evaluated for effectiveness?

Build Your Vocabulary

As you progress through this text, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add them to your personal glossary.

AIDA

blog

institutional promotion

integrated marketing communications (IMC)

marketing communication

participatory marketing

persuasion

product promotion

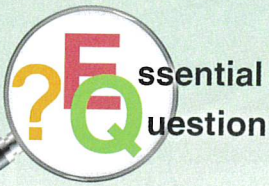
promotional campaign

pull promotional concept

push promotional concept

viral marketing

Section 17.2



Why would a marketer use more than one type of promotion?

Types of Promotion

Learning Objectives

- LO 17.2-1 Cite examples of media used in advertising.
- LO 17.2-2 Describe direct marketing.
- LO 17.2-3 Identify types of sales promotions.
- LO 17.2-4 Explain two types of public relations (PR).
- LO 17.2-5 Differentiate between B2C sales and B2B sales.

Key Terms

advertising
preselling
embedded marketing
direct marketing
sales promotion
event marketing
visual merchandising

public relations (PR)
press release
press kit
press conference
personal selling
business-to-consumer (B2C) selling
business-to-business (B2B) selling

LO
17.2-1

Advertising

Advertising is any nonpersonal communication paid for by an identified sponsor. It can be the key part of the promotional mix as it provides information about the features and benefits of a product, including prices and descriptions. Advertising is also a good strategy to presell products.

Preselling is creating interest and demand for a product before it is available for sale.

Traditional advertising includes print and broadcast media. However, other media, such as outdoor signage or Internet advertisements, may be used in an advertising campaign.

- **Print media.** Print media is one of the most effective forms of advertising. It includes all tangible promotional messages used in mass communication. Newspapers, magazines, and directories are print media.
- **Broadcast media.** There are two forms of broadcast media: television and radio. Radio and television advertisements, or *commercials*,

reach a large number of people daily. Although commercials are typically 15-, 30-, or 60-second messages, they can be expensive to create.

- **Outdoor media.** Outdoor media, such as billboards and transit media, can be an affordable advertising method to display promotional messages 24 hours a day. Outdoor signage can be print or electronic.
- **Internet advertising.** Internet advertising is placing advertisements on websites or sending e-mail campaigns where typical viewers are the target market.

Advertising can be used in unique ways to capture the attention of the audience. Think about a movie or television show that you have seen lately. Did you see a familiar consumer product being used by the actors, such as an automobile or food product? The actor may not have mentioned the product, but the audience recognized it and made a connection that the product was visible. This technique is known as **embedded marketing**, which is intentionally and subtly placing a branded product in a media without formally

To receive a rebate, a customer is required to complete a form and mail it to the manufacturer. Some rebate forms are completed online. The manufacturer then sends a check for the rebate amount to the buyer. However, it may take months for the customer to receive a rebate. Because only a small percentage of rebates are actually claimed, the strategy results in most customers paying full price. This can result in a higher profit than using discounts or sales.

Promotional Items

Promotional items are given away to remind customers about a business and its products. The business name, address, phone number, and website are often printed on the items. Promotional items can include inexpensive items, such as key chains, calendars, pens, and pencils. They can also be more expensive items, such as blankets, calculators, or books. Marketers sometimes call them *marketing premiums*.

Samples

When introducing a new product, companies may offer free product samples to encourage customers to try the new items. Samples give customers the product experience; they hopefully will like the product and purchase it. Product samples are often given in stores, such as food

samples in grocery stores. They may also be small, individual samples sent by direct mail, such as those sent by cosmetic companies. Some retailers offer samples from vending machines at which customers can scan their membership or loyalty cards to receive a free sample.

Loyalty Programs

Many companies reward customers for their continued business through loyalty programs. Loyalty programs can take many forms. The most common ones revolve around giving customers a free product or service after making a certain number of purchases. For example, a hair salon may give each customer a card that is punched every time he or she receives a haircut. After 12 punches, the next haircut is free. Customers like the free products, and loyalty programs often encourage repeat sales.

Contests and Sweepstakes

Contests and sweepstakes are tools that encourage people to visit a store or provide contact information. These promotional tools help marketers capture data for future campaigns or market research purposes. In *contests*, customers must do something to win, such as submit a video of themselves using the product. *Sweepstakes* are games of chance in which prizes are given to randomly selected winners from a number of entries.

Trade Shows

Many businesses exhibit at industry trade shows and conventions. Marketers attend trade shows to introduce new products or sell existing products to potential customers. Trade shows provide a face-to-face opportunity to talk with customers, gather sales leads, and give a promotional item or sample of a product or service.

Marketers often use event marketing strategies at trade shows. **Event marketing** is a promotional activity that encourages customers to participate rather than just observe. For example, conducting a cooking demonstration allows people to interact with the demonstrator and the product.

Sponsorships are another way marketers can help reach business goals at a trade show. A *sponsorship* is the support of an activity, usually financial, that can help a business meet its goals. A company might host a refreshment break for trade-show attendees or provide financial support



Alfie Photography/Shutterstock.com

Promotional items are given away to remind customers about a business and its products. **What promotional items have you received from a company?**



You Do the Math

Statistical Reasoning

Qualitative data include things that can be observed, but not measured. Smell, taste, color, appearance, and texture are all examples of types of qualitative data. On the other hand, quantitative data include things that can be measured. Distance, weight, cost, speed, and temperature are all examples of types of quantitative data.

Solve the following problems.

1. The catalog description of a product reads as follows: attractive, blue product has a smooth finish, fits in a space 5 inches wide, and weighs 14 ounces. List the qualitative data and quantitative data in this description.
2. A business describes its customer service staff as follows: a staff of 17 pleasant and helpful representatives includes five certified technicians and two master technicians. List the qualitative data and quantitative data in this description.
3. Look around your classroom. Describe your classmates using only quantitative data.

to honor an outstanding professional at a closing show session. Sponsorships send the message that the business cares and supports customers and the organization. They can create positive brand recognition as well as goodwill.

Displays

Visual merchandising is the process of creating floor plans and displays to attract customer attention and encourage purchases. Retail stores use displays to build product awareness. Attractive visual merchandising can tempt potential customers to purchase. Many stores display merchandise at the checkout counter to increase sales. These are called *point-of-purchase (POP)* displays.

LO
17.2-4

Public Relations (PR)

Public relations (PR) consists of the marketing activities promoting goodwill between a company and the public. Unlike advertising, public relations is unpaid media coverage. Public relations can be proactive or reactive.

Proactive public relations is when the company presents itself in a positive manner to build an image. For example, companies issue PR communications to explain their contributions to the community, environment, and other socially responsible activities.

Reactive public relations is used to counteract a negative public perception about the company.

Negative media publicity can be received for any number of reasons. Marketers need to take action to reestablish the positive image of the company. An example of reactive public relations is the effort by BP to clean up the *Deepwater Horizon* oil spill it caused in the Gulf of Mexico in 2010.

Established businesses may hire PR managers or specialists to coordinate media communications. In general, most public relations activities cost little or are free. It takes time to create the PR materials, but the only other cost may be printing. Some communication channels used in PR include press releases, press kits, and press conferences.

Press Release

A **press release**, or *news release*, is a story featuring useful company information written by the company PR contact. Press releases are sent to selected media that will reach the target market. Many industry associations can help guide this process. The media will only publish information in a press release if it is considered newsworthy.

Press Kit

A **press kit** is a packet of information sent to the media about a new business opening or other major business events. Press kits can include marketing materials, photos, videos, frequently-asked-questions (FAQ) sheets, and other important information. Many companies create *green press kits* that include only web-delivered information rather than printed materials to save paper.

Press Conference

A **press conference** is a meeting set by a business or organization to which the media is invited to attend. Press conferences are called to make major announcements that affect a large number of people. Large press conferences may be televised and covered by major print and broadcast media. Smaller press conferences may just include local media.

LO
17.2-5

Personal Selling

Personal selling is any direct contact between a salesperson and a customer with the objective of making a sale. Customers appreciate face-to-face interaction when making a buying decision. While the other elements of the promotional mix are important, most customers prefer personal contact. By meeting customer needs with a product, a company can grow company sales.

Business-to-consumer (B2C) selling is selling to consumers. Retail is a typical example of the B2C market. Most retail sales are made by a salesperson in the place of business. However, some retail businesses conduct the selling process via



Uber Images/Shutterstock.com

Customers appreciate face-to-face interaction when making a buying decision. *When has a salesperson helped you make a buying decision?*

telephone. **Telemarketing** is personal selling done over the telephone.

Business-to-business (B2B) selling is a business selling to another business. B2B sales may also be called *field sales*, *industrial sales*, and *organizational sales*. Companies that sell equipment and raw materials to manufacturers are involved in B2B sales. Manufacturers that sell finished products to retailers are involved in B2B sales.

Section 17.2 Review

Check Your Understanding

1. Why can advertising be the key part of the promotional mix?
2. What is a call to action?
3. How are sponsorships used in sales promotion at trade shows?
4. List communication channels used in public relations (PR).
5. Provide an example of B2B sales.

Build Your Vocabulary

As you progress through this text, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add them to your personal glossary.

advertising
business-to-business (B2B) selling
business-to-consumer (B2C) selling
direct marketing
embedded marketing
event marketing
personal selling

preselling
press conference
press kit
press release
public relations (PR)
sales promotion
visual merchandising

Chapter Summary

Section 17.1 Promotion Basics

LO 17.1-1 Explain promotion as one of the four Ps of marketing.

Promotion is one of the four Ps of marketing. It is communicating with potential customers in an effort to influence their behavior or beliefs. Businesses are interested in influencing a customer's buying behavior by promoting the price of a product, its features and benefits, and the place where it is offered. Promotion is considered marketing communication.

LO 17.1-2 Cite examples of promotional strategies.

Many promotional strategies can be used to promote an organization's products or brands. Integrated marketing communications (IMC) integrates all promotional efforts to deliver one message about a product using various media. Participatory marketing invites customers to participate in an element of the promotional mix through a type of response. Push promotions push a retailer to handle that manufacturer's merchandise to sell to customers. Pull promotions pull customers to seek out that manufacturer's product.

LO 17.1-3 Identify goals of promotion.

Promotion has three goals: to inform, persuade, or remind people about the business or its products. Promotions inform people of something they want or need to know to make decisions. Persuasion changes a belief or gets people to take action. The end goal of most promotions is to persuade people to buy a product. Promotions that remind are created to keep the product on a person's mind.

LO 17.1-4 Explain the purpose of a promotional plan.

Promotional plans are designed to encourage customers to buy. Each element of the promotional mix is focused on attracting customer attention, interest, desire, and action.

Included in a promotional plan is a detailed list of goals, dates, and other activities that are carefully researched and documented.

Section 17.2 Types of Promotion

LO 17.2-1 Cite examples of media used in advertising.

Traditional advertising includes print and broadcast media such as newspapers, magazines, directories, television, and radio. Other media, such as outdoor signage or Internet advertisements, may also be used in an advertising campaign.

LO 17.2-2 Describe direct marketing.

Direct marketing is sent directly to individual customers without the use of a third party. It has a distinct advantage in that it can be tracked because it is sent to individual addresses. Direct marketing includes a call to action as part of the message. Success can be measured when the customer actually reads the message and responds in some way.

LO 17.2-3 Identify types of sales promotions.

Sales promotion is the efforts used to encourage customers to buy a product as soon as possible. A sales promotion can include coupons, rebates, promotional items, samples, loyalty programs, contests and sweepstakes, trade shows, and displays.

LO 17.2-4 Explain two types of public relations (PR).

Public relations (PR) consists of the marketing activities promoting goodwill between a company and the public. Proactive public relations is when the company presents itself in a positive manner to build an image. Reactive public relations is used to counteract a negative public perception about the company.

LO 17.2-5 Differentiate between B2C sales and B2B sales.

Personal selling is any direct contact between a salesperson and a customer. Business-to-consumer (B2C) selling is selling to

consumers. Business-to-business (B2B) selling is a business selling to another business.

Check Your Marketing IQ

Now that you have completed the chapter, see what you have learned about marketing by taking the chapter posttest. The posttest is available at www.g-wlearning.com/marketing/.

Review Your Knowledge

1. Explain promotion as one of the four Ps of marketing.
2. Cite examples of promotional strategies.
3. Identify goals of promotion.
4. Explain the purpose of a promotional plan.
5. Explain types of promotion.
6. Cite examples of media used in advertising.
7. Describe direct marketing.
8. Identify types of sales promotions.
9. Explain two types of PR.
10. Differentiate between B2C sales and B2B sales.
6. Determine which types of advertisement would reach your target market. Select at least one type of media you will use.
7. Determine which types of sales promotions would reach your target market. Select at least one type of sales promotion you will use.
8. Write a press release to inform your company's industry about your product or brand.
9. You will need to train the sales team to sell your product. Make a list of the features and benefits that you will use as part of the training script.
10. Outline a social media plan for your business.

Apply Your Math Skills

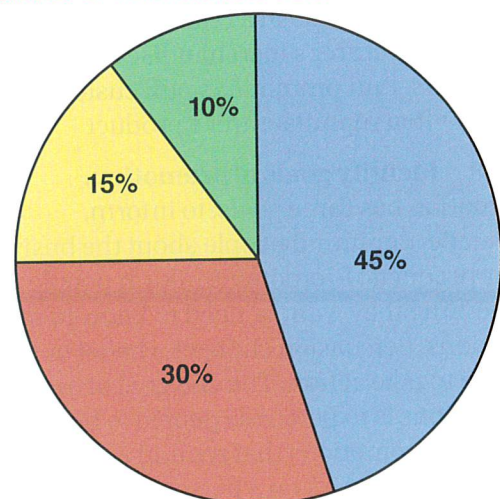
A new teen apparel company, Sasha's Threads, is implementing a promotional plan to promote the new brand. Apply your math skills to solve the following problems.

1. Sasha's Threads has a total promotional budget of \$3,000. The circle graph shows the percentages of the budget spent on different types of promotions. Interpret the graph to calculate the dollar amount spent on each type of promotion.

Apply Your Knowledge

1. You will be creating a promotional campaign for your chosen business. Decide if you will create an institutional promotional campaign or product promotion campaign. Describe what you need to understand to create a promotional schedule for the campaign.
2. Which promotional strategies will you use in your promotional campaign? Explain your selections.
3. Which promotional goals will your campaign seek to achieve: informing, persuading, or reminding customers of the product or brand? List the information you will need to relate to the customer in order to achieve this goal.
4. Compare and contrast elements of the promotional mix. Explain how your promotional plan will use each one in your promotional campaign.
5. To which types of promotion do you think your target market will respond? Explain your reasoning.

Sasha's Threads Promotional Budget



- Internet advertisements
- Print advertisements
- Promotional items
- Charitable donation as proactive PR

2. Print advertising for Sasha's Threads included an advertisement in a local magazine with a circulation of 2,000 households. The advertisement included a coupon that 80 customers redeemed. What percentage of potential customers who received the coupon actually redeemed it?

Communication Skills



College and Career Readiness

Writing Revision is the key to effective writing. Write a promotional message for a new brand of toothpaste called Pearly White. Decide if the message will inform, persuade, or remind the audience. Write the first draft of the message. Refine and organize the message so it flows logically. Ask a

classmate to review your work and help you use language in a more effective and precise manner.

Speaking Public relations is important for all businesses. Explain to a classmate why it is important for a business to engage in *proactive* public relations to try to decrease instances that require *reactive* public relations.

Listening Listen to your instructor as he or she presents this lesson. Listen carefully and take notes about the main points. Then, organize the key information that you heard. Were you able to effectively understand the information in this chapter?

Internet Research

Ineffective Promotions Read an online article about a sales promotion for a business or product that caused negative customer reactions. Review the conclusions made by the author. Why was the response negative? Provide a summary of your reading, making sure to incorporate the *who, what, when, where* and *how* of the situation.

Viral Marketing Use the Internet to research *best viral marketing campaigns* for the past year. Make a list of the top three promotions. Do you

remember seeing any of these campaigns? If so, why did they stand out? Did any of these promotions result in you purchasing the advertised product?

Content Marketing Conduct an Internet search for the term *content marketing*. What are the benefits of using a content marketing strategy? Cite an example of content marketing you find in your research.

Teamwork

Working with your team, select a product with which you are all familiar. Create a visual representation of the product, such as a model, poster, or slide presentation. Present the team's interpretation of the product's marketing mix to the class. Include details and examples that illustrate each of the four Ps of the marketing mix (product, price, place, and promotion).



College and Career Readiness

Portfolio Development

Clubs and Organizations Being involved in academic clubs or professional organizations will help you make a good impression. You can also learn a lot that will help you with your studies or your career. While in school, you may belong to clubs, such as National Honor Society and Future Business Leaders of America. When you are employed, you may belong to professional organizations related to your career area, such as American Nurses Association.

1. Identify clubs or organizations to which you belong. Create a Microsoft Word document to list the name of each organization. Use the heading "Clubs and Organizations" and your name.
2. In your document, briefly describe the organization, your level of involvement, and how long you have been a member. Save the document.
3. Update your master spreadsheet.