

The Promotional Strategy

The promotion strategy is the most visible marketing strategy, designed to get the attention of prospective customers and convince them to buy from you.

Promotional activities must be in the right mix.

Drawing Up Promotional Plans

- ▶ As a new business owner, you need two kinds of promotional plans:
 - a preopening plan to lay the groundwork for your opening
 - a second plan to support your operation once it is under way

The Role of Promotion Strategy

Promotion is communication intended to persuade, inform, or remind a target audience about a business or its products.

The promotion strategy involves planning, determining the right promotional mix, and selecting specific promotional activities.

Preopening Plan

Objectives of a Preopening Plan

Establish a positive image.

Let potential customers know you are opening for business.

Bring in customers or have them contact your business.

Interest customers in your new company and your products or services.

Preopening Plan

The **image** you establish in your preopening plan sets the tone for your promotional plan.

- ▶ **image**
- ▶ the impression people have of a company; a company's personality

Ongoing Plan

Objectives of an Ongoing Promotional Plan

Explain major features and benefits of your products.

Communicate information about sales.

Clear up customers' questions and concerns.

Introduce new goods or services.

Ongoing Plan

- ▶ An ongoing promotional plan helps in **preselling** your goods or services.
- ▶ **preselling**
- ▶ the act of influencing potential customers to buy before contact is actually made

Promotional Plan Format

- ▶ Both a preopening and an ongoing plan can be organized around a promotional **campaign**, independent promotional activities, or a combination of the two.
- ▶ **Campaign:** a series of related promotional activities with a similar theme
- ▶ Ex: Introduce your new service, a clown act, on a billboard, with flyers, and in the newspaper.

OR

- ▶ Introduce your Electronic Pen on a billboard, but run an advertisement in the newspaper for a sale on your Microsoft Office tablet

The Elements of the Promotional Mix



Selecting a Promotional Mix

- ▶ Every business has a unique **promotional mix**.
- ▶ **promotional mix**
- ▶ the combination of different promotional elements that a company uses to reach and influence potential customers
- ▶ Ex: You advertise in a magazine, you have sales, frequent buyer cards, and knowledgeable sales people

Ongoing Plan

When selecting elements for a promotional mix, consider:

target market

product value

promotional channels

time frame

cost

Advertising



Advertising

- ▶ A **specialty item** serves as a reminder of a business.
- ▶ **specialty item**
- ▶ an advertising device that includes giveaways, such as pens, T-shirts, and caps,

Advertising

Basic Media Formats

Print	Include a headline, copy, illustrations, and a signature.
Radio	Include same elements as print, but can add music or sound effects.
Television	Same elements apply, but it requires casting, set design, sound, and filming.
Internet	Same components as print, but may also have audio, video, and animation.

Publicity

- ▶ Taking advantage of **publicity** means calling attention to yourself and your business.
- ▶ **Publicity**: placement in the media of newsworthy items about a company, product, or person
- ▶ Ex: Derek Rose comes for a visit to meet and greet customers.

Publicity

- ▶ A news release should answer these questions:

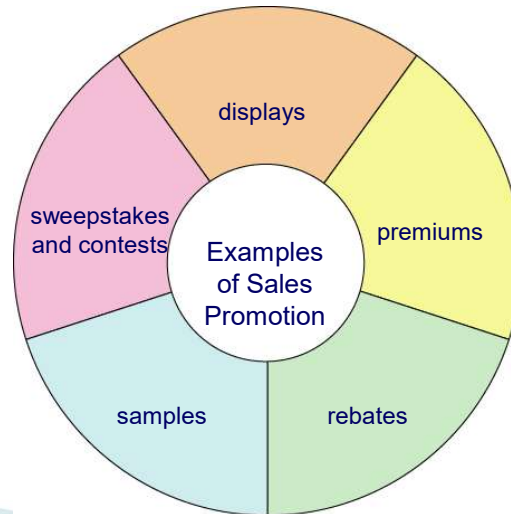


- ▶ **news release**
- ▶ a brief newsworthy story that is sent to the media
- ▶ Publicity is both free & not free
- ▶ Ex:
 - ▶ If Derek Rose comes to your store, you will have to pay for that,
 - ▶ However, It's free because you don't pay for the news story that you sent a news release for

Publicity

- ▶ **Public relations** may generate unsolicited publicity when such activities are reported by the media.
- ▶ **public relations**
- ▶ activities designed to create goodwill toward a business or control damage done by negative publicity
- ▶ Ex: BP creating Facebook and Twitter accounts for people to vent their frustrations and concerns and for them to have a way to get information out that didn't involve the media.

Sales Promotion



Sales Promotion

- ▶ One type of sales promotion may be to include a **premium** with a purchase.
- ▶ **premium**
- ▶ any item of value that a customer receives in addition to the good or service purchased; designed to attract new customers or build loyalty among existing customers,.
- ▶ Ex: With a purchase of \$25 or more you get a free CD.
- ▶ Kohl's Cash

Sales Promotion

- ▶ Some companies give a **rebate** on purchases.
- ▶ **rebate**
- ▶ a return of part of the purchase price of a product used as an incentive for customers to purchase the product
- ▶ Ex: New cell phone purchase

Sales Promotion

- ▶ A **sweepstakes** is a sales promotion that can draw attention to a business.
- ▶ **sweepstakes**
- ▶ a simple game of chance used by a business to get customers interested in what the company has to offer

Budgeting for Promotion

- Cost out promotional activities.
- Allocate money available for promotional activities.
- Make final adjustments.

Compare Industry Averages

- ▶ You can find out the **industry average** for promotional expenses from such sources as trade associations or the SBA.
- ▶ **industry average**
- ▶ the standard used to compare costs among companies; usually expressed as a percentage

Getting Help

You can carry out your promotional plans yourself, or you can hire professionals to implement some or all of your promotional activities.

Professional help can come from the media, manufacturers and suppliers, and advertising agencies.

Getting Help

- ▶ You may be able to save on your promotional budget by arranging for **cooperative advertising**.
- ▶ **cooperative advertising**
- ▶ an arrangement in which advertising costs are divided between two or more parties

Getting Help

- ▶ An **advertising agency** can handle all phases of your advertising, including writing the copy, creating the artwork, choosing the media, and producing the ad.

- ▶ **advertising agency:** a company that acts as intermediary between a business and the media to communicate a message to the target market

Advertising Laws

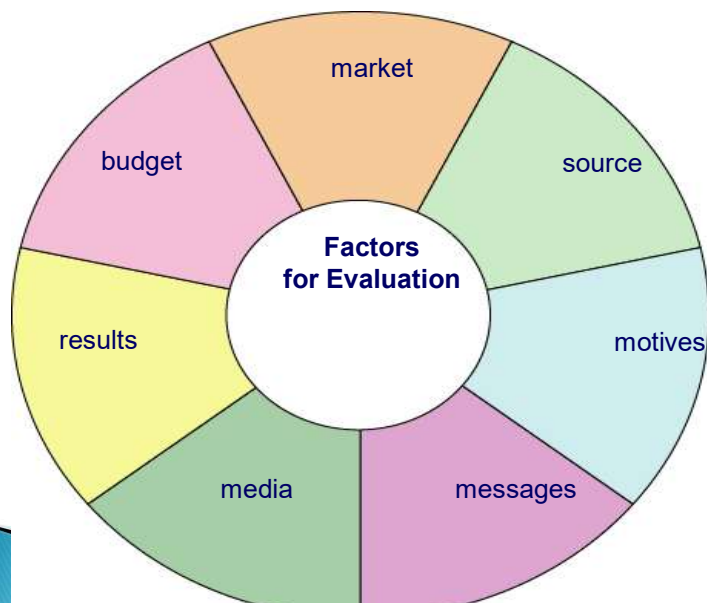
- ▶ **Federal Trade Commission (FTC)**
 - Protects consumers from false advertising
 - When a company says something that is not supported by fact
 - Bait & Switch which is offering a sale price for an item and then not stocking the item and convincing customers to buy a more expensive substitute.
 - Will issue a Cease & Desist Order to stop and may even fine company

Making Possible Promotion Changes

The three most common adjustments to the promotion strategy are:

- adjust your advertising
- generate publicity
- promote sales

Adjust Your Advertising



Adjust Your Advertising

- ▶ One way to reduce the risk involved in an expensive advertising campaign is to conduct a **consumer pretest**.
- ▶ **consumer pretest**
- ▶ a procedure in which a panel of consumers evaluates an ad before its release

Revising the Promotion Strategy

Conduct a formal review of your promotion strategy on a regular basis.

Use your sales forecast to arrive at a promotional budget to support that level of sales.

Then revise your promotional mix promotion plan.

Revising the Promotion Strategy

PUSH AND PULL PROMOTION STRATEGIES

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