How to use: Learn, cover, write and check

Topic 2.2.3 Promotion

Key Vocabulary

Promotional strategy – a medium to long term plan for communicating with customers

Sponsorship – paying to have a brand associated with an individual, event or team

Branding – giving your product or service a name that helps recall and recognitions and gives a sense of personality

e-newsletters – updates on the activities of a business sent electronically

Viral advertising – when people start to spread your message for you through social means

Sales promotion – a short term strategy such as BOGOF

Pressure group – a group of people who join together to try to influence government policy or business policy for a particular cause

e-commerce – buying and selling on-line

product placement – when a business product or brand is seen in tv shows or films

publicity – promotion that is not paid for, e.g. being discussed on a TV show

Core Knowledge

Promotion methods are used to inform consumers about products and persuade them to buy them.

Mass market products can use mass media, such as Television, national newspapers or radio. These are expensive, but *cheap per customer*. **Niche market** products, or smaller businesses can use local radio, local newspapers or social media.

Businesses may use **sponsorship** to build their **brand** through selecting a business that reflects their values, e.g. Red Bull sponsors extreme sports.

New products may offer **product trials**, e.g. free tastes or samples.

Impact of technology:

- Targeted advertising online through the use of cookies
- Viral advertising via social media, e.g. the Ice bucket challenge to raise awareness and donations to ALPS
- Apps for engaging with customers
- E-newsletters and emails

Be aware:

- Remember promotion is not just advertising – it includes lots of other strategies as well e.g special offers, loyalty cards etc
- Don't just say "TV" or "in a newspaper" – be specific, i.e. which channels? Which programs? What time? Link to the target market
- Social media is not "free" – it costs in time and in search optimisation

Wider Business World

Football teams – sponsored by businesses, as are sporting events such as the FA cup

Echo Falls – a wine brand that sponsored a cooking program; an example of linking the product to the likes of the target market

Synoptic Links

Technology – made it easier to advertise on social media

Legislation – adverts must be true and meet regulations

Market Segmentation – a business will need to know the target market well to know where to advertise

Break-even – promoting will have a cost implication, therefore raising the break-even point

Globalisation – will the promotion work in all countries?