

# The marketing mix: promotion and technology in marketing

## The role of promotion decisions in the marketing mix

- Promotion gives the consumer information about the rest of the marketing mix
- Promotion is essential when a brand image is being created for a product
- Promotion as a part of the marketing mix includes:
  - i. Advertisements (above-the-line promotions) e.g. advertising on television, via the internet, newspapers, magazines and other forms of advertising media
  - ii. Sales promotion (below-the-line promotions) e.g. money-off coupons, free gifts, product placements in television programmes or newly released films

## The aims of promotion

- To inform people about particular issues, often used by the government
- To introduce new products on the market
- To compete with competitor's products
- To create a brand image
- To increase sales
- To improve the company image

## Advertising

- Informative advertising is where the emphasis of advertising or sales promotion is to give full information about the product
- Persuasive advertising is advertising or promotion which is trying to persuade the consumer that they really need the product and that they should buy it

## The advertising process

1. Set objective: the business will have to decide the purpose of advertising
2. Decide the advertising budget: the business will have to decide how much to spend on advertising
3. Create an advertising campaign: the business will have to decide what campaign to run and their target audience
4. Select the media to use: the business will have to decide on the most cost effective way to advertise
5. Evaluate the effectiveness of the campaign: the business will have to see if sales have increased or if the product's brand image has improved

✓ The target audience refers to people who are potential buyers of a product or service

## Advertising media

### Television

- ✓ The advert will go out to millions of people
- ✓ The product will be shown in a favourable way making it seem more attractive
- × Very expensive
- ✓ E.g. food products and drinks, cars, household necessities

## Radio

- ✓ Cheaper than television
- ✓ Usually reaches a large audience
- ✓ Often uses a memorable song or tune that will be remembered
- × Cannot put across a visual image
- × Quite expensive
- × Advert needs to be committed to memory-no hard copy evidence
- × Not as wide audience as television
- ✓ E.g. local services and events

## Newspapers (national and local)

- ✓ Can be used to aim at a particular market or target audience
- ✓ Relatively cheap
- ✓ Adverts are in hard copy format
- ✓ A lot of information can be given
- × Often in black and white and not attention seeking
- ✓ E.g. local products and events in local advertisers, cars and banks in national newspapers

## Magazines

- ✓ Specialist magazines allow for reaching of target audience or market
- ✓ Colourful and attractive
- × Often published once a week or month
- × Relatively more expensive than newspapers
- ✓ E.g. perfume in specialist magazines for women, golf equipment in golf magazines, medical equipment in professional journals

## Posters/billboards

- ✓ Permanent
- ✓ Relatively cheap
- ✓ They are potentially seen by everyone who passes them
- × Can be easily missed as people go past them
- × No detailed information can be included in the advert
- E.g. local events, products purchased by large group of people

## Cinemas/DVDs and Blu-ray disks

- ✓ Can give a visual image and show the product in a positive way
- ✓ Relatively low cost
- ✓ Can be effective to reach target audience
- × Seen only by a limited amount of people
- E.g. Coca-Cola at a film

## Leaflets

- ✓ Cheap method of advertising
- ✓ Given out in the street to a wide range of people
- ✓ Could be mailed to large number of people
- ✓ Sometimes may contain money off voucher to encourage the reader to keep the advert
- ✓ Can be kept for future reference
- × May not be read
- × Direct mail is also sometimes called junk mail and puts consumers off buying the product
- E.g. often used to advertise local events, promotes retail outlets

## Sales Promotion

- **Sales promotion**- incentives such as special offers or special deals aimed at customers to achieve short-term increases in sales
- Promotion is used to support advertising and encourage new or existing consumers to buy the product
- There are several types of sales promotion that can be used by the business:
  - i. Price reductions
  - ii. Money-off coupons
  - iii. Free samples
  - iv. BOGOF
  - v. Free gifts
  - vi. Competitions
  - vii. Point of sales displays
  - viii. Point of sales demonstrations
  - ix. After-sales service
- Advantages of sales promotion:
  - ✓ It can promote sales at times in year when sales are traditionally low
  - ✓ It encourages new customers to try an existing product
  - ✓ It encourages customers to buy a new product more often or in greater quantities
  - ✓ It encourages customers to buy your product instead of a competing brand
- A marketing budget is a financial plan for the marketing of a product or product range for a specified period of time

## Which type of promotion should be used?

The following points also need to be considered when deciding the type of promotion to use:

- The stage of the product life cycle that has been reached
- The nature of the product itself
- The cultural issues involved in international marketing

- The nature of the target market

### Public relations/sponsorship

- This is concerned with promoting a good image for the company and its products

### How technology influences the marketing mix

- New technology is becoming integrated into marketing decisions. It presents new opportunities for businesses to market their products and services and it means there are frequent changes to all four elements of the marketing mix
- The product part of the marketing mix may be changed in response to technology
- The internet allows for businesses to gather information about customer purchasing habits which means dynamic pricing can be used to increase revenue
- The internet has facilitated the widespread of online purchasing i.e. e-commerce

## Social Media Networking and Business

### Advantages

- ✓ Targets specific demographic group
- ✓ Guarantees target customers see advert
- ✓ Speed in response to market changes-information can be updated regularly
- ✓ Cheap to use- it has no cost in just placing advertisements
- ✓ Reaches groups that are difficult to reach any other way

### Disadvantages

- × Can alienate customers if they find the adverts annoying
- × Have to pay for pop ups
- × Lack of control of advertising if used by others
- × May be altered or used in a bad way and forwarded on to other groups giving business bad publicity

## Businesses advertising on their own website

### Advantages

- ✓ No extra cost if own website is already set up
- ✓ Control of advertising as it is your own website
- ✓ Can change adverts quickly and update information
- ✓ Interactive adverts are more attractive
- ✓ Can provide further information on product

### Disadvantages

- × Potential customers may not see the website as it may be lost in a long list of recommendations

- × Relies on customers finding the website
- × Design costs of the website may be high