Promotion
LEARNING OBJECTIVES

• Identify and discuss the aims of promotion
• Understand the different forms of promotion and how they influence sales
• Discuss the importance of the marketing budget in making promotion decisions.
  ✓ Need for cost effectiveness in spending the marketing budget.
Promotion

• Promotion is the *communication between businesses* and customers.

• It **informs** customers about the product, where it is, what it does and **persuades** them to buy it.
**Aims of Promotion**

- To introduce new products to the Market
- To inform people of particular issues, often by government
- To compete with competitors’ products
- To improve the company image
- To create a brand image
- To increase Sales
Group Activity

• Task: Create a 30 second radio ad to promote a new brand of Dog Food.

• Explain your choices

• What other alternative methods would you consider to use to promote your dog food and why?
Types of promotion

• Above the line promotion
  – Advertising which involves the use of media such as television, radio, newspapers, posters etc

• Below the line promotion
  – Promotional methods which do not use the media
1. Informative
2. Persuasive
3. Generic – advertise an industry or business rather than a specific product
Promotions

Promotions methods include:
• Personal Selling
• Sales Promotion
• Public Relations
• Direct Mail
• Trade Fairs and Exhibitions
• Advertising
• Sponsorship

• **Task:** For every method, identify two reasons for the use of that type of promotion and two against.
Sales promotions

- Sales promotion IS NOT the same as advertising
- Sales promotions are designed to encourage people to make a purchase
- They are often called “below-the-line” promotions
Sales promotion methods

- Bonus Packs - eg 10% extra free
- Coupons - money off
- Sample Packs - free to encourage people to try
- Price Reductions – encourages more buyers
- 2 for 1 Offers - otherwise known as BOGOFF
- Competitions - to get interest
- Loyalty Cards - to encourage loyalty!
- Demonstrations - at POS, but often expensive
- Point Of Sale Displays - designed to attract attention
- Merchandising - positioning products on shelves
- After Sales Service – improves value of product

In your groups, choose 3 promotions that Asda or Ikea would use. Justify your choices.
### TV advertising costs

#### Advertising

<table>
<thead>
<tr>
<th>Dayparts</th>
<th>Daytime</th>
<th>Early Peak</th>
<th>Late Peak*</th>
<th>Late Night</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlton Regions</td>
<td>0925-1715</td>
<td>1716-1925</td>
<td>1926-2330</td>
<td>2331-close</td>
</tr>
<tr>
<td>London</td>
<td>£2000-£4500</td>
<td>£6000-£23000</td>
<td>£12000-£15000</td>
<td>£10000-£49000</td>
</tr>
<tr>
<td>Central</td>
<td>£1000-£2500</td>
<td>£3500-£13000</td>
<td>£7000-£10000</td>
<td>£28000-£6000</td>
</tr>
<tr>
<td>West Country</td>
<td>£150-£550</td>
<td>£550-£2000</td>
<td>£800-£1000</td>
<td>£3500-£7000</td>
</tr>
<tr>
<td>Wales and the West</td>
<td>£400-£1500</td>
<td>£1500-£5000</td>
<td>£2500-£3000</td>
<td>£10500-£2000</td>
</tr>
<tr>
<td>Scottish</td>
<td>£400-£1000</td>
<td>£1200-£5000</td>
<td>£2500-£3000</td>
<td>£10000-£2000</td>
</tr>
</tbody>
</table>

*costs exclude Coronation Street*

#### Sponsorship

- **Broad Audience:** Adults
- **Transmissions:** 3 x 60 min pw
- **Credits Available:**
  - 1 x 15” front credit
  - 6 x 5” break bumpers
  - 1 x 10” end credit
- **Sponsorship Cost:** £40,000 per show

(All sources: ITV Media)
Other advertising costs

### Typical national newspaper costs are:

<table>
<thead>
<tr>
<th></th>
<th>The Sun</th>
<th>News of the World</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newspaper</td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Full Page:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mono (1 day)</td>
<td>£43,514</td>
<td>£41,816</td>
</tr>
<tr>
<td>Colour (1 day)</td>
<td>£55,502</td>
<td>£56,180</td>
</tr>
<tr>
<td>Circulation</td>
<td>3,612,464</td>
<td></td>
</tr>
</tbody>
</table>

(source: News Group Newspapers Ltd)

### Typical cinema advertising costs are:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Package Type</td>
<td>National Film Release</td>
</tr>
<tr>
<td>Release Type</td>
<td>Blockbuster</td>
</tr>
<tr>
<td>Example:</td>
<td>Pirates of The Caribbean: At World’s End</td>
</tr>
<tr>
<td>6 week Cost</td>
<td>£226,280</td>
</tr>
<tr>
<td>No. of Cinemas</td>
<td>Approx 330</td>
</tr>
</tbody>
</table>

(source: Pearl & Dean)
Advertising & the law

• Ad’s must be ‘legal, decent & honest & truthful’. They are controlled by the ASA and Ofcom.