

# **MARKETING MODULES SERIES**



## **Marketing Module 8: Promotion**

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<b>Table of Contents</b>	<b>Page</b>
<b>Foreword</b> .....	4
<b>1. What is Promotion?</b> .....	5
<b>2. The Promotional Elements</b> .....	5
2.1 Advertising.....	5
2.2 Personal Selling.....	7
2.3 Public Relations & Publicity.....	7
2.4 Sales Promotion.....	8
2.4.1 Consumer Oriented Sales Promotional Tools.....	8
2.4.2 Trade-Oriented Sales Promotional Tools.....	9
2.5 Direct Marketing.....	9
2.6 Other Promotional Options.....	11
<b>3. Developing your Promotional Program</b> .....	11
3.1 Who is Your Target Audience?.....	11
3.2 What are Your Promotion Objectives?.....	12
3.3 What is the Available Budget?.....	13
3.4 What Promotional Elements to Use?.....	13
3.5 Where Should the Promotion Run?.....	14
3.6 When Should the Promotion Run?.....	14
<b>4. Executing Your Promotional Program</b> .....	15
<b>5. Evaluating Your Promotional Program</b> .....	15
<i>References</i> .....	16
<i>Supplement No. 1 – Techniques used to Pre and Post-Test Advertisements (Ads)</i> .....	17

## Foreword

A marketing strategy is something that every single food and agriculture-related business (farms, wholesalers, retailers, etc.), no matter how big or small, needs to have in place in order to succeed in the marketplace. Many business owners in the food and agriculture sector in New York State and elsewhere are hesitant to set up an actual marketing strategy because they simply do not know how to go about developing it. How to better market their products and services remains a primary concern among New York State food businesses as a result.

In response to this need, we offer this Marketing Modules Series of eight modules which constitute a comprehensive training course in marketing management. The overall goal of this series is to improve the marketing skills of food business managers and owners in New York State so that they can develop successful marketing strategies to increase business profitability. More specifically, these Marketing Modules are intended to support the efforts of extension specialists and extension educators as they develop marketing training programs for their stakeholders.

Module 1 (Marketing) offers an overview of the series and discusses the basic pillars of a marketing strategy. Modules 2, 3 and 4 (Customer, Company and Competition, often referred to as ‘The 3 Cs’) focus on key concepts and techniques to conduct market analysis. Modules 5, 6, 7 and 8 (Product, Price, Placement/Distribution and Promotion, or ‘The 4 Ps’), hone in on the essential elements of marketing tactics.

To facilitate their use in extension-related educational activities, modules two to eight consists of three components: 1) a summary of the fundamental concepts, 2) a real-world example relevant to the New York State food and agriculture system to illustrate these concepts, and 3) a set of teaching slides to be used in training sessions and other educational activities in which these modules can be used individually or in combination. Because Module 1 (Marketing) is an overview of the whole series it only includes components 1 and 3. Examples for each of the sections in Module 1 can be drawn from the other seven Modules.

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The complete Marketing Modules series can also be accessed online at:  
<http://hortmgt.gomez.dyson.cornell.edu/Marketing-Modules.html>.

## **1. What is Promotion?**

Promotion refers to the mix of promotional elements a firm uses to communicate with its current or potential customers about its products or services. Promotion efforts can be directed to the ultimate consumer, to an intermediary such as a retailer, a wholesaler or a distributor, or to both. Promotion is fundamental to the success of your firm because, without promotion, potential customers won't know about the existence and benefits of your product or service. Not even the best product or service sells without some promotional effort!

A key decision firms face in relation to their promotional efforts is whether to focus on a "push" or a "pull" strategy. In a "push" strategy a firm promotes the product to wholesalers, the wholesalers promote it to retailers and retailers promote it to the end consumer. Personal selling and trade promotions are examples of promotional tools used in this case. In a "pull" strategy the promotional efforts are directed to the end consumers in such a way that they demand the product/service from the intermediaries thereby "pulling" it through the distribution system. Consumer promotions and advertising are the promotional tools commonly used in this case.

Whether you are going to use a "push" or a "pull" promotional approach you need to take into account several additional factors when defining what promotional elements to emphasize and how much of each to use in your promotional mix. These factors include: the size and concentration of your target market, customer information needs, the promotion budget and the cost of each promotional element.

## **2. The Promotional Elements**

The five main promotional elements used in developing a firm's promotional program are: advertising, personal selling, public relations, sales promotions, and direct marketing. Advertising, public relations and sales promotion are "non personal" communication elements while personal selling and direct marketing are "personal" communication elements. An effective promotional program requires a good combination of "personal" and "non personal" communication elements.

### **2.1 Advertising**

Advertising is the most well-known and widespread promotional element and an efficient method to reach a large number of people. You can use advertising to: create awareness of a new product or service, describe its features, suggest usage situations, differentiate it from competitor's offers, induce consumers to buy it, create or enhance its brand image, etc. Because you pay for the ads you have some control over what you want the message to be as well as to whom it is sent and when and how often this is done. However, advertising is relatively expensive, and due to its non-personal nature, it is difficult to get feedback, know how your message is received or close a sale.

The message (what you want to communicate) and the medium (how you get your message across) constitute the two basic aspects of advertising. Communication channels used in advertising encompass:

*Television:* features both audio and visual capabilities and the advantage of communicating information about your product or service with a combination of sound, color and motion. The major disadvantages of television are its cost and the likelihood of “*wasted coverage*” (people outside your target audience that see your ad). However, advertising on cable and direct broadcast channels can be effective and often less expensive than using the major networks.

*Radio:* has only audio capabilities to deliver your message but provides constant and flexible coverage to a wide range of audiences with the possibility for you to choose the time, day and station to reach your target audience. The major advantages of radio are its low cost and the ability to target specific local audiences. Important disadvantages are the short exposure time and its limited use with products that need to be seen.

*Magazines:* constitute a very effective way to deliver advertising messages to specific audiences thanks to the amazing number of magazines currently in circulation covering almost any special interest. The most important advantages of this medium are that they can reach narrowly defined segments and that ads can be very colorful and strategically located for maximum visibility. The major disadvantages relate to the cost and the low frequency of publication, with weekly issues at best.

*Newspapers:* are a very good for running short-term promotions and for coupon offers in specific geographic regions. They are an important local medium with excellent reach potential often used by local retailers as their only advertising medium. Their main disadvantage is that they are usually limited to ads that call for customers’ immediate response. Increasingly, newspapers are becoming available through the Internet which makes up for a decreasing trend in circulation of the printed version.

*Direct mail:* allows you to send your promotional information to very specific segments with customized messages that convey detailed information about your product or service and its usage and benefits. It can be very effective if it is properly planned. Its main disadvantage is it has a poor image (junk mail).

*Signage:* includes billboards, service stations, signs in farmer’s markets, shelf talkers and POPs (point of purchase materials) in supermarkets, etc. Outdoor advertising is a very effective medium for reminding customers about a product or service. Billboards, the most common form of outdoor advertising, have good reach and frequency and have been shown to increase purchase rates. The main advantage of signage is that it is one of the lowest in cost. Its main disadvantage is that messages must be short and highly colored to be easily noticeable and effective. In addition, in many areas environmental laws have limited the use of billboards.

*Yellow Pages:* help consumers find out where they can get the product or service after other media have created awareness and demand for them. Its advantages include availability (365 days per year 24 hours a day) and the possibility of placing ads in different sizes and in several

sections. The main disadvantages are the proliferation of directories and their lack of timeliness as they are only updated once a year.

*Internet:* is the fastest growing advertising media to which most consumers turn for initial or additional information. Like print advertising it offers the possibility of visual messages but, in addition, it has audio and video capabilities and has the unique feature of being interactive. Its main disadvantages are that it requires a certain level of technological skills from consumers and is only available to those who have Internet access, limiting its reach.

*Classified ads:* are available in magazines and newspapers, they are less expensive than traditional ads and can contain more information. Small businesses often use this as their only medium to promote their products or services.

## **2.2 Personal Selling**

Personal selling is the second major promotional strategy and usually involves a face-to-face communication between the seller and the buyer to “close the sale”. Under the “push” promotional strategy, the role of the sales force is to encourage intermediaries to buy the product. Under the “pull” strategy their role is to provide support and after-sales service to retailers.

The key advantages of personal selling include: a high level of persuasiveness, opportunities to customize the promotional message, getting immediate feedback, the possibility of selecting the audience while delivering complex information. The main disadvantages are relatively high cost per contact (in the form of salaries and sales incentives paid to sales representatives) as well as the variability of the message delivered by the sales representatives.

## **2.3 Public Relations & Publicity**

Public relations and publicity relates to the planned and sustained efforts of a firm to establish and maintain a favorable public image and generate *publicity* aimed at a broad public audience (employees, past and present customers, shareholders, financial institutions, the media, politicians, the general public, etc.). *Publicity* is basically a non-personal, unpaid presentation of a firm, product or service.

Strategies you can use to develop the desired publicity include writing press releases. Press releases can inform the public about your firm, your products and/or services, new products, a milestone in your firm’s history, an award you have won or a special event. Production of promotional brochures and videos, holding consumer exhibitions, celebrity endorsements and websites are other options to developing publicity. Other activities that firms typically engage in to generate publicity include: co-sponsoring local sports, community and charity events, donating prizes or time to local fund-raisers, offering internships to students in the community, and joining and giving lectures to local trade organizations or chambers of commerce

The main advantage of *publicity* is that being an unpaid way of communication it is one of the most credible information sources, of particular importance for small businesses. The downside of *publicity* is that firms incur expenses and have little or no control over the outcome.

## 2.4 Sales Promotion

Sales promotion refers to the provision of incentives to the end consumer (*pull strategy*) or to intermediaries (*push strategy*) to stimulate demand for a product. It is normally used in combination with either advertising or personal selling.

Consumer sales promotions include price promotions (also known as “price discounting”), coupons, gift with purchase, samples, contests, sweepstakes, money refunds (or rebates), frequent shoppers or loyalty incentives and Point of Purchase (PoP) displays. Trade-oriented sales promotions are geared to supporting a firm’s advertising and personal selling efforts. Typical trade promotional tools include allowances and discounts, cooperative advertising and training of distributors’ sales force.

The main advantage of sales promotions is their effectiveness at stimulating sales during the duration of the offer. The disadvantages are that sales go down as soon as the deal ends and that effectiveness tends to dissipate over time if used continuously.

### 2.4.1 Consumer Oriented Sales Promotional Tools

*Price Promotions, Price Discounts or Deals:* short-term price reductions commonly used to increase trial use among potential consumers or to retaliate against competitors’ actions.

*Coupons:* usually offer a discounted price to the consumer to encourage trial use for a product or service. Most coupons have an expiration date and the rate of redemption is very low - typically around 2%.

*Gift with Purchase or Premiums:* often considered to be *self-liquidating* because the price charged to consumer covers the price of the item. The firm’s objective with this type of promotion is to encourage consumers to buy more frequently or to purchase more of the product.

*Samples or Sampling:* consists of offering the product for free or at a significantly discounted price. It is often used for new products in a trial size that is usually smaller than the regular package size. The expectation is that, if consumers like the sample, they will remember the product and make future purchases.

*Contests:* induce consumers to use their skills or creative and analytical abilities to win a prize. This tool can increase consumers’ involvement with the product.

*Sweepstakes:* require participants to submit some sort of contest entry but normally require no additional effort on their part. The advantages are that it gets consumers to use the product and store it more often, which minimizes brand switching. The disadvantage is that sales drop as soon as the sweepstakes end.

*Money refunds (or rebates):* offers reimbursement of money based on submission of proof of purchase. It is heavily used on high-ticket items facing intense competition (such as cars). In

low-ticket items, the hassle and cost of mailing in the proof of purchase tend to prevent consumers from taking advantage of this promotion.

*Frequent shopper or loyalty incentives:* are used to encourage and reward repeat purchases by acknowledging each purchase made by a consumer and offering a premium as purchases accumulate. They are effective in creating loyalty but come at a high cost to a firm.

*Point of Purchase Displays:* take the form of advertising signs. They can actually hold or display the product and are often located in high-traffic areas in a store, near the cash register or at the end of an aisle to maximize the possibility of capturing consumer's attention. They are very effective in increasing product visibility and in generating impulse sales.

## **2.4.2 Trade-Oriented Sales Promotional Tools**

*Allowances and Discounts:* this category encompasses merchandise allowances, case allowances and finance allowances. A *merchandise allowance* reimburses a retailer for extra in-store support or special-features a brand or product. The seller and the buyer usually specify the activity to be performed in the sales contract, such as including a picture of the product in a newspaper along with a coupon. A *case allowance* is a discount on each case ordered by the buyer during a specific time period. It is often tied to buying certain amounts of product to get the discount, a so-called volume incentive. A variation of the case allowance is providing "free goods" whereby retailers get some amount of the product free based on the amounts they order. A *finance allowance* involves paying retailers for their financing costs or compensating them for financial losses associated with sales promotions.

*Cooperative Advertising:* consists of the seller sharing the retailer's advertising expenses. Typically the seller pays 50% of these expenses up to a certain amount, based on the volume of product the retailer purchases.

*Training of Distributor's Sales Forces:* the seller develops manuals and brochures to educate the retailer's and/or distributor's sales force, sponsors national sales meetings, develops incentive and recognition programs, etc.

## **2.5 Direct Marketing**

Direct marketing is one of the fastest growing marketing strategies. It is based on the establishment of a direct relationship between a firm offering a product or service and the end consumer, with the goal of making a sale on the spot and eliminating the middleman.

Because of the direct link between producer and end consumer direct marketing allows firms to be more effective in targeting their market, getting higher response rates, generating repeat sales and competing. The major disadvantages of direct marketing are the cost of some mediums, the need for comprehensive and up-to-date databases and the risks of violating data-protection and electronic communication laws. The tools used in direct marketing include: direct mail, leaflet drops and handouts, telemarketing, direct response advertising, email marketing, online marketing and SMS/Text marketing.



*Direct mail:* the most widespread among this category of promotional tools. It allows firms to get information about their products or services directly into the hands of those consumers who might be interested in them. The main disadvantage is its image as “junk mail”.

*Leaflet drops and handouts:* are probably the simplest and cheapest tools for direct marketing, but their response rate is significantly lower than direct mail.

*Telemarketing:* contacting consumers by phone is advantageous in that it is possible to gauge the customer’s interest immediately, ask questions to assess their needs and explain technical features or complex messages more effectively. The main disadvantage however, is that many people find these calls an undesirable interruption of their normal routines. State law restricts telemarketing in some cases.

*Direct response advertising:* presents the product in a very attractive way in one or two minutes *infomercials* in which the seller encourages viewers to call a toll free number or go to a website to purchase the product. Infomercials are typically cheap to make and purchase of medium time is less expensive. A disadvantage is that this medium is commonly viewed as used to advertise products of questionable origin and quality. However, in recent years, an increasing number of Fortune 500 companies are making use of infomercials.

*Email marketing:* is also an extremely cheap tool for direct marketing. It is the easiest way to reach specific target consumers. Measuring response rates is simple and recent data shows that response rates are higher than for direct mail. However, its disadvantages are that email addresses go out of date faster than addresses or telephones numbers, and that the message may end up being deleted before it is read. Email clients also tend to use of filters to identify and contain unsolicited messages (or spam).

*Online marketing:* plays an increasingly important role in direct marketing. With the wealth of information it contains, the Internet allows consumers to search for and compare products in a convenient way. A webpage makes purchasing easy for consumers and provides opportunities for sellers to initiate additional contact points with the consumer which may allow for other promotional strategies (e.g. direct mailing, email mailing, etc.). Coverage limited to those with Internet access and the skills needed from costumers to engage in online purchasing constitute its main disadvantages.

*Short Messaging Service (SMS)/Text marketing:* a very attractive vehicle for direct marketing due to rapid growth of cell phone usage. It allows for sending messages to groups of people quickly at a relatively low cost. It is easier to reach consumers as everybody carries their phone and tend to read all of their messages. The personal nature of cell phones makes of this a very powerful marketing tool. However, the amount of information that can be sent in a text message is limited, some people find this approach intrusive and are wary of responding to unexpected messages and, in addition, it requires using the services of a mobile phone company.

## 2.6 Other Promotional Options

Additional promotional tools you can implement to promote your product or service and your firm at varying levels of cost and effectiveness include: attending or participating in trade shows and consumer fairs, developing your own newsletter and developing brochures.

*Trade Shows and Consumer Fairs:* trade shows, industry fairs, farmer's markets, home and garden shows and State fairs, constitute the main promotional tools for some businesses. They are very effective promotional tools because people in attendance are already serious prospects and, additionally, they provide a great opportunity for networking. However, to make the best use of these events, you should attend beforehand to observe whether or not the event is a good way to promote your products or services and to identify the best strategies for an exhibit.

*Newsletters:* developing a newsletter that provides up-to-date information to your customers allows you to establish a relationship with them and stay in touch. It is a very affordable promotional tool that even firms on very small budgets can afford. Effective newsletters are published regularly and consistently, are enjoyable and easy to read and provide solutions to customers' problems.

*Brochures:* a venue for more detail on your product or service than almost any other promotional vehicle. You can include color photos or images to improve attractiveness and increase customer's retention. Include information about your experience, skills and/or training to increase customer's trust. Make sure you use your firm's logo consistently throughout the brochure and provide necessary contact information: telephone, fax, e-mail address, business address, webpage location, etc.

## 3. Developing your Promotional Program

Given the importance to your firm's success and the costs involved, the development of your promotional program needs to be done in a careful and systematic way. Marketing experts have developed a variety of guidelines to help with this task. An example is the 6W's approach proposed by Kerin, et. al. in the 7<sup>th</sup> edition of their book "Marketing" (2003) a set of six key questions that guide you, step by step, in the development of your promotional program:

- **Who** is your target audience?
- **What** are your promotion objectives?
- **What is the available** budget?
- **Which** promotional elements to use?
- **Where** should the promotion be run?
- **When** should the promotion be run?

### 3.1 Who is Your Target Audience?

The first step in developing your promotional program is identifying your target audience, that is, the group of prospective buyers to whom the promotion is directed. To the extent that your

resources permit, the target audience should be the target market you identified through your marketing research and market segmentation studies. The more you know about your target audience, the easier it will be to develop an effective promotional program. When the target audience is the final consumer, mass media communication channels allow access to a large number of potential buyers. On the other hand, personal selling is often used when the objective is to reach the end consumer at the point of purchase or when intermediaries are the target audience. In these cases, the customer often has specific needs and technical questions that sales representatives can address.

### 3.2 What are Your Promotion Objectives?

Once you have identified the target audience, you need to determine what the promotion should accomplish. Typical objectives include: reaching a certain percentage of the target market, increasing customers' exposure to a product or service, raising awareness about a new product or service, achieving a certain level of sales, etc. To fine-tune your objectives, you need to take into account the lifecycle stage of your product or service (introduction, growth, maturity or decline), as well as the stage where your prospective buyer is in the buying decision process (awareness, interest, evaluation, trial or adoption).

*Product/Service Lifecycle:* the lifecycle of a product or service encompasses four stages: introduction, growth, maturity and decline, and the promotional mix should be adjusted at each stage. The main objective of promotion during the introduction stage is to raise consumer's awareness and interest about your product or service. The promotional mix at this stage usually includes all promotional elements but advertising is particularly important to reach a large audience. During the growth stage the objective is to persuade the consumer to buy your product or service. Again, the primary promotional elements to use at this stage are advertising if your target audience is the end consumer (to stress brand differentiation), and personal selling when your promotional focus is on the intermediaries (to solidify the channel of distribution). In the maturity stage, the objective is to maintain existing buyers. Advertising is used to remind your customers of the existence of your product or service. Sales promotions in the form of discounts, coupons and price cuts are used to maintain loyalty of both end consumers and intermediaries. In the decline stage the product is close to being phased out, and as a consequence, little (if any) money is spent on promotion. **For more information on Product Lifecycle see Marketing Module 5: Product.**

*Customer Buying Decision Process:* a prospective buyer is said to go through a sequence of stages from initial awareness to eventual action (trial use or adoption of a product). The stages include: awareness, interest, evaluation, trial and adoption. *Awareness* relates to the consumer's ability to recognize and remember the product or service. *Interest* relates to the consumer's increased interest in learning more about the product or service. *Evaluation* refers to the consumer's appraisal of the product or service on important attributes. *Trial* is the actual first purchase and use of the product or service. *Adoption* is the repeated purchase and use of the product or service, after the consumer has had a favorable experience during trial use.

During the pre-purchase stage when the key is developing awareness and interest, advertising is the best strategy because it informs your potential customer of the existence of your product or

service and your firm. Direct marketing is mostly used to encourage first time or repeat purchases. Sales promotions in the form of free samples are also very useful during this stage. At the purchase stage when evaluation and trial of your product or service takes place, sales promotions through coupons, deals, point-of-purchase displays (POPs) and rebates can be the most effective. Personal selling is also important during the purchase stage while advertising's usefulness is mainly related to delivering the sales promotions' offers. Sales promotions in the form of coupons and direct marketing are very effective in encouraging repeat purchases or adoption of a product or service.

### **3.3 What is the Available Budget?**

Once you have identified your target audience and set your promotion objectives, you need to determine what your promotional budget will be. This budget will depend on your resources and also on how widely and how frequently you want to promote the product. Coming up with the ideal amount to spend in promotion is often difficult because there is no exact way to anticipate the results. However, firms follow one of several methods to arrive at a promotional budget, including: objective and task budgeting, percentage of sales, matching competitors, all you can afford, etc. The best method is the objective and task approach, where a firm determines its promotion objectives, identifies the tasks necessary to accomplish the objectives and establishes the cost of carrying out those activities. If the resulting cost is beyond the firm's possibilities, objectives need to be reassessed and tasks adjusted accordingly, until a suitable balance is accomplished.

### **3.4 What Promotional Elements to Use?**

The next step in developing your promotional program is to select the promotional elements and thereby, the promotional mix that best fits your promotion objectives. The specific mix can vary from a simple program using a single promotional element to a mix that includes all the promotional elements. In any case, your promotional mix should emphasize the promotional element(s) that will be most effective given the lifecycle stage of your product or service and the stage in the buying decision process of your potential customers, with respect to your product or service.

For example, if advertising is the right promotional element to meet the promotional objectives for your product or service, your target audience and the available budget, you should start by developing your advertising strategy, which is also directly related to your positioning strategy. This implies deciding what message to convey, what feeling to create, how frequently to advertise and what media to use. Your advertising message has to be consistent with your product's price level! If yours is a premium-priced product, your advertising image should be one of quality and service. If, on the other hand, yours is a lower priced product, your advertising image should be one of value.

An advertising message or "ad" usually focuses on the key benefits of the product or service which are important to the potential buyer when making trial and adoption decisions. Most advertising messages contain both informational and persuasive elements combined to provide a reason for consumers to act. To develop an effective advertising message you need to know as

much as possible about your target consumers, particularly about their lifestyle, attitudes and demographics along with their geographical location.

### **3.5 Where Should the Promotion Run?**

Depending on your target audience, your promotion objectives and your budget, the next step is to identify the best medium or place to execute your promotional program. For example: for advertising you need to consider the different media available; for direct marketing you need to decide if you are going to reach your customers by direct mail, online or at a farmer's market; if your promotion is focused on developing public relations and publicity you need to decide what type of events you need to sponsor or attend that would be the most effective for your product or service and your firm, etc.

As mentioned before, advertising media encompasses all the channels that carry advertising messages such as: television, radio, magazines, newspapers, billboards, direct-mail or the Internet, etc. To decide what media is right for your product you need to take into account the "reach" they can offer among your target audience and the "frequency" with which they reach it. Also very important in your decision is the "impact" of the different media options. *Reach* refers to the percentage of people or households exposed to your ad campaign during a given period of time; *frequency* is the average number of times a person in the target market is exposed to your message or ad; "impact" is a qualitative measure of the type of message exposure offered by a given medium (e.g., ads for products that need to be demonstrated have more impact through TV than radio). Other parameters commonly used in advertising evaluation are *gross rating points* (*reach* multiplied by *frequency*) and *cost per thousand* (i.e., the cost of reaching 1,000 individuals or households with your ad in a given medium).

### **3.6 When should the Promotion Run?**

Once the design of your promotional program is ready, you need to define the right timing for it. The order in which each of the promotional elements is introduced and the frequency with which they are used constitutes the basis of your promotional schedule. Seasonality and competitive promotion activities are very important factors to take into account when scheduling your promotional program.

There is no magic formula to scheduling your advertising campaign but timing and frequency are key factors. Repeat advertising works better than a one-time shot. Repeated exposure lends familiarity and credibility and helps prompt people to reach for or ask for your product or service. If seasonality is not important, or when the objective is to maintain customer awareness, advertising is run on a continuous schedule throughout the year. If seasonality is important you need to coordinate your advertising with your customer's buying cycles and the availability of your product, in such a case an "intermittent" schedule is the best choice. For special situations, such as the introduction of a new product, or peaks of demand a "pulse" schedule which combines the former two, might be the best choice.

Other key factors to take into account when scheduling your campaign are: buyer turnover, purchase frequency and the forgetting rate. The higher the turnover (how often new buyers enter

the market) and the forgetting rate, the greater amount of advertising needed. The more frequently a product is purchased, the less repetition is required.

#### **4. Executing and Evaluating Your Promotional Program**

Typically your advertising campaign will be handled by an advertising agency. These can be either full-service or limited service agencies. Alternatively, the campaign can be handled in-house by your advertising staff. A full-service agency provides a complete range of services, including market research, media selection, ad development, artwork, and production. A limited-service agency specializes in one aspect of the advertising program, such as assisting in the creative portion of developing an ad or arranging media space for your program.

Executing your promotional program involves pre-testing your promotional tools and implementing them. Before the program is initiated, ads should be shown to consumers to choose the best option, identify any necessary adjustments, or both. The techniques used to pre-test ads include: portfolio tests, jury tests and theater tests. *For a description of these techniques see Supplement No. 1 at the end of this Module.*

#### **5. Evaluating Your Promotional Program**

To make sure that your advertising efforts and investment are not wasted, you need to evaluate your promotional program. Evaluation of a promotional mix focuses on determining which element(s) of the promotion is/are more effective, usually by post-testing their promotional impact. It is worth pointing out that promotional tools serve different specific purposes, but when combined in a promotional mix, they produce a synergy that increases the effectiveness of any of them used individually. Therefore, the best assessment will be one that takes into account the synergistic effect of the mix.

When using advertising, your ad(s) should be post-tested after being presented to the target audience, to determine whether they are achieving the intended objectives or if changes are necessary. This involves asking the target audience whether they recognize or recall the message you intended to convey through your ad, how many times they saw it, what points they recall about it, how they felt about your message, and their previous and current attitudes toward your product and your firm. The techniques typically used are “aided recall”, “unaided recall”, attitude tests”, “inquiry tests” and “sales tests”. *For more information on these techniques see Supplement No. 1 at the end of this Module.*

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## ***Supplement No. 1 – Techniques used to Pre and Post-Test Advertisements (Ads)***

### **Pre-test Techniques:**

*The Portfolio Test:* used to test ad alternatives. The ad to be tested is placed in a portfolio along with other ads and stories. Consumers are asked to read the portfolio. Later they are asked about their impressions of the materials using a variety of evaluation scales.

*Jury tests:* the ad is shown to a panel of consumers who are later asked to rate how they liked it, how much it caught their attention and how attractive they thought it was. It is similar to the portfolio test in the sense that consumer's reactions are collected but in this case the advertisement is not hidden among other advertisements.

*Theater tests:* the most sophisticated evaluation technique. Ads are played in shows or movies to which consumers are invited. They register their feelings about the advertisements in handheld devices during viewing or in questionnaires after viewing.

### **Post-test Techniques:**

*Aided recall:* the objective of this technique is to determine the percentage of consumers who, after being shown an ad: a) remember the specific ad; b) read any part of the ad and identify the product or brand; and c) read at least half of the ad.

*Unaided recall:* consumers are asked a question like “what ads do you remember seeing today or yesterday?” without trying to determine if they saw or heard any advertising messages.

*Attitude tests:* consumers are asked questions to measure changes in their attitudes with respect to a product, after an advertising campaign, such as whether they are more interested/willing to buy the product.

*Inquiry tests:* consumers reading or viewing the ads are offered additional product information, samples or incentives. Those ads which generate the most inquiries are considered to be the most effective.

*Sales tests:* controlled experiments in which ads are conveyed through two different mediums in two different markets (such as radio and newspapers) and measuring the sales resulting from the promotion campaign are measured. Today's electronic communications and systems available at retail stores through checkout scanner allow for conducting sophisticated tests where a variable can be changed (such as the ad) and data on the resulting sales is collected and analyzed.