

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

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graph TD; A[Aims of Promotion] --> B[To introduce new products to the Market]; A --> C[To compete with competitors' products]; A --> D[To improve the company image]; A --> E[To increase Sales]; A --> F[To create a brand image]; A --> G[To inform people of particular issues, often by government];
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To introduce new products to the Market

To compete with competitors' products

To improve the company image

To increase Sales

To create a brand image

To inform people of particular issues, often by government

Group Activity

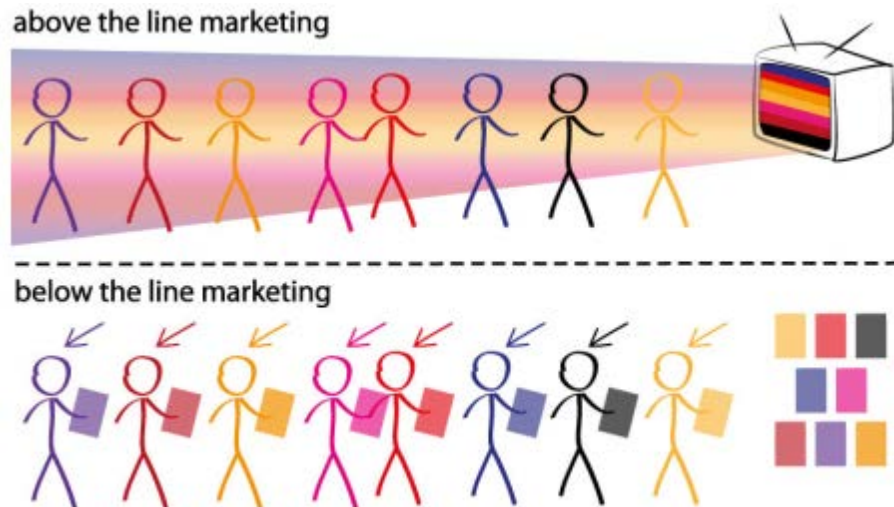
- Task: Create a 30 second radio ad to promote a new brand of Dog Food.

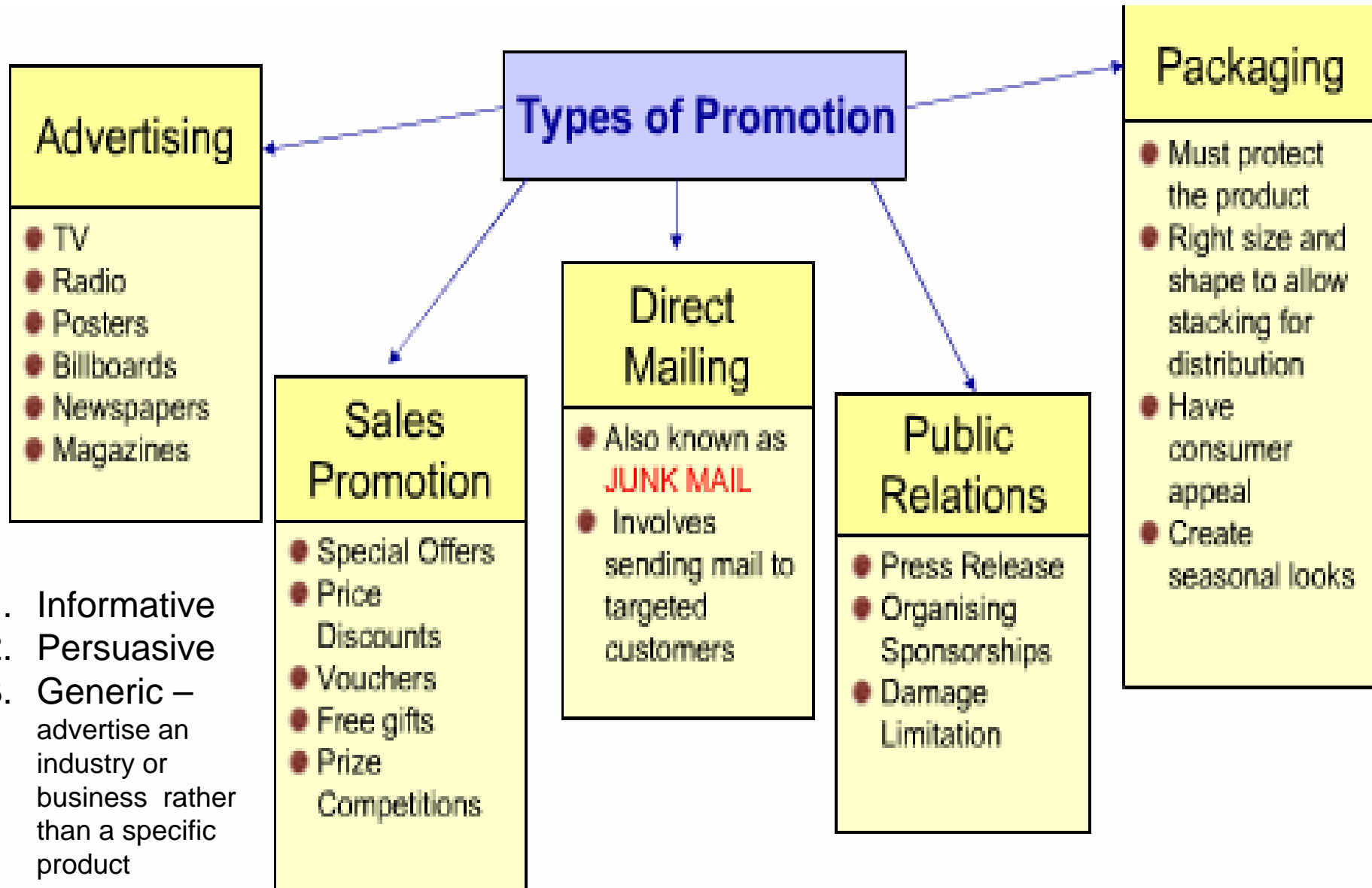


- Explain your choices
- What other **alternative methods** would you consider to use to promote your dog food **and why?**

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





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

Dayparts	Day-time	Early Peak	Late Peak*	Late Night
Carlton Regions	0925-1715	1716-1925	1926-2330	2331-close
London	£2000-£4500	£6000-£23,000	£12000 - £49000	£1500-£10000
Central	£1000-£2500	£3500-£13000	£7000-£28000	£1000-£6000
West Country	£150-£550	£550-£2000	£800-£3500	£100-£700
Wales and the West	£400-£1500	£1500-£5000	£2500-£10500	£300-£2000
Scottish	£400-£1000	£1200-£5000	£2500-£10000	£300-£2000

*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:



Newspaper:	The Sun	News of the World
National Full Page:		
Mono (1 day):	£43,514	£41,816
Colour (1 day):	£55,502	£56,180
Circulation:	3,612,464	

(source: News Group Newspapers Ltd)

● Typical cinema advertising costs are:

Package Type:	National Film Release
Release Type:	Blockbuster
Example::	Pirates of The Caribbean: At World's End
6 week Cost:	£226,280
No. of Cinemas:	Approx 330

(source: Pearl & Dean)



Advertising & the law

- Ad's must be 'legal, decent & honest & truthful'. They are controlled by the ASA and Ofcom .



**The Advertising Standards
Authority (ASA)**

Responsible for all advertising in the
UK

**The Office of
Communications (OFCOM)**

Responsible for Sponsorship and
"PRODUCT PLACEMENT" on TV
programmes