

# **Promoting Products**

# Defining Promotion

The act of informing or reminding consumers about the firm's products or services.

# Promotional Goals

- Creating awareness.
- Getting customers to try new product.
- Providing information.
- Keep consumers from switching brands.
- To get customers to use more product and to use it more often.

# Promotional Mix

## Four Elements



*Combination of promotion methods that a firm uses to increase acceptance of its products.*



*Optimal promotional mix is dependent on the characteristics of the target market.*

- ① Advertising
- ② Personal selling
- ③ Sales promotion
- ④ Public relations

# Five Types of Advertising

- ① Product/Brand: features a specific product or service.
- ② Comparative: compares the company's product with a major competing product.
- ③ Reminder: used to keep a product's name in the minds of the consumer.
- ④ Institutional: creates a positive picture about the specific institution.
- ⑤ Industry: enhances the image of a specific industry.

# Major Media Forms

Forms of Advertising	Typical Area Targeted
Newspaper	Local
Magazine	National
Radio	Local
Television	National or local
Internet	National
E-mail	National
Direct mail	National or local
Telemarketing	Local
Outdoor	Local
Transportation	Local
Specialty	National or local

# Personal Selling

*Personal selling: personal sales presentation used to influence one or more consumers.*

## **Personal selling:**

- Is expensive.
- Requires high training.

# Six Personal Selling Steps

- ① Identify target market.
- ② Contact potential customers.
- ③ Make sales presentation.
- ④ Answer questions.
- ⑤ Close the sale.
- ⑥ Follow up.



# Sales Promotion

## Most common strategies:

- Rebates
- Coupons
- Sampling
- Displays
- Premiums

# Public Relations

*Actions taken with the goal of creating or maintaining a favorable image.*

## **Public relations:**

- Gains free publicity.
- Enhances firm's image.

## **Most common strategies:**

- Special events.
- News releases.
- Press conferences.

# Summary of Promotion Mix Methods

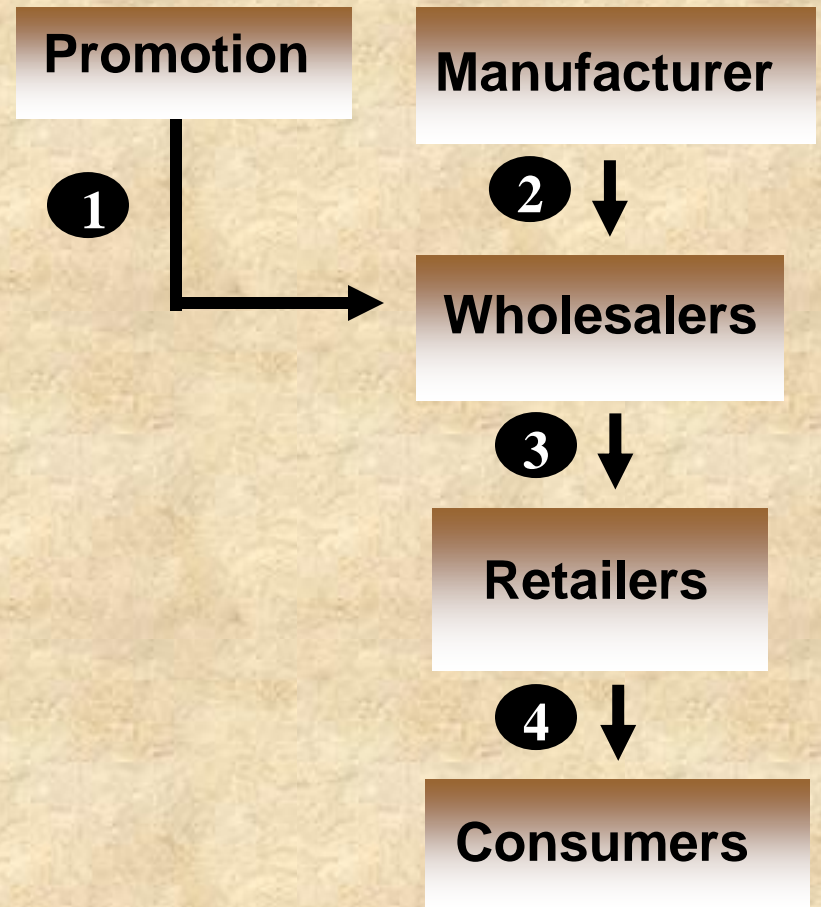
Promotion Method	Advantages	Disadvantages
Advertising	Reaches a large number of customers.	Can be expensive; is not personalized.
Personal selling	Provides personalized attention.	Difficult to reach a large number of customers.
Sales promotion	Offers various incentives for consumers to purchase products.	May not reach as many consumers as advertising.
Public relations	Inexpensive method of enhancing the image of the firm or its products.	Provides only a limited amount of promotion because news releases and press conferences may not always be covered by the media.

# Pull vs Push Strategy

**Pull**



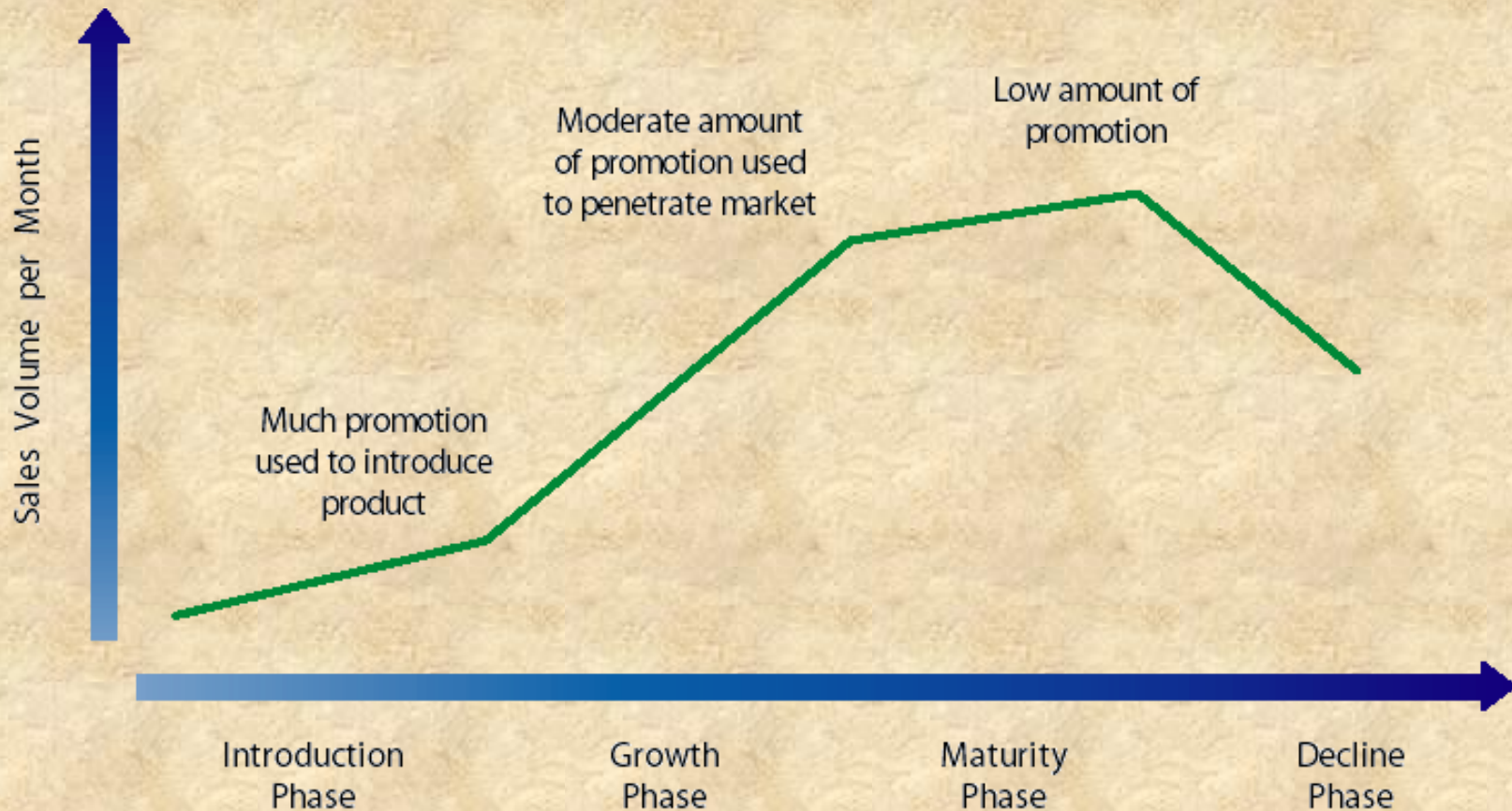
**Push**



# Promotional Budget Influenced By

- Phase of product life cycle.
- Competition.
- Economic conditions.

# Promotion and Product Life Cycle



# Evaluating Effects of Promotion

- Establish measurable objectives.
- Determine whether goal is achieved.
- Recognize that economic conditions may have an impact on overall success.