

Marketing Essentials



Chapter 17

**promotional concepts
and strategies**

Section 17.1
The Promotional Mix

Section 17.2
Types of Promotion

The Promotional Mix



Before You Read

IMAGINE What might happen if business did not promote their products?

OBJECTIVES

- **Explain** the role of promotion in business and marketing.
- **Identify** types of promotion.
- **Distinguish** between public relations and publicity.
- **Explain** elements of a news release.
- **Describe** the concept of the promotional mix.

THE MAIN IDEA

The combination of personal selling, advertising, direct marketing, sales promotion, and public relations makes up the promotional mix.

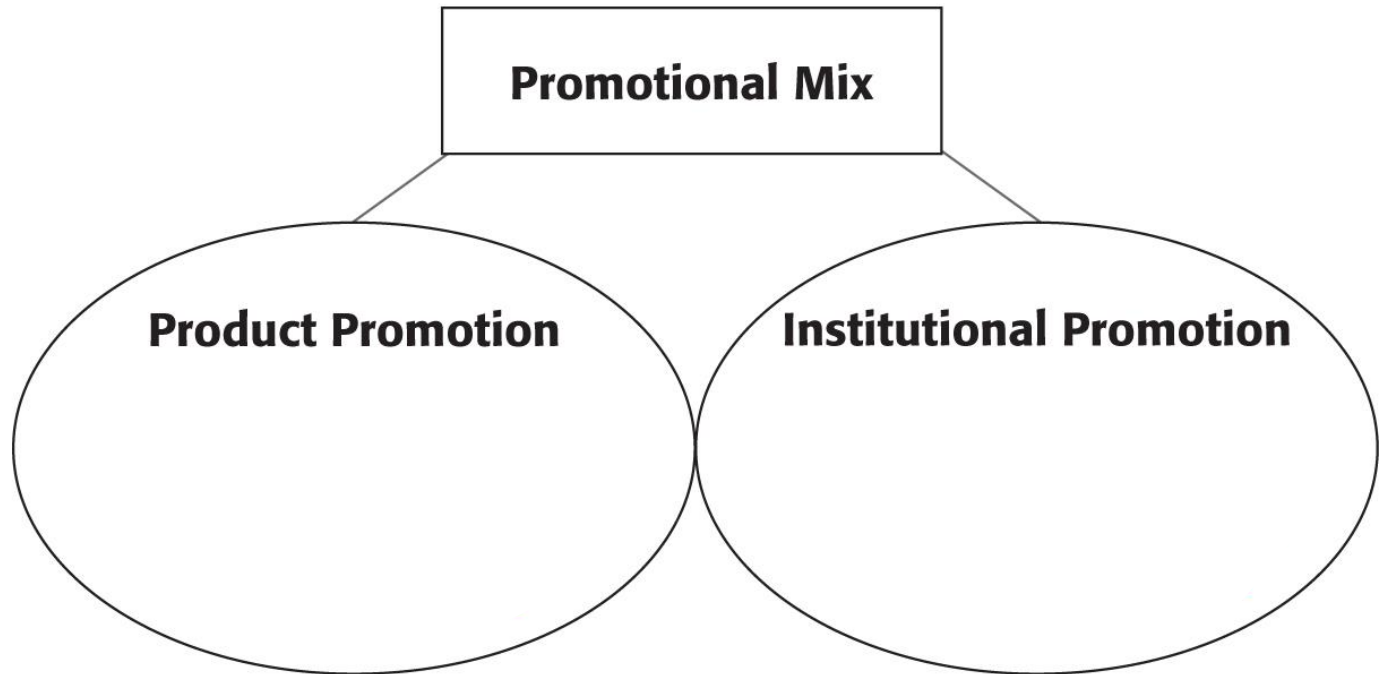
VOCABULARY

- promotion
- product promotion
- institutional promotion
- promotional mix
- advertising
- direct marketing
- social media
- sales promotion
- public relations
- news release
- publicity
- push policy
- pull policy

The Promotional Mix

Graphic
Organizer

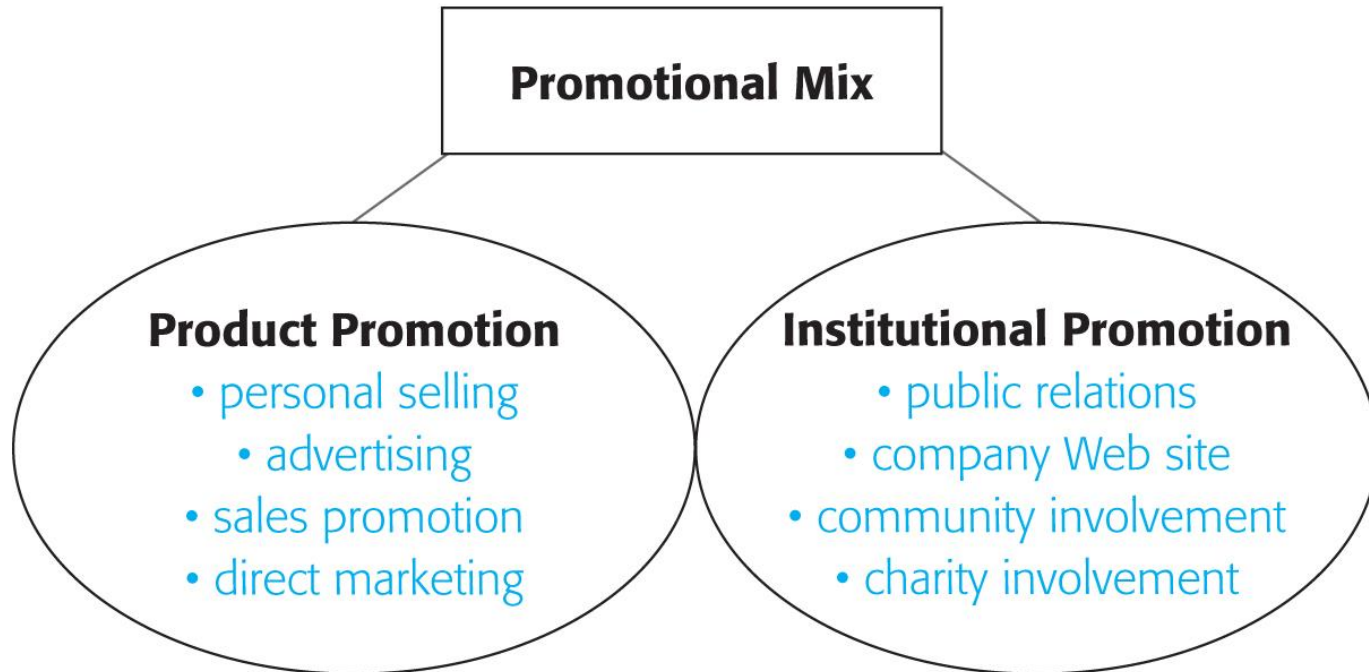
Examples of Each Different Type of Promotion



The Promotional Mix

Graphic Organizer

Examples of Each Different Type of Promotion



The Promotional Mix

Promotion in Marketing

Companies and nonprofit organizations rely on promotion.



promotion

Decisions about advertising, personal selling, sales promotion, and public relations used to attract customers.

Promotion in Marketing

Promotion Methods

Product Promotion

Institutional Promotion



product promotion

A promotional method used by businesses to convince prospects to select their goods or services instead of a competitor's brands.



institutional promotion

A promotional method used to create a favorable image for a business, help it advocate for change, or take a stand on trade or community issues.

The Promotional Mix

Types of Promotion in the Promotional Mix

The Promotional Mix

Personal Selling

▶ Direct contact

▶ Expensive



promotional mix

A cost-effective combination of advertising, selling, sales promotion, direct marketing, and public relations strategies used to reach company goals.

The Promotional Mix

Types of Promotion in the Promotional Mix

The Promotional Mix

Personal Selling

- ▶ Direct contact
- ▶ Expensive

Advertising

- ▶ Advertising is everywhere



advertising

A form of nonpersonal promotion in which companies pay to promote ideas, goods, or services in a variety of media outlets.

The Promotional Mix

Types of Promotion in the Promotional Mix

The Promotional Mix



direct marketing

A type of advertising that sends a promotional message to a targeted group of prospects and customers rather than to a mass audience.



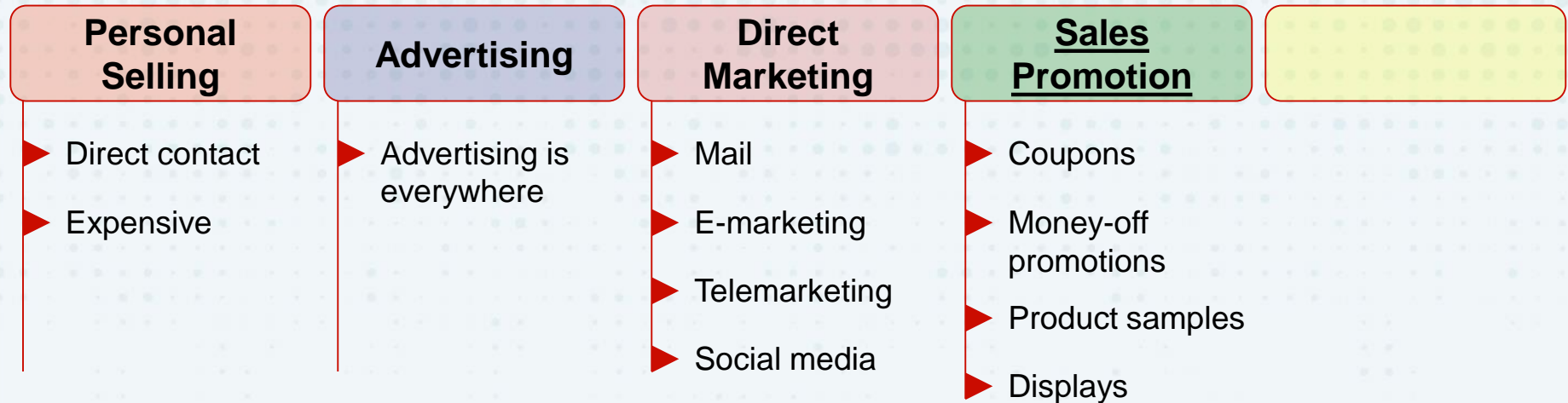
social media

Electronic media that allows people with similar interests to participate in a social network.

The Promotional Mix

Types of Promotion in the Promotional Mix

The Promotional Mix



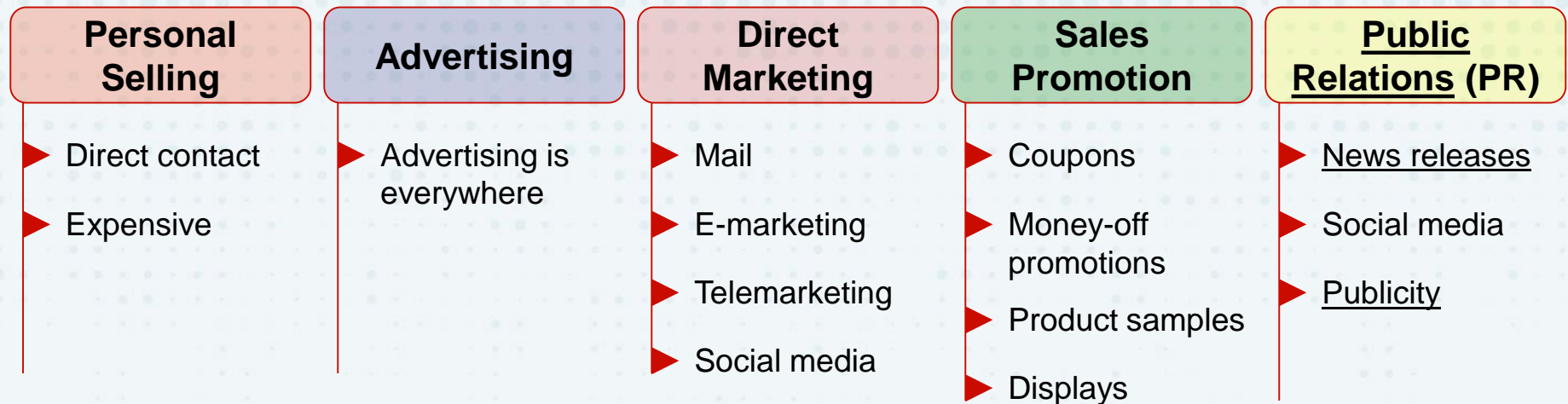
sales promotion

All marketing activities, other than personal selling, advertising, and public relations, that are directed at business or retail customers to boost sales.

The Promotional Mix

Types of Promotion in the Promotional Mix

The Promotional Mix



public relations

Activities that help an organization to influence a target audience.



news release

An announcement sent to the appropriate media outlets.



publicity

Bringing news or newsworthy information about an organization to the public's attention.

The Promotional Mix

Types of Promotion in the Promotional Mix

Graphic
Organizer

Types of Ads

	Product or Service	Availability	Seller	Target Audience
Residential Ad				
Internet Ad				
Television Ad				

The Promotional Mix

Types of Promotion in the Promotional Mix

Graphic Organizer

Types of Ads

	Product or Service	Availability	Seller	Target Audience
Residential Ad	Tires for all types of vehicles	Sale July 7–14	Roll-In Tires	People with vehicles
Internet Ad	Cars	Check local dealer	Name-brand car	Internet savvy people who drive
Television Ad	Ab exerciser	While supplies last	Flab-Free Zone	People who want to get into shape

The Promotional Mix

Types of Promotion in the Promotional Mix

Graphic Organizer

Put the number of users and nonusers in the appropriate spaces on the graphic organizer. Why or why not do you use these sites?

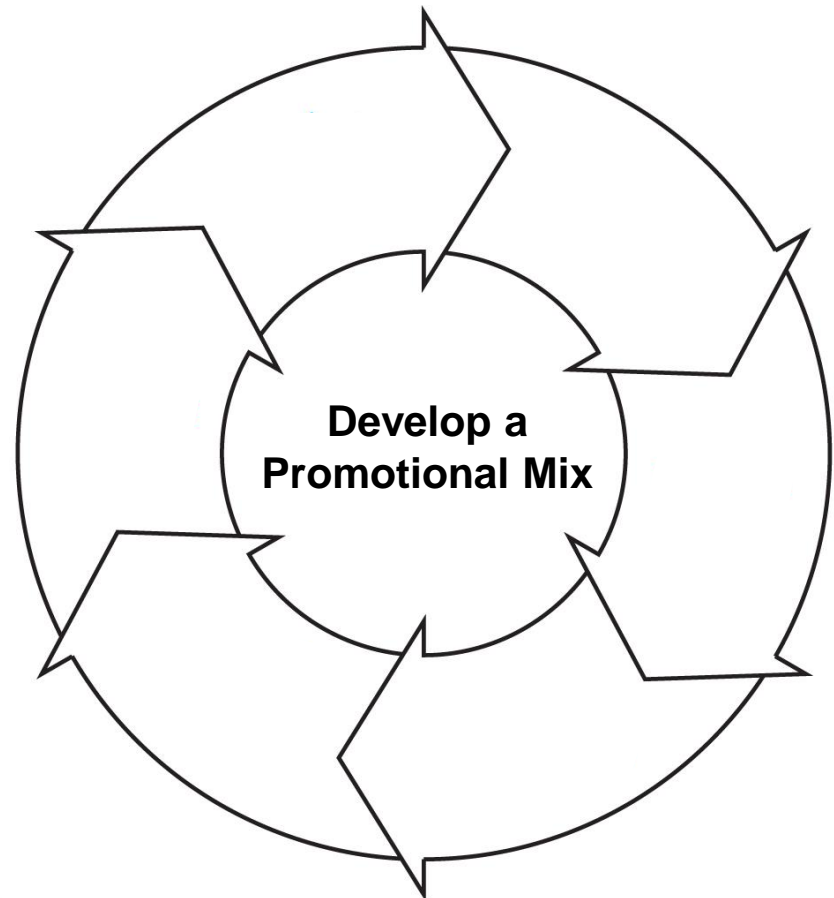
Social Network	Use	Do Not Use
Facebook®		
MySpace®		
LinkedIn®		
YouTube®		
Twitter®		

The Promotional Mix

The Concept of Promotional Mix

Graphic
Organizer

Discuss the Six
Steps of the
Promotional Mix

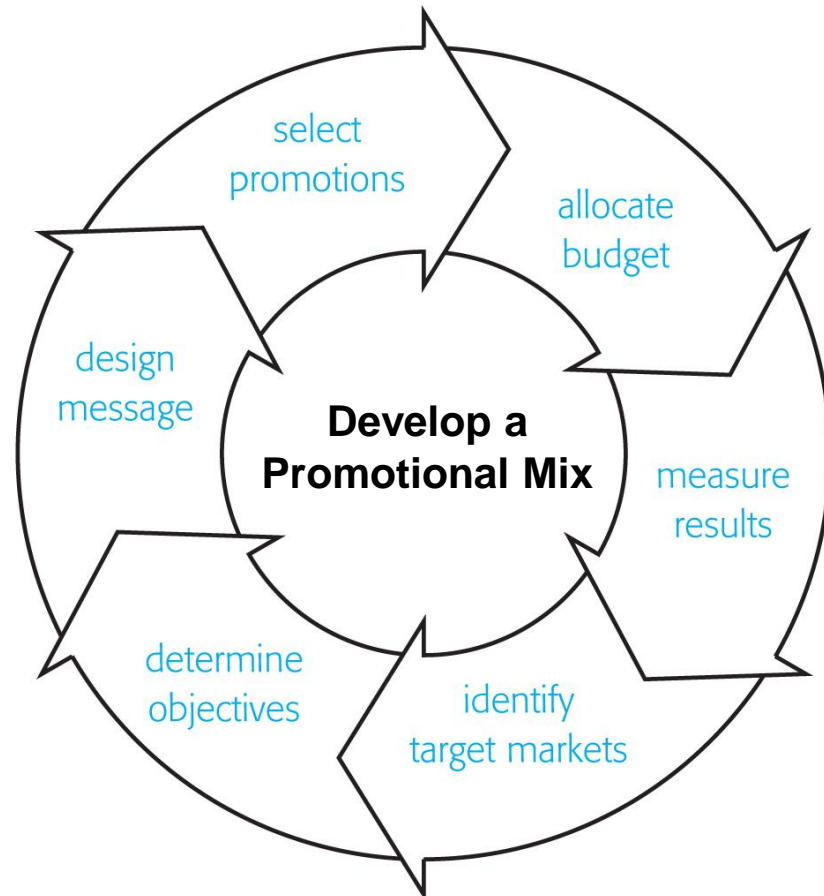


The Promotional Mix

The Concept of Promotional Mix

Graphic
Organizer

Discuss the Six
Steps of the
Promotional Mix



The Promotional Mix

The Concept of Promotional Mix

Graphic Organizer

Indicate the location of the ads and compare and rate the ads according to the criteria in the chart. Predict whether the ads created sales and were measured for results.

	Ad #1	Ad #2	Ad #3
Realistic			
Coordinated			
Complement each other			
Build awareness			
Reach the target market			
Create sales			
Measured for results			

The Promotional Mix



After You Read

Section 17.1

1. **Explain** why promotion is an important marketing function.

Promotion is an important marketing function because it is used to inform, persuade, or remind people about a company's products and its image.

The Promotional Mix



After You Read

Section 17.1

2. **Identify** when to use product and institutional promotion.

Product promotion is used to convince people to buy or use a certain product. For example, if a company has come out with a new product, they would use product promotion to make people aware of the product. Institutional promotion does not directly sell a product, but is used to create a favorable image, which can result in sales. For example, a company develops a Web site for customers to learn more about the company's environmental and social responsibility initiatives.

The Promotional Mix



After You Read

Section 17.1

3. **Contrast** the push and pull policies in promotional mixes.

The push concept depends on the manufacturer to get distribution channel members to purchase products. It relies on a mix of personal selling, advertising, and buying discounts. The pull concept directs promotion to potential consumers or relies on advertising geared to consumers and consumer sales promotions such as coupons, premiums, samples, and demonstrations.

Types of Promotion



Before You Read

CONNECT What promotional tie-ins or loyalty programs have you participated in?

OBJECTIVES

- **Define** sales promotion.
- **Explain** the use of promotional tie-ins, trade sales promotions, and loyalty marketing programs.

THE MAIN IDEA

Sales promotion includes different techniques to increase sales and inform customers about a company's products.

Types of Promotion

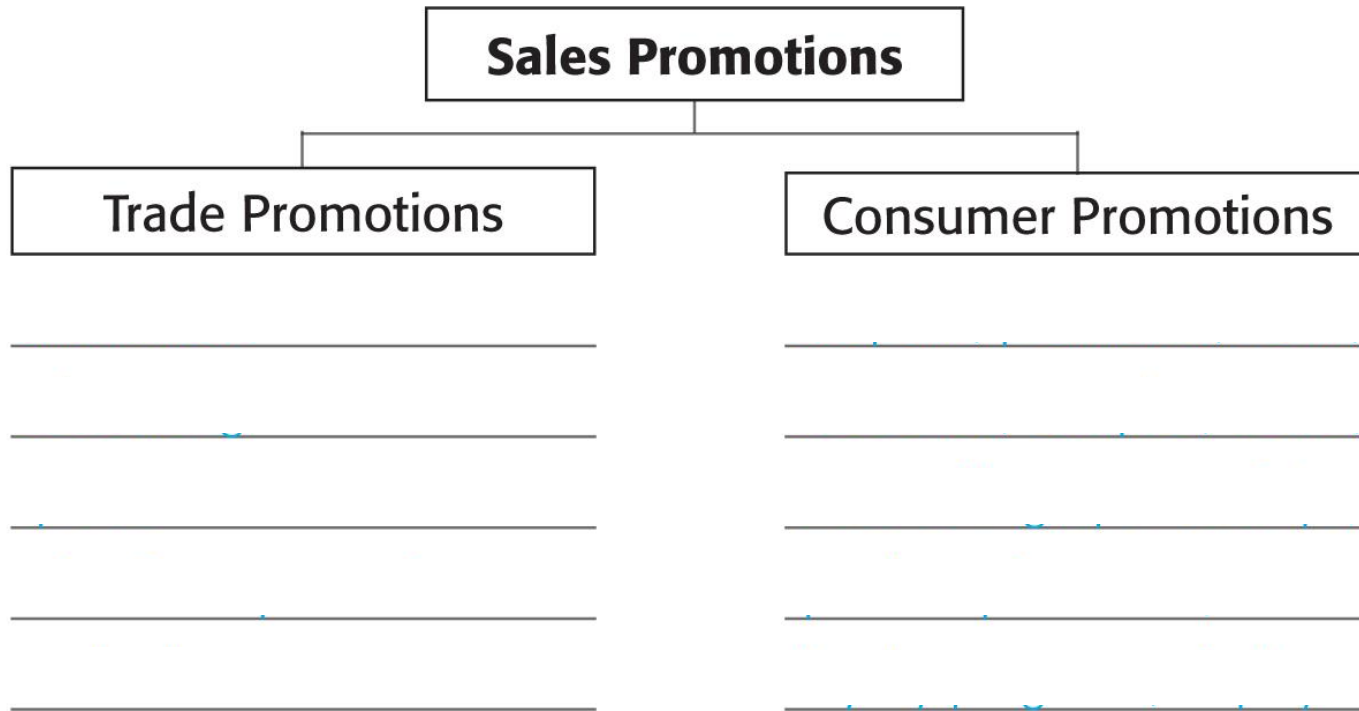
VOCABULARY

- sales promotions
- trade promotions
- consumer promotions
- coupons
- premiums
- incentives
- promotional tie-ins
- loyalty marketing programs
- kiosks

Types of Promotion

Graphic Organizer

Examples of Different Types of Sales Promotions



Types of Promotion

Graphic Organizer

Examples of Different Types of Sales Promotions



Types of Promotion

Sales Promotions

Sales promotions are usually supported by advertising activities that include trade promotions and consumer promotions.



sales promotion

All marketing activities, other than personal selling, advertising, and public relations, that are directed at business or retail customers to boost sales.

Types of Promotion

Sales Promotions

Trade Promotions

Promotional Allowances

Cooperative Advertising

Slotting Allowances

Sales Force Promotions

Trade Shows and Conventions



trade promotions

Sales promotions designed to get support for a product from manufacturers, wholesalers, and retailers.

Types of Promotion

Sales Promotions

Consumer Promotions



consumer promotions

Sales strategies that encourage customers and prospects to buy a product or service.

Types of Promotion

Sales Promotions

Consumer Promotions

Coupons

Premiums

Deals or
Price Packs



coupon

A certificate that entitles a customer to a cash discount on goods or services.



premium

low-cost item given to consumers at a discount or for free.

Types of Promotion

Sales Promotions

Consumer Promotions

Incentives

Product
Samples

Sponsorship



incentive

A higher-priced product, award, or gift card that is earned and given away through contests, sweepstakes, special offers, and rebates.

Types of Promotion

Sales Promotions

Consumer Promotions

Promotional
Tie-Ins

Product
Placement

Loyalty
Marketing
Programs



promotional tie-in

Activity that involves sales promotions between one or more retailers or manufacturers; also called cross-promotion or cross-selling.



loyalty marketing program

A marketing program that rewards customers by offering incentives for repeat purchases, such as a frequent flyer.

Types of Promotion

Sales Promotions

Consumer Promotions

Online Loyalty
Marketing
Programs

Point-of-
Purchase
Displays
(Kiosks)



kiosk

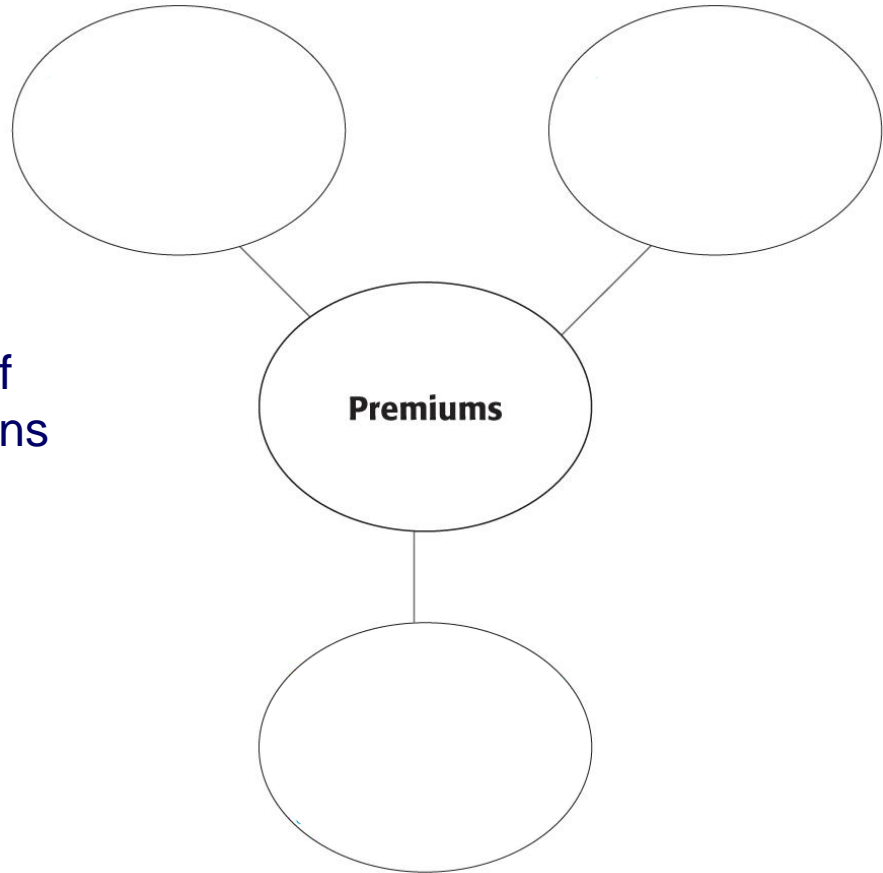
A point-of-purchase display that is a stand-alone structure.

Types of Promotion

Sales Promotions

Graphic
Organizer

Three Different Types of
Premiums and Descriptions



Types of Promotion

Sales Promotions

Graphic
Organizer

Three Different Types of Premiums and Descriptions

Factory packs: free gifts placed in product packages

Traffic builders: low-cost premiums given away at special events

Premiums

Coupon plans: ongoing programs offering premiums in exchange for labels or coupons from a product

Types of Promotion

Sales Promotions

Graphic Organizer

Examples of Each Type of Consumer Promotion

Coupons	Premiums	Deals	Incentives
Product Samples	Sponsorship	Tie-Ins, Cross-Promotion, Cross-Selling	Product Placement
Loyalty Programs	Online Loyalty Programs	Point-of-Purchase Displays	

Types of Promotion

Sales Promotions

Graphic Organizer

Examples of Each Type of Consumer Promotion

Coupons	Premiums	Deals	Incentives
Magazine Online	Discounted Traffic builders	Short-term price reduction	Contests Sweepstakes
Product Samples	Sponsorship	Tie-Ins, Cross- Promotion, Cross-Selling	Product Placement
Toothpaste Shampoo Deodorant	Concert Car racing team Basketball player	Jack in the Box® teamed with Dr. Pepper®	Television series Movie Sporting event
Loyalty Programs	Online Loyalty Programs	Point-of- Purchase Displays	
Frequent buyer Reward Frequent shopper	Yahoo awards points to buyers	High-traffic areas Promote impulse purchases	

Types of Promotion



After You Read

Section 17.2

1. **Contrast** trade promotions and consumer sales promotions.

Trade promotions are sales promotion activities designed to gain manufacturers', wholesalers', and retailers' support for a product. Examples include promotional allowances, cooperative advertising, slotting allowances, sales force promotions, buying allowances, trade shows, and conventions. Consumer sales promotion activities are designed to encourage individual customers to buy a product. Examples include cross-selling, coupons, premiums, incentives, samples, sponsorship, product placement, loyalty marketing programs, and point-of-purchase displays.

Types of Promotion



After You Read

Section 17.2

2. **Contrast** contests, sweepstakes, special offers, and rebates.

Contests and sweepstakes are different types of games. Contests require participants to demonstrate a skill; sweepstakes are games of chance. Special offers and rebates are discounts offered by manufacturers to customers who purchase a product or service during a given time period.

Types of Promotion



After You Read

Section 17.2

3. **Explain** why a business would want product placement in entertainment media.

Product placement allows viewers to see the product used or hear it discussed in an actual situation in an entertainment medium potentially viewed by millions. Because technology allows viewers to skip over paid TV advertisements or leave the area when ads are playing, product placement ensures that the product will at least be seen.

Marketing Essentials



End of Chapter 17

**promotional concepts
and strategies**

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The Promotional Mix

Section 17.2
Types of Promotion