What is Promotion?

Promotion refers to the mix of promotional elements a firm uses to communicate with its current or potential customers to induce them to buy their product or service.

It can be directed to:

• the ultimate consumer
• an intermediary such as a wholesaler or a retailer
• both
“Push” or “Pull” Strategy?

Promotional strategies are classified into either “push” or “pull” strategies.

- With a “push” strategy a firm promotes the product to wholesalers, the wholesalers promote to retailers and retailers promote it to consumers.
- With a “pull” strategy the promotional efforts are directed to the end consumer who demand the product from intermediaries thereby “pulling” it through the distribution system.

With either a “push” or a “pull” promotional approach firms need to take into account:

- the size and concentration of the target market
- the target customer information needs
- the promotional budget
- the cost of each promotional element
The Promotional Elements

• **Advertising**
  
  The most well-known, widespread and efficient method to reach a large number of people but it is costly and non-personal.

• **Personal selling**
  
  Second major promotional element, usually implies a face-to-face communication between the seller and the buyer to “close the sale”.

• **Public Relations & Publicity**
  
  Publicity is a non-personal unpaid presentation of a firm, product or service resulting from the planned and sustained efforts to establish and maintain a favorable public image.
• **Sales promotion**
  
  *Provision of incentives to the end consumer (pull strategy) or to intermediaries (push strategy) to stimulate demand for a product*
  
  - Consumer-oriented or Trade-oriented

• **Direct marketing**
  
  *One of the fastest growing, based on direct communication with the consumer to make a sale on the spot eliminating the middleman (e.g. direct mail, telemarketing, online marketing, SMS/Text marketing)*
Advertising Media

- Television
- Radio
- Magazines
- Newspapers
- Direct mail
- Signage
- Yellow Pages
- Internet
- Classified ads
Developing your Promotional Program

The 6 W’s approach:

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

*The group of prospective buyers to whom the promotion is directed*

• Your Promotion Objectives

- *reaching a certain % of the target market*
- *increasing customers’ exposure to a product or service*
- *raising awareness about a new product or service or*
- *achieving a certain level of sales*

*Fine tune according to:*

- Product/Service Lifecycle
- Customer Buying Decision Process
• The Available Budget

Depends on your resources and on how widely and how frequently you want to promote

• Promotional Elements to Use

Should emphasize the promotional element(s) that will be most effective given the lifecycle stage of your product and the stage in the buying decision process of your potential customers
• Where to Run your Promotion
  
  *Depends on your target audience, your promotion objectives and your budget!*
  
  – Advertising: different media available. Key factors: reach, frequency and impact
  – Direct Marketing: direct mail, online, farmers markets, etc.
  – Public Relations & Publicity: type of events to attend or sponsor

• When to Run your Promotion
  
  – Timing
  – Frequency
Executing and Evaluating Your Promotional Program

Executing Your Promotional Program
- Pre-testing your promotional tools
- Implementing the program

Evaluating Your Promotional Program
- Post-testing impact of promotional tools
- Effectiveness
- Synergy of promotional mix