

Promotion & PR Handout –

Promotion is any form of communication a business/organization uses to inform, persuade, or remind people about its products or services.

Types of Promotion:

1. **Advertising:** paid form of non-personal presentation of ideas, goods, or services directed toward a mass audience by an identified sponsor. Two types of advertising:
 - Print media: newspapers, magazines, direct mail, outdoor (billboards), transit (ads on buses or subways)
 - Broadcast media: radio, television, Internet web sites
2. **Public Relations(PR) & Publicity:**
 - PR: Any activity designed to create a favorable image toward a business, its products, or its policies.
 - News release, press kits,
 - Publicity: The placement of newsworthy items about a business, new products, or employees in the media.
3. **Sales promotion:** use of short-term incentives or interest-building marketing activities to stimulate traffic and encourage the buying of a product or service (increase sales).
 - **Business to Business:**
 - Slotting allowances: Manufacturer pays retailer for costs involved in placing a new product on shelves
 - Buying allowances: Price discount given by manufacturers to wholesalers and retailers to encourage the purchase of a product.
 - Trades Shows and Conventions: Designed to reach wholesalers and retailers - introduce new products or increase sales of existing products.
 - Sales incentives: Financial awards given to managers or employees who reach or exceed sales quotas.
 - **Business to Consumer:**
 - Premiums: low-cost items given to consumers at a discount or for free. Designed to increase sales, attract new customers and persuade nonusers to switch brands.
 - Sponsorship: Promotion of a company in association with a property, event or group.
 - Incentives: Create customer excitement and increase sales. Include sweepstakes, contests, and rebates.
 - Product samples: free trial size of a product.
 - Promotional tie-ins: Involve sales promotional arrangements between one or more retailers or manufacturers.

Promotion & PR Handout –

- Product placement: the strategic placement of an item will increase or enhance the public's knowledge about a particular product.
- Visual merchandising and displays: Coordination of all physical elements in a place of business so that it projects the right image to its customers.
- Loyalty marketing programs: Reward customers for making multiple purchases.

4. **Personal selling**: consists of oral presentations to one or more potential buyers with the intent of making a sale.

Promotional mix refers to the combination of different types of promotion. A business decides on the promotional mix that will be most effective in persuading potential customers (wholesalers, retailers, and/or consumers) to purchase and support its products.

Push Policy of Promotion: Is when a manufacturer is trying to “push” a product through a channel of distribution. The main purpose is to convince a retailer to stock a product. It relies heavily on personal selling and sales promotion, especially at trade shows.

Pull Policy of Promotion: Is designed to create consumer interest. Consumer demand can “pull” or encourage retailers to carry a product. It relies on heavy advertising geared towards consumers in addition to premiums, samples, and demonstrations.

Process of putting your promotion plan together (keep in mind Target Market and 4Ps of Marketing):

- Determine marketing objectives
- Determine your promotional budget
- Determine your promotional mix (what)
- Create your plan (who, when)
- Execute your promotional plan
- Evaluate your promotional plan & readjust plan accordingly

General Example:

- Marketing Objective: Create awareness of baby care products among mothers of newborns
- Promotional Budget of \$100,000
- Mix - Advertise in national baby care and motherhood magazines; Distribute product samples to major obstetricians' offices in major urban areas; Offer free baby care seminars to expectant mothers at major hospitals; Provide free samples to maternity wards at major hospitals.

Promotion & PR Handout –

Publicity: placement of newsworthy items about a business, new products, or employees in the media; an act designed to attract public interest; information with news value issued as a means of gaining public attention or support. It involves creating demand for a business or product by placing news about it in publications, radio, television, or another form of media. It is not paid for.

The principal function of publicity is “building an image”. **Image** is the way a business or organization is defined in people’s minds.

Publicity can be positive or negative. How does publicity differ from advertising?

Publicity is free.

Advertising is not free.

Major advantage of publicity:

People are more likely to pay attention to news stories than to advertisements because news reporters and newspapers are viewed as more objective than advertisers.

Major disadvantage of publicity:

A business gives up control over their message – the content and how it is presented.

Advertising: paid non-personal presentation of ideas, goods, or services directed toward an audience by an identified sponsor.

Goodwill: a kindly feeling of approval and support; the favor or prestige that a business has acquired beyond the mere value of what it sells.

Promotion & PR Handout –

Public Relations: the business of inducing the public to have understanding for and goodwill toward a person, firm, or institution. An individual or group of people who serve as public spokespeople for an individual or an organization. They relate information to the public. (i.e. Rock stars have publicists)

The right kind of “public relations” can create a positive image for a company and maintain or improve that image within the community.

Examples include:

- Sponsoring cultural events (concerts or art exhibits)
- Awarding scholarships to a local high school
- Donating equipment for public use

Answer these questions:

- Why does Macy’s sponsor the Thanksgiving Day parade?
- Why does a local business allow employees to help teach some math courses at a local high school?
- Why does a convenience store have a canister on their counter for Special Olympics?

“It’s good public relations”.

So, Public relations (or community relations) refer to any activity designed to create goodwill toward a business. The goodwill benefits a business by:

- Increasing sales
- Reinforcing the firm’s good reputation
- Increasing the receptivity of consumers to the firm’s advertising
- Conditioning customers to expect quality products from the firm

Public relations specialists attempt to get good publicity for their companies by creating news events. Examples:

- The opening of a new store
- An interview with a company official
- Launching of a new product
- Presentation of an award to an employee
- A community activity that is sponsored by the business
- A charitable activity that the business participates in