

Unit 4.5

The 4Ps – Promotion

Task 8 – Complete the missing words...

Promotion is about communicating marketing messages, such as adverts, with the intention of selling the **products** of a business. There are various media that can be used for this purpose, e.g. television, radio, newspapers, magazines and the **Internet** (for social media and social networking). Promotion is important to ensure that a product has a high chance of succeeding in the marketplace. However, the spending has to be **cost-effective** as promotion can be very expensive. The objectives of promotion are to **inform** and to **remind** customers about a firm's products and to **persuade** them to purchase the products.

Promotion is often categorised as **above the line** (ATL) or **below the line** (BTL). ATL promotion refers to paid-for promotion, e.g. commission being paid to an advertising agency for creating a television advertising campaign. All other forms of promotion are known as BTL promotion. Unlike ATL promotion, the firm has direct control over BTL promotional activities such as: direct mail, exhibitions, **point of sales** (POS) displays and sales promotions.

The **promotional mix** refers to the different aspects of an individual promotional campaign. This can include advertising, direct marketing, personal selling and sales promotion techniques.

Task 9 – Above or Below the line promotion?

Promotional technique	ATL	BTL
Billboard posters	✓	
Branding		✓
Cinema	✓	
Direct mail		✓
Free samples		✓
Guerrilla marketing		✓
Internet, e.g. Google and Yahoo!	✓	
Magazines	✓	
Merchandising		✓
Newspapers	✓	
Packaging		✓
Personal selling		✓
Point of sale displays		✓
Public relations		✓
Radio	✓	
Sales promotion		✓
Social media, e.g. Twitter and Facebook	✓	
Sponsorship		✓
Television	✓	
Trade journals	✓	
Viral marketing		✓
Website (company-owned)		✓

Task 10 – Short answer questions...

- a. Promotion is vital to a firm’s marketing mix as its function is to communicate messages to existing and potential customers, with the intention of selling the firm’s products. Irrespective of the quality of the product, its price or where it is available for sale, the product must be promoted effectively in order to make customers aware and to have a desire to buy it. Hence, promotion is essential for the commercial success of a product.
- b. Persuasive advertising aims to sell a product to the customer, perhaps by the use of branding or product differentiation, e.g. mobile phone operators that claim to offer the ‘best’ deals. Informative advertising, as used by governments and other non-profit organizations, aims to educate people so that they change their behaviour, e.g. anti-littering campaigns. Profit seeking firms also use this method to inform customers about their products, e.g. facts and figures.
- c. Such unethical action might negatively affect the corporate image of the sports club which, directly or indirectly, promote healthy lifestyles. In addition, they are likely to have a young fan base, thus any association with harmful products such as tobacco would not be socially accepted.
- d. Television advertising is a highly expensive form of ATL promotion and is used by large businesses that target mass market customers (rather than sole traders who lack the finance to use TV advertising and do not tend to cater for a mass consumer market).
- e. BOGOF deals do not raise any extra revenue for the firm so there is no contribution towards costs from the sale of the ‘free’ product; neither do they directly help to raise market share. BOGOF deals are only used temporarily, often to get rid of excess stock, i.e. it is not a sustainable promotional strategy.
- f. Customers get benefits in the form of gifts and/or price reductions from their repeated purchases; For businesses, loyalty schemes can create customer devotion to their company and brand (including word of mouth promotion). Thus, they can give the business a competitive advantage.
- g. Global market leaders continue to advertise in order to retain and strengthen brand loyalty, maintain or improve market share, adjust and/or improve their brand image, to attract new customers, to enter new markets overseas, and to consolidate their market position.

Task 11 – True or False?

	True / False
a.	T
b.	F
c.	F
d.	T
e.	T
f.	T
g.	T
h.	F
i.	T
j.	F

Task 12 – Multiple Choice

1. D. Price reductions
2. A. Cinema advertising
3. C. Below the line promotion
4. C. Above the line
5. B. The use of promotion via the mass media
6. B. The marketing process of selling straight to potential and known customers
7. A. The process of persuading people to buy a firm's products
8. C. Corporate slogans
9. C. A sign or symbol that represents a business and its products
10. A. Direct marketing
11. D. Customer relations management
12. A. Free gifts
13. D. Personal selling techniques
14. B. Hero endorsement
15. C. Sponsorship
16. C. Activities aimed at establishing and protecting the corporate image of a business
17. A. Sales promotion
18. C. Focuses on promoting the brand or the company itself rather than a product
19. D. Persuasive
20. A. Personal selling
21. C. Sales promotion
22. D. Reach audiences engaged in other activities, such as driving
23. B. Social media marketing
24. A. Social networking
25. D. It is a form of above the line promotion

Unit 4.5 The 4Ps – Place

Task 13 – Complete the blanks...

Place, also known as **distribution**, refers to the component of the marketing mix that deals with getting the right products to the customer in the most convenient and most cost-effective way. Firms do this through means of **channels** of distribution, such as wholesalers, sales agents and retailers.

Intermediaries are people or organizations that act on behalf of sellers and buyers. **Wholesalers**, for example, are the buyers of products from a manufacturer and sell on these products in smaller units to **retailers**. This is an example of a **two**-level channel between producer, wholesaler, retailer and consumers.

Telesales / telemarketing refers to the use of telephone calls to clients to sell products directly to potential customers. This distribution method has proved to be popular with insurance and banking firms. The advantage of using this approach is that it reduces the need for sales people to make personal visits, thereby saving travel time and money.