

Lesson 6.2

The Marketing Mix—Promotion

Goals

- List the many forms of advertising and discuss advantages and disadvantages of each.
- Define publicity and describe ways to use publicity as a promotional tool.

Vocabulary

- advertising
- publicity
- press release
- public relations

Promotion Strategies

- promotional mix
 - advertising
 - publicity
 - personal selling
 - sales promotion

Advertising

- **advertising**

- a paid form of communication sent out by a business about a product or service

- Advertising is very important for small and/or new businesses.

- Advertising should clearly communicate your message and image.

Online Advertising

- Online advertising has increased as Internet usage has grown.
- Online technology lets businesses interact with consumers via
 - chat rooms
 - blogs
 - e-newsletters

- Common types of online advertising include the following:
 - Banner Ad
 - Floating Ad
 - Wallpaper Ad
 - Trick Banner
 - Pop-Up Ad
 - Pop-Under Ad

- As it is easier to determine the effectiveness of online advertising than traditional advertising, new methods to charge for online advertising have been developed.

- Three common ways to charge for online advertising include:
 - Cost per Mil (CPM)
 - the advertiser is charged based on the exposure of the message to a specific audience
 - priced per thousand viewers reached with the message

■ Cost per Click (CPC)

- the advertiser is charged based on the number of user clicks on the advertisement
- viewers respond to the ad by clicking on the hyperlink within the ad

■ Cost per Action (CPA)

- the advertiser is charged when a user takes an action that leads to a sale
- the publisher of the ad assumes all the risk in running this type of ad
- advertisers prefer this type of charge for banner ads

■ Disadvantages of Online Advertising

- In an effort to combat excessive spamming, many Internet users now utilize software that blocks promotions from reaching their computers.

Television Advertising

- commercials
 - last less than a minute
- infomercials
 - last a half hour or more
 - provide in-depth coverage about a specific product

- Fees associated with television advertising include:
 - the fee paid to the station for airing the commercial
 - based on the length of time the commercial plays
 - the costs of producing the commercial

- Disadvantages of television advertising include:
 - it is very expensive
 - the audience is too broad to be effective for most businesses

Radio Advertising

- less expensive than television advertising
- listener demographics are more specific than television
 - easier to reach target audience
- pay for air time
- pay for production costs

- Disadvantages of radio advertising include:
 - the message is purely audio
 - a visual of the product is not shown
 - listeners may forget what they hear
 - listeners may “surf the airways” during commercials

Newspaper Advertising

- Historically, newspapers were the single largest form of advertising in the U.S.
- Advantages of newspaper advertising include:
 - relatively inexpensive
 - targets a limited geographic area
 - reaches a large number of people

- Disadvantages of newspaper advertising include:
 - Many people in the audience may not be interested in your business.
 - Your ad faces a lot of competition from many other ads in the newspaper.

Telephone Directory Advertising

- Consumers use telephone directories repeatedly.
- Ads usually appear close to the listing and phone number of the business placing the ad.

- Disadvantages of telephone directory advertising include:
 - People only look in the directory when they are already seeking a specific business.
 - It is hard to persuade a potential customer to use your business instead of your competitor's business.

Direct-Mail Advertising

- promotional materials sent to target customers through the mail
- Companies that specialize in maintaining targeted mailing lists can provide almost any type of list needed.

- Disadvantages of direct-mail advertising include:
 - Direct-mail is often considered to be “junk mail.”
 - It often gets discarded without being read.

Magazine Advertising

- Magazines are an excellent way to aim products and services at specific markets.
- Local magazines that target a limited geographic area are often the best choice for small businesses.

- Disadvantages of magazine advertising include:
 - National distribution can make some magazines an inappropriate way to advertise a local business.

Outdoor Advertising

- billboards and signs
- can be effective as the name of your business is located where many people can see it

- Disadvantages of outdoor advertising include:
 - limited information can be included
 - may not project the image you wish to convey

Transit Advertising

- signs on public transportation
- can provide more information than a billboard
- effective if your target market includes consumers who use mass transit

Social Networking Sites

- Business owners are using social networking sites for business promotion.
 - Twitter
 - LinkedIn
 - YouTube
 - Facebook
 - Blogging

Budgeting for Promotion

- Obtain cost estimates for all advertising that is under consideration.
- Calculate a projected budget.
- Determine whether your advertising budget, as a percent of sales, is in line with industry averages.



Why is promotion important to a business?

Publicity

■ publicity

- a nonpaid form of communication that calls attention to your business through media coverage
- can be positive or negative
- Publicity is free.
 - Staging the events that generate publicity is usually not free.

■ **press release**

- a written statement meant to inform the media of an event or product

Public Relations

- **public relations**
 - the act of establishing a positive relationship with customers and the general public

- Ways to support your community include:
 - sponsoring a sports team
 - donating to local charities
 - supporting work-based programs at local educational institutions
 - supporting Big Brothers or Big Sisters
 - organizing community programs

Self-Promotion

- Self-promotion is a way to keep the name of your business visible and in the forefront of people's minds.
- Self-promotion methods include the distribution of goods with your company's identifying information on it.
 - t-shirts
 - office supplies



What are the advantages and disadvantages of publicity?