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# Chapter 12

## The Promotion Strategy

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Business Ownership

Mrs. Deady



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# Objectives

- Explain the role of the promotion strategy
  - Explain how to formulate promotional plans
  - Describe considerations for putting together a promotional mix
  - Describe the elements of a promotional mix
  - Describe how to determine promotional costs for a start-up business
  - Describe approaches to implementing your promotion strategy
  - Discuss options for short-term changes in your promotion strategy
  - Considerations ways to update the promotion strategy
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# Definitions 12.1

## Developing a Promotion Strategy

- Image – impression people have about your company
  - Preselling – influencing potential customers to buy before contact is actually made
  - Campaign – series of related promotional activities with a similar theme
  - Promotional mix – combination of different promotional elements to reach and influence potential customers
  - Advertising – PAID non-personal presentation of ideas, goods, or services
  - Specialty item – giveaway such as a pen, cap, or T-shirt printed with business name or logo
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# Definitions 12.1

## Developing a Promotion Strategy, cont'd

- Publicity – placement in the media of newsworthy items about a company or product
  - News release – brief newsworthy story that is sent to the media
  - Public relations – activities designed to create goodwill toward a business, by the media usually
  - Premium – coupons and gifts that are given in addition to the item or service purchased
  - Rebate – return of part of the purchase price – need to mail in for redemption
  - Sweepstakes – simple games of chance
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# Why have a PreOpening Plan?

- Establish a positive image
- Let potential customers know you are opening for business
- Bring in customers or have them contact your business
- Interest customers in your new company and your products



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# Promotion Campaign Elements for each Activity

- Brief description
- Specific media placement
- Submit dates
- Scheduled date of run or release
- Number of runs, copies, or items
- Costs
- Rationale and other pertinent notes



# Promotion Mix Categories

## ■ Advertising

- Newspapers
- Magazines
- Direct Mail
- Outdoor Advertising
- Directories
- Transit Advertising
- Other Print Media
- Television
- Radio
- Internet



## ■ Publicity

- Write news releases
- Write feature articles
- Submit captioned photos
- Call a press conference
- Seek interviews

## ■ Sales Promotion

- Displays
- Premiums
- Rebates
- Samples
- Sweepstakes and contests

# Definitions 12.2: Budgeting and Implementing Promotional Plans

- Industry Average – % of sales your industry uses for promotional expenses
- Cooperative Advertising – arrangement to divide advertising costs between 2 or more parties
- Advertising Agency – company that acts as an intermediary between a business and the media to communicate a message to the target market
- Consumer Pretest – consumer panel evaluates an ad before it runs

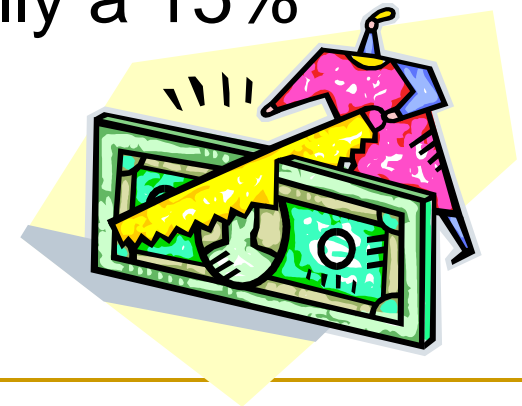


# Do You Want to Hire an Ad Agency?

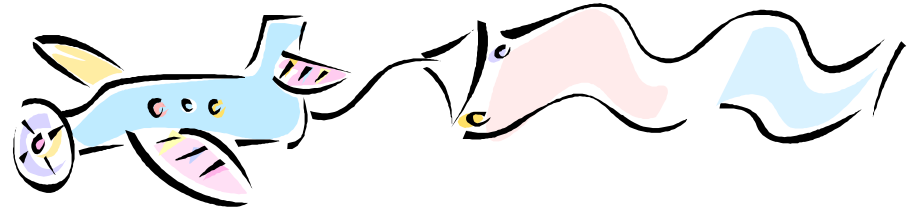
- They handle all phases of your advertising
- Write the copy, create the artwork, choose the media, produce the ad or commercial

However

- Disadvantage is the cost – typically a 15% fee for placing the ads



# Evaluation after the Ad has Run:



1. Market - Did ad succeed in reaching the target market?
2. Source – was it effective?
3. Motives – what motivated the customer to buy?
4. Messages – how appropriate was the message?
5. Media – did the selected media reach the target market?
6. Results – how well did the ad accomplish its objectives?
7. Budget – Was the budget acceptable?

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# How Often Should You Review Your Promotion Strategy?

- Quarterly or
- Semiannually

