

Promotional activities

IN THIS WE INVESTIGATE HOW BUSINESSES select and deliver promotional activities. You will develop an understanding of the relative advantages and disadvantages of different types of promotional activities. This unit is a very practical one, and you are encouraged to think about how promotional activities are used by a range of different businesses.

The assessment for this unit requires you to produce a plan of a promotion campaign, working within a realistic allocated budget, for a new or existing business. This business can be a company, a partnership or a sole trader, or a not-for-profit business (such as a charity and a public sector organisation).

At the end of each topic, there is an assessment practice section. The guidance given in each assessment practice is there to help you build your plan of a promotion campaign as you work through the unit. Your teacher will provide further guidance on how to present your plan of a promotion campaign.

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Topic 1 Promotion campaigns

Setting the scene: Health Promotion Agency

The Health Promotion Agency for Northern Ireland (HPA) is a government organisation. Its main responsibility is to provide leadership and support to people and organisations involved in promoting health in Northern Ireland. Its mission statement is “to make health a top priority for everyone in Northern Ireland”.

In November 2004, the HPA launched a promotion campaign to raise awareness about the dangers of passive smoking, the damage caused by indirectly inhaling the smoke produced by other people’s cigarettes. The campaign had two phases, with each phase having a separate aim, and targeted different groups involved in this health issue.

Phase 1 ran from November to December 2004. Its aim was to make smokers and non-smokers aware of the health effects of passive smoking and, in turn, to encourage smokers to stop smoking in the company of others or to quit for good. The primary target groups were smokers and parents (both smokers and non-smokers); the secondary target group was the general public.

Phase 1 ran in January and February 2005. Its aim was to encourage workplaces to introduce a no-smoking policy (in the absence of legislation outlawing smoking in public places). The primary target group was employers; the secondary target groups were employees and the general public.

The campaign had several objectives:

- to increase knowledge of the major health effects of passive smoking
 - to encourage smokers not to expose others to the damaging health effects of their smoking
 - to support employers wishing to implement a non-smoking policy in the workplace
 - to encourage non-smokers to be less accepting of passive smoking
 - to promote the smokers’ helpline service
 - to increase the number of smokers seriously considering quitting or making a quit attempt
- to encourage ex-smokers to “stay quit”.

The campaign used a range of promotional activities to achieve its objectives, including television advertising, posters, leaflets and information packs. The television advertisements can be viewed on the HPA website.

For more information, visit www.healthpromotionagency.org.uk/Work/Tobacco/campaigns4.htm.

very general, such as an advertising campaign warning people about the dangers of drink driving. However, it can also be very specific, such as a “buy two, get one free” sales promotion.

In the passive smoking campaign, the HPA used television advertising, posters, leaflets and information packs to communicate its message. The promotion campaign was communicating the benefits of stopping smoking by focusing on the harm smokers inflict on the people around them. In general, organisations can draw on a wide range of promotional activities designing a promotion campaign.

- **Sales promotions** – providing customers with a direct incentive to buy products, such as an offer of a free cinema ticket when purchasing a meal in a fast-food restaurant.
- **Merchandising** – the use and arrangement of in-store display equipment to communicate the benefits of a product and/or present the product in a favourable way, such as product display units in a fashion shop.
- **Personal selling** – personal, face-to-face communication aimed at informing and persuading customers. For example, salespersons in a retail outlets are able to give information about products.
- **Exhibitions and trade fairs** – a display of several businesses’ products intended to communicate the benefits of products to potential customers. Venues like the National Exhibition Centre in Birmingham and Olympia in London are regularly used for trade fairs.
- **Advertising** – communicating with customers through mass media, such as television, radio and newspapers.
- **Public relations** – raising awareness through obtaining favourable publicity in the media. For example, a retailer opening a new store might arrange a launch event to get coverage in local newspapers
- **Sponsorship** – improving the image of a business and/or product by funding unrelated activities. For example, many businesses sponsor football teams, allowing them to put the business name or logo on the kit and giving them good publicity.

Another key promotional activity is direct marketing. In recent years, this has become an essential part of many business’s promotion campaigns. In direct marketing, a business communicates directly with

stop and think

What promotional activities might a fitness centre use as part of a campaign to encourage 16–19 year olds to become members.



specific customers. The form of communication can vary – from telephone calls to direct mail leaflets - but the intention is to develop a one-to-one relationship between the business and its individual customers.



This leaflet from Sky is a typical example of direct marketing. It contains information about Sky’s range of digital television services and the price the company charges for each service. The leaflet also contains contact details for potential customers wishing to subscribe to a service.

The leaflet has the potential to carry out two essential aspects of promotion: informing and persuading. It informs readers about the technical aspects of the product – the channels available, prices charged and equipment required. It attempts to persuade readers to purchase a subscription and does this by using well-known cartoon characters from *The Simpsons* and *Finding Nemo*. Note, the leaflet incorporates a sales promotion technique – a free installation offer – aimed at persuading readers to buy from Sky.

KEY TERMS

Promotion campaigns are a mix of promotional activities aimed at achieving specific objectives.

Promotional activities include sales promotion, merchandising, personal selling, exhibitions, advertising and public relations.

Target audiences (or target groups) are the subgroups of the population that are the focus of a promotional activity. Target audiences are usually defined by characteristics such as age, sex, income levels and location.

Media are the platforms used to deliver a promotional activity, such as cinema, leaflets and web pages.

Mass media are media which have potential to reach large audiences, such as television and radio.

Promotional activities

Promotion campaigns, such as the one carried out by the Health Promotion Agency of Northern Ireland (see above), consist of a series of carefully chosen and timed promotional activities. In this unit, we will investigate the promotional activities carried out by businesses and how these are used in promotion campaigns.

Promotion is one element of the marketing mix: the 4Ps of price, product, promotion and place. The 4Ps are covered in Unit 1 of the AS textbook (see topics 5 and 6, pages 32–9), and you should ensure that you are familiar with the concept before studying this unit. Promotion communicates the benefits of products or actions to potential and current customers. It can be

Aims and objectives

All business organisations need objectives. Business objectives define the direction of the organisation and allow it to measure its success. In Unit 1 of the AS textbook, you studied SMART objectives. These are objectives which are specific, measurable, achievable, relevant and time specific. They are clear objectives, such as to increase sales by 10 per cent in the next six months, or to raise £500,000 in charitable donations within a year.

The Health Promotion Agency of Northern Ireland (HPA) has a general mission statement. This informs the organisation’s aims, which focus on specific public health issues such as alcohol-related illnesses and the health benefits of physical exercise. Any campaign that the HPA carries out to promote healthier lifestyles has campaign objectives. These are necessary to ensure that its promotion campaigns are focused and capable of achieving their aims.

stop and think

Visit the HPA website (www.healthpromotionagency.org.uk) and investigate a health campaign other than passive smoking. Identify the aims and objectives of the promotion campaign, and explain the suitability of its associated promotional activities. Why is it important for promotion campaigns to have aims and objectives?

In this topic, we have used a not-for-profit organisation, the HPA, to illustrate the aims, objectives and activities behind a promotion campaign. The same principles apply to profit-making businesses: whether a business is large or small, profit-motivated or has some other mission, its promotional activities must have clear objectives that help to achieve its business aims and objectives. For example, a corner store might have a business objective to increase the revenue from its film rental service by 20 per cent within six months. Any promotional activities carried out to support this objective must have clearly defined promotional objectives that are capable of assisting in increasing rental revenues over a six-month period. For example, the corner store may use of leaflet advertising in the first three months of the campaign with the promotional objective of raising customer awareness of the film rental service.

Figure 10.1 illustrates the type of objectives usually set for promotional activities. The exact objective will depend on the particular role played by the promotional activity in the overall campaign.

All promotion campaigns need to have clear objectives. A campaign might have one or two aims, but it should have several specific objectives that are capable of supporting this aim. This is illustrated by the HPA campaign to raise awareness about the dangers of passive smoking. Each phase of the campaign had clear objectives and a clear target audience.

Promotional activities can be expensive and it is important to justify their use. An entertaining, professionally produced television advertisement is useless if its intended message is not delivered effectively or is misinterpreted by the target audience. By setting specific objectives for particular promotional activities, it is more likely that their messages will be received and understood.

Figure 10.1: Objectives for promotional activities

Objective	Example
Improving customer awareness and knowledge of a product	A full-page advertisement in a Sunday newspaper colour supplement magazine providing information about a new, environmentally friendly car
Improving the image of the business	A public relations’ press release announcing a £200,000 charitable donation by a large international software manufacturer
Generating or increasing sales	A “50% off” end-of-season sales promotion by a small fashion retailer
Improving customer loyalty to a product or business	An increase in the number of customer service staff employed by a fitness centre
Altering customer perceptions of a product	The use of an interactive visual display unit to communicate the different functions performed by a multimedia home entertainment system

assessment practice

Planning a promotion campaign

The assessment for this unit requires you to produce a plan of a promotion campaign, working within a realistic allocated budget, for a new or existing business. As part of your plan, you are required to explain:

- the main objectives of the promotion campaign
- the range of promotional activities available to the business
- the characteristics of the target customers.

You are required to demonstrate other evidence, but this will do for now! Remember, the assessment practice sections are there to help you gradually build up your portfolio.

- A The promotion campaign can be for a new or an existing business. So start by identifying a suitable business. Your teacher might be able to offer suggestions. If you have completed Unit 9, Marketing Strategy, this could be an opportunity to develop the promotional activities element of the marketing strategy.

B Consider the overall aims of the promotion campaign and describe these in short, specific paragraphs. Use the HPA aims for its passive smoking campaign as a guide.

C Make an initial assessment of the objectives which could help to achieve the campaign’s aims. Describe these objectives, and explain how they help to achieve the aims of the promotion campaign. You will probably modify these objectives as you develop your plan.
- D Consider the range of promotional activities that your chosen business could realistically use. In part, this will depend on the budget allocated to the promotion campaign. Your teacher will help you to set a realistic budget. If you have chosen a new business, make a list of promotional activities and, as you work through the topics in this unit, keep returning to this list to alter your original ideas. If your chosen business is already established, research the range of promotional activities it traditionally uses.

E Describe the types of customers and other stakeholders that will be the focus of the promotion campaign. What is their age, sex, location and socioeconomic profile. Use Unit 9, Marketing Strategy, for guidance (see in particular, topic X).

Topic2 Budgets and campaign plans

Setting the scene: recycle – the possibilities are endless

Recycle Now is a UK government campaign that aims to increase the percentage of waste recycled by the general public. The advertisements illustrate the many products that can be made from recycled waste, and the campaign slogan is: recycle – the possibilities are endless.

A website (www.recyclenowpartners.org.uk) assists key stakeholders in delivering the campaign. These stakeholders include local authorities, and one section of the website is devoted to helping local government departments budget for and plan Recycle Now campaigns. It offers this advice.

Tips for planning

- Things take longer than you think. Make sure you have sufficient personnel (in-house and external) to deliver the campaign within your campaign's time frame.
- Create your main action plan, and develop mini plans to support each area of activity.
- Build in contingencies for problems, such as sickness, redoing work and unforeseen circumstances
- Build in contingencies for promotional activities that can be expanded if further funding becomes available, or reduced should the campaign cost more than anticipated.
- From the outset involve the right people (in-house and external). Involve marketing professionals from the outset or at least from a very early stage.

Tips for budgeting

- Be realistic when setting a budget. Communication materials and services are not cheap. Realistic projections are required to ensure an appropriate and successful campaign is developed.
- Have a flexible strategy that allows areas to be expanded or condensed to allow for a range of financing options
- Look at your objectives. Work out which strategy will take you there, which activities need to be completed as part of a strategy, and then cost it up
- Seek competitive quotes at all key stages
- Which tip for planning and which tip for budgeting do you think are most important for the success of a local authority's Recycle Now campaign?



KEY TERMS

Gantt charts are a diagrammatic method of scheduling tasks to complete an activity.

Budgets

The resources available to a business play a central role in shaping its promotion campaigns. The range and extent of promotional activities available to a business will be shaped by the availability of human, physical and financial resources.

1 Human resources

The advice on the Recycle Now website emphasises the importance of involving the right people when planning the campaign. Assessing the human resources available to a business is an essential step which must be carried out when planning a promotion campaign. Producing and delivering effective promotional activities requires significant skills, such as:

- communications skills, such as the ability to construct compelling messages that favourably alter the behaviour of targeted customers
- design skills, such as the ability to compose attractive page layouts in printed advertisements that grab the attention of targeted customers
- organisation skills, such as the ability to co-ordinate and monitor the publication and delivery of key promotional activities
- technical skills, such as the ability to produce print and ICT media efficiently and accurately.

Although these skills might be present within many organisations, they may be available for immediate use on the campaign as employees will be applying these skills to activities directly related to the business's core purpose. So, when planning a promotion campaign, decisions have to be taken about which parts of the campaign will be carried out in-house and which might be best carried out externally by specialist professionals. For example, the Recycle Now website contains a range of design templates for leaflets and advertisements which local authority staff can download and quickly adapt. In this case, employees can complete the design of the communications in-house at little expense and without needing to bring in specialist design skills. However, it does not follow that communications will be printed in-house, as the authority might not possess the appropriate physical resources.

2 Physical resources

Promotional activities require physical resources such as print and ICT equipment, distribution systems and specialist display equipment. In many cases, a business will not have the required specialist physical resources, so either the work will be contracted out to an external supplier or the necessary equipment will need to be purchased. Suppose, for example, that a promotion campaign requires the production of an illustrated product catalogue on DVD. While most businesses have the ability to copy DVDs in small quantities, they will not be able to:

- copy large volumes of DVDs
- produce, to a professional standard, the original images required for the catalogue
- produce the illustrated catalogue using specialist multimedia software
- create attractive packaging at a low unit cost.

Unless the physical resource provides wider benefits within the business, or the promotional activity is ongoing, most businesses will choose to contract out the DVD's design and production. However, before making this decision, a business should review both its physical and human resources to calculate the cost of producing the promotional activity in-house. This provides a benchmark to compare the quotes from external providers, and allows an informed decision to be made after taking into account any quality issues.

3 Financial resources

The budget allocated to any promotion campaign will depend on the financial resources available to the business. If a business's profits are falling, then the budget allocated to promotional activities is often the first to be cut. As the real benefit of promotional activities is often hard to prove, owners and managers would rather cut this cost than lay off employees or look for savings elsewhere in the business.

stop and think

One of the aims of your school or college's website is likely to be promotional: it will seek to communicate the benefits and effectiveness of the institution. Find out which individual or company produced and maintains your school or college's website. Do you think the website is an effective promotional activity? How might it be improved, and should this improvement be carried out in-house or externally?

Planning promotion campaigns

Any budget allocated to a promotion campaign has to be fully justified. Specific aims and objectives should be identified and the campaign outlined. The promotion campaign should operate within the allocated budget, allowing a margin for increased costs.

A plan of a promotion campaign should specify:

- the promotional activities forming the components of the campaign
- the timing of each promotional activity – when they will be delivered
- the cost of each promotional activity
- the objectives each promotional activity is designed to achieve.

Considerable research and analysis must be carried out before a promotion campaign plan can be produced. Later topics in this unit will help you recognise what information needs to be collected, and understand how to make decisions on the choice of promotional activities.

Once the research and analysis has been carried out, and decisions have been made regarding the choice of promotional activities, a Gantt chart can be used to illustrate the timing of the promotional activities (see

AS textbook pages 233–4). Gantt charts are a good way to show the activities that make up the promotion campaign and they can also be used to fine-tune their delivery. In addition, a Gantt chart can be used to monitor the delivery of the promotion campaign by checking off the actual dates for the start and end of each promotional activity against the planned dates.

Figure 10.2 shows a simple Gantt chart, or calendar, used in planning the Rethink Rubbish Lancashire campaign. This Gantt chart, together with many other tips for planning a promotion campaign, is from *Setting Timetables and Budgets*, a document which can be downloaded from the local authorities section of the Recycle Now website (www.recyclenowpartners.org.uk.)

The simple Gantt chart helps the organisation to view, at a glance, the:

- range of promotional activities that form part of the campaign
- duration of each promotional activity
- sequence of the promotional activities
- busy and quiet times during the campaign

The Gantt chart can be used at the planning stage to consider the suitability of the sequence and duration of the promotional activities. Busy times, such as the

last week of January, can be anticipated and resources allocated. The logic of the sequencing can be checked to ensure that, for example, road shows don't occur before the public is generally aware of the campaign.

Simple Gantt charts, of the type in Figure 10.2, can be constructed using a spreadsheet program such as Microsoft Excel. The chart can be developed to include financial information. For example, costs could be added for each row, and total costs of the campaign could then be calculated by inserting a formula.

Setting out Gantt charts in a spreadsheet allows planners a simple method to undertake what-if calculations. For example, if the campaign is coming in over budget, you might reduce the duration of one or more promotional activities, which would then be reflected by reducing the costs of those activities. A number of what-if calculations could be carried out until the final cost of the campaign came within the

allocated budget. In this way, planners can quickly look at the financial implications of different combinations and durations of promotional activities, and hopefully, arrive at the best mix and sequencing of activities that can be achieved within the budget.

stop and think

Use a spreadsheet to create the Gantt chart illustrated in Fig 10.2. Add a column at the end of the chart to show the cost of each promotional activity. Insert a formula to show the total cost of the promotion campaign (the sum of the costs of all the activities). How might you alter this spreadsheet for your own promotion campaign? What other formulas and data might you add to the spreadsheet?

assessment practice

Resource planning

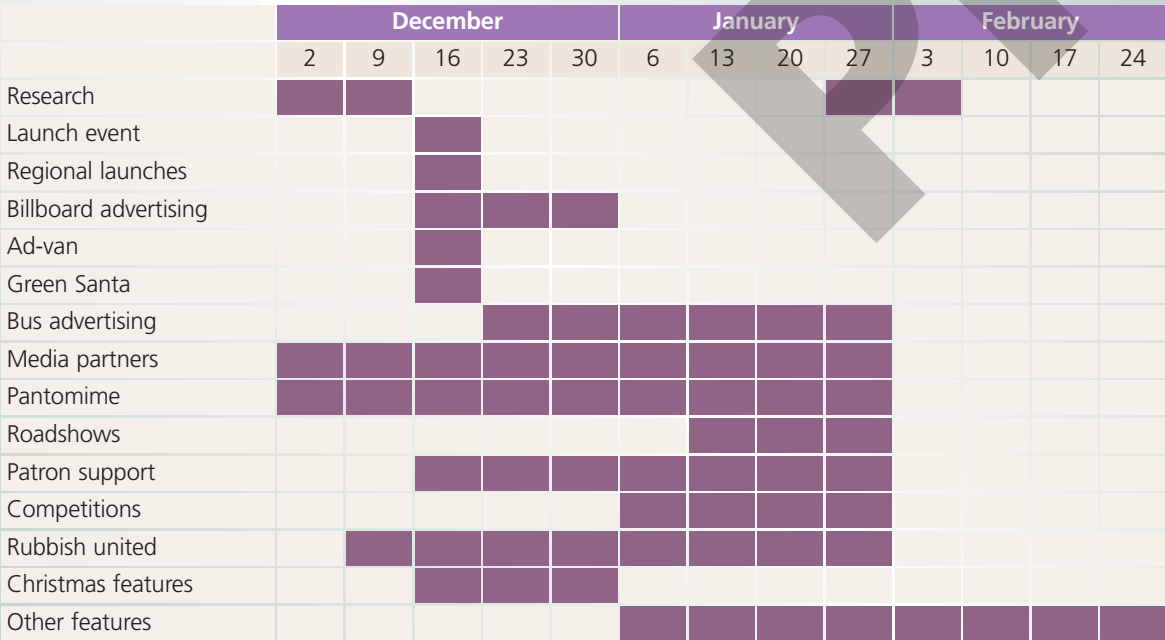
To produce your plan of a promotion campaign you will need to analyse the resources available to your business.

A Research the key human, physical and financial resources available to your business. For example, do any employees have skills relevant to the design, production and/or delivery of promotional activities; what relevant technology does the business possess; what budget is the business likely to be able to allocate and could this be increased?

B Using your findings from task A, analyse how the resources available to the business might shape your promotion campaign. As you learn more about the range of promotional activities available to the business you may want to revisit this analysis.

C Produce a spider diagram illustrating the resources available to your business which also shows the impact this could have on your promotional activities.

Figure 10.2: Rethink Rubbish Lancashire project planning chart



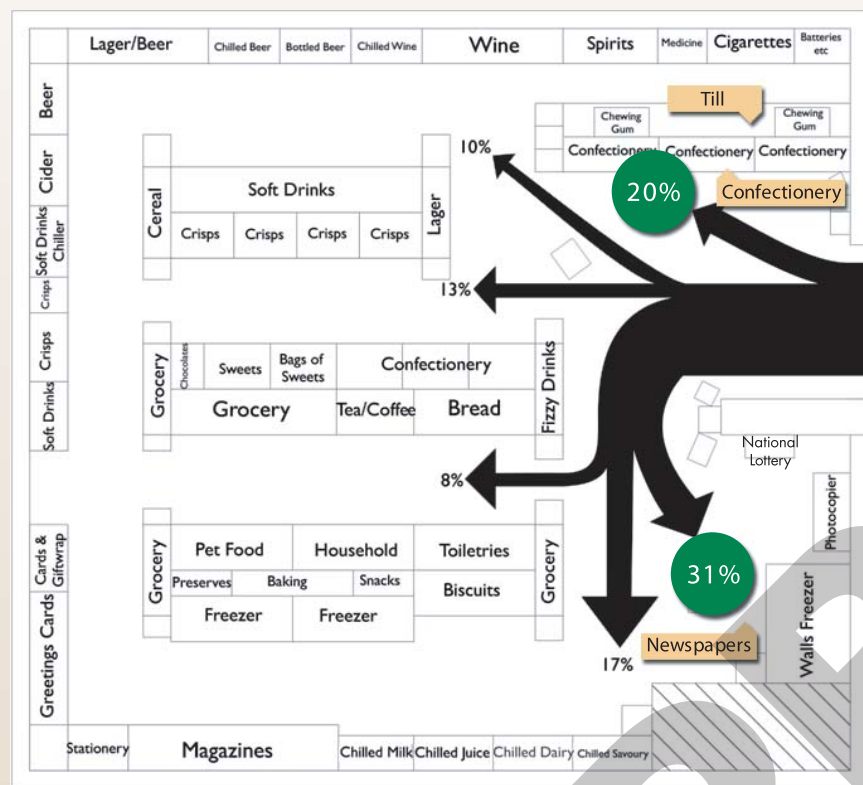
Source: www.recyclenowpartners.org.uk

Topic3 Promotional activities

Setting the scene: store layout

Successful retailers understand the importance of store layout. Figure 10.3 indicates the typical routes taken by shoppers in convenience stores.

Figure 10.3: Store layout and customer routes



Source: Britvic (www.britvic.com)

Why might changing the layout of a store be an effective way for a convenience store to increase its sales revenue?

Types of promotional activities

Topic 1 introduced you to the range of promotional activities generally available to businesses. In this topic, we consider in greater depth the ways in which these promotional activities can help businesses achieve the promotion campaign objectives.

1 Sales promotion

Sales promotion acts directly on buyer behaviour by offering a financial incentive for the buyer to purchase

the product. It is a simple and direct form of promotion. Figure 10.4 illustrates the variety of incentives that can be offered to customers.

In itself, a sales promotion is unlikely to turn a disinterested individual into a customer. However, in competitive markets in which several businesses are apparently offering very similar products, the effective use of sales promotion techniques can help to “win” a sale.

One of the most common forms of sales promotion is the use of coupons and money refunds. These, typically, offer discounts on the promoted product

KEY TERMS

Sales promotions are a direct financial inducement or promise of added value that encourage the purchase of a product. Examples include the use of coupons or free samples.

Point-of-sale materials are any physical items used to enhance the display of a product within a retail outlet or to provide additional information about the product.

Merchandising is the use of the retail environment – including the arrangement of stores and the use of point-of-sale material – to communicate the product benefits and present products in a favourable way.

Personal selling is the process of informing customers and persuading them to purchase products through personal communication.

Exhibitions showcase the products of several businesses. They usually cover a specific type of products – for example, there are separate trade fairs for cars, holidays and office equipment – allowing potential customers to compare a range of products at a single event.

Advertising is a paid form of non-personal communication transmitted through mass media.

Sponsorship involves the support of an event, individual or organisation by a business in return for the prominent display of the business’s name or brands

Public relations (PR) is a co-ordinated effort to ensure that key stakeholders, such as customers, employees and suppliers, adopt and maintain a positive view of a business.

Figure 10.4: Sales promotion incentives and techniques



when present at a retail outlet. Coupons are distributed in a variety of ways and may appear as:

- inserts placed in newspapers and magazines – known as free-standing inserts or FSIs
- direct mail and leaflet drops
- printed advertisements
- point-of-sale material in retail outlets.

Price-off offers are an obvious direct incentive to purchase. However, this type of sales promotion should be used with care as the image of the product might be damaged if it appears to be constantly on offer. In addition, a business may simply be losing sales revenue if it is offering discounts to customers

that might have purchased the product without the coupon.

Sales promotion techniques are also used to persuade retailers to purchase a supplier’s products. In general, free merchandise and point-of-sale materials are often used to convince a retailer to take on a particular product or product range. For example, a supplier might offer the retailer a 10 per cent discount (or an attractive in-store stand to display the products), if the retailers agrees to stock the supplier’s products.

2 Merchandising

In the context of this unit, merchandising refers to the techniques used by manufacturers, distributors and retailers to display products effectively within trade and retail outlets. In its simplest form, merchandising is the shelving used to display products to customers. Both the display units themselves, and the way in which products are displayed within shelves and cabinets, impact on buying behaviour.

Taken to the next level, merchandising covers the use of sophisticated display units and the careful arrangement of the overall layout of a store. “Visual merchandising” is crucial for some products. In fashion retailing, for example, the techniques used to display clothes in attractive and engaging ways play a vital role in driving sales.

Store layout is also a key aspect of effective promotion. Identifying the best layout depends on the type of products stocked, the routes taken by customers as they enter and leave the store, and the physical limitations of the store. Altering the layout of a store, and the style of shelving used, can often have dramatic effects on sales.

business practice

retailing bottled water

Even the seemingly simple task of selling bottled water can be enhanced by close attention to merchandising. Highland Spring, the UK's leading bottled water supplier, offers this advice to retailers on its corporate website (www.highland-spring.com).

Retailers can enhance their merchandising by ensuring that they stock the leading brands that are recognised and trusted by consumers. A common mistake is to stock too many brands, which can confuse consumers. Some tips include:

- place key brands at eye or grab levels.
- ensure shelf edge labels are visible and show current price and special offers
- use vertical brand blocking to create impact and ease shopping
- separate still, sparkling, functional and flavoured products so consumers can quickly identify their preferred product type
- make effective use of point-of-sale materials and signposting to communicate key messages and generate sales
- site bottled water alongside other healthy products to drive sales
- place kids bottled water alongside the adult range.

What do you think is the reasoning behind each of the display tips given by Highland Spring?



3 Personal selling

Personal selling is a highly individual activity. Individual salespersons differ in their approach to customers, and individual customers seldom agree on the attributes of a good salesperson.

Personal selling has much to do with psychology. A good salesperson will approach and communicate with each customer differently, depending on how the salesperson's assesses that the customer perceives themselves. If you have ever attempted to "chat up" someone you are attracted to, you will appreciate the art and difficulty of personal selling

Most sales staff go through several distinct steps when attempting to make a sale.

- 1 **Prospecting and evaluating**, through identifying potential customers and selecting likely buyers.
- 2 **Preparing prior** to the sales pitch, by identifying the individual needs of customers and some of the key issues which will determine whether they purchase or walk away.
- 3 **Approaching the customer**. The key issue here is how to make the first contact with the customer. The hardest approach is the "cold call": here the salesperson contacts a potential customer without any prior invitation or approach. In many sales situations, a cold call must be made. However, it is sensible to use this initial contact to gather information rather than to attempt a sale. Getting success at this stage – through gaining some interest from the potential customer rather than a direct rebuff – is one of the key attributes of a good salesperson.
- 4 **Making a presentation**. A sales presentation or a product demonstration allows a salesperson to sell the benefits of the product to the customer. However, as with any effective communication, this stage is about listening as well as talking. The customer should be drawn into the transaction, so that he or she feels that purchasing the product is a sensible and/or desirable decision.
- 5 **Overcoming objections**. Although effective presentation is essential, the ability to overcome customer objections to purchasing the product is another sign of an effective salesperson. This requires understanding the personality type of the prospective buyer – different approaches will be required depending on the attitude of the buyer. For example, in some cases the "brutally honest" approach will work, while in other cases the salesperson will have to flatter the buyer.

- 6 **Closing**, by getting the prospective customer to purchase the product. Some salespersons are adept at steps 1 to 5 but find this stage challenging. Sometimes the salesperson simply fails to recognise when the customer is ready to buy the product. An effective salesperson will gently question the customer throughout steps 3 to 5 in order to gauge how close the customer is to purchasing. In some cases all that is necessary is to complete step 3: the customer wants to buy the product and was just waiting to be approached!
- 7 **Follow up**. This is not necessary in all situations, however if the product is expensive and, perhaps, requires delivery and installation, then a follow-up call could help to ensure repeat business in the future. If no call is made, a customer may assume that the salesperson's interest only extends as far as making a sale and this is unlikely to encourage repeat business. After all, effective personal selling is about building relationships with customers.

stop and think

Think of the times you have purchased an expensive or special product. What role did personal selling play in your final decision to purchase a particular brand. Compare your views with other people in the class.

4 Exhibitions

Effective personal selling relies on the ability of a salesperson to communicate the benefits of a product to a potential customer. Allowing the customer to view and try out the product can facilitate the sales process. If the product is attractively presented, then it is conceivable that it could "sell itself". Exhibitions provide an opportunity for customers to interact with a range of products. Coupled with personal selling, taking space at a trade exhibition can be an effective way for a business to promote its products and achieve sales.

An exhibition allows a business to add to its database of potential customers. Although potential customers might not commit to a purchase at the exhibition, a salesperson can request permission to take a note of any potential customer's contact details. This will certainly help with step 3 of the personal selling process.

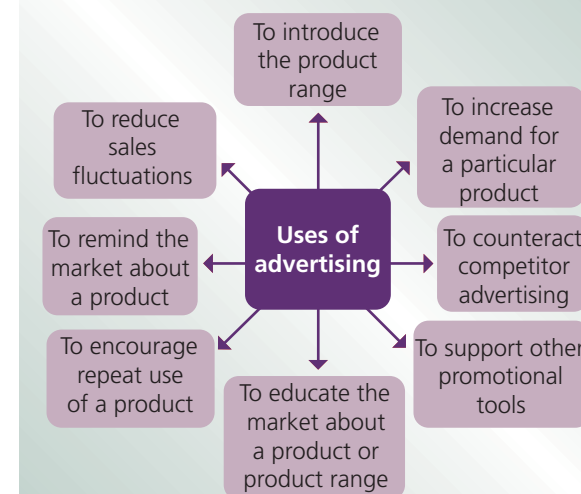
Failure to attend an exhibition can be damaging. If a business's main competitors have set up stalls and

display units, brought in their top sales people and presented their latest products, then failing to attend the event will project a poor image. Many businesses selling high value products find that it is essential to attend the major exhibitions and trade fairs in the UK and mainland Europe. This is seen as contributing to building and maintaining brand awareness. However, each business needs to weigh the cost of attending an exhibition against the benefits gained. Some exhibitions and venues can lose their appeal and, if major competitors begin to withdraw from particular exhibitions, a business should perhaps reconsider its presence.

5 Advertising

Advertising is undoubtedly the main form of promotion that we encounter. Advertising is all around us – on television and radio, in magazines and newspapers, on billboards and bus shelters and, increasingly, through the internet. The primary purpose of advertising is to inform and persuade current or potential customers. Figure 10.5 illustrates some specific uses of advertising.

Figure 10.5: Uses of advertising



Consider the typical structure of a printed advertisement. We'll use as an example a Vodafone advert for a new generation mobile phone (shown overleaf on page XX) .

- **Headline** – this is the first text noticed by the reader. The headline needs to convey the main message as quickly as possible. Most readers will ignore the rest of the advert unless the headline appeals to them. Vodafone's headline – Video calling, Live it – aims to grab readers' attention.



6 Sponsorship and public relations

One of the purposes of promotion is to raise a business's profile – to increase awareness and create a positive image of the business and its products. Sponsorship and public relations are often used for this purpose.

Sponsorship can be in the form of a financial grant, such as a £1000 donation given to a local performing arts group, in return for some acknowledgement in the art group's publicity or programmes. It can also be in the form of other types of material support, such as providing free sports equipment to a school or community centre. Many entertainment events now receive sponsorship in some form. In particular, important artistic and sporting events are often sponsored by major corporations.

Figure 10.6 shows the total financial value of sports sponsorship by corporations and indicates the number of businesses that now provide sponsorship. The table indicates that the value of sports sponsorship is increasing, but the number of corporations carrying out this sponsorship has declined from a peak in 1999. Sports sponsorship tends to be dominated by companies in a relatively small number of sectors. The main sponsors (by number of involvements) are banks and insurance companies, although hotel and travel companies, sports good firms, car manufacturers and beer companies also have a substantial presence.

On a smaller scale, many sole traders, partnerships and small private limited companies provide sponsorship of some form. Combined with public relations, sponsorship can raise the profile of a business and establish favourable connections between a business and the sponsored event or activity.

Public relations activities make use of the mass media to get publicity and to communicate positive news stories about the business's activities. Public relations activities which are single events are referred to as PR events. Sustained activities, combining several events over a period of time, are referred to as PR

campaigns. A business carrying out a PR event or running a PR campaign will aim to get publicity in various ways, including by:

- holding press conferences
- getting feature articles about the business or its products in newspapers and magazines
- securing product endorsements by key stakeholders
- issuing press notices that get widely noted and/or quoted

- getting captioned photographs of the business, its staff or its products, in the media.

stop and think

When a record company releases a new CD or DVD, how might it use a PR campaign to get coverage for the artist and the recording?

assessment practice

Developing your mix of promotional activities

The assessment practice in Topic 1 asked you to consider the range of promotional activities that your chosen business could use. What other promotional activities do you think your business could *realistically* use? In order to complete this activity you need to carry out some additional research.

- A** Find out how businesses similar to your chosen business use any of the promotional activities covered by this topic. Collect examples of these activities and describe their features.
- B** Research your chosen business's use of promotional activities in more detail. For example, consider the role of personal selling and, if possible, interview a salesperson to establish some of the challenges your business faces when selling products to potential customers. Is merchandising a key promotional activity? Is store layout a significant feature? Try to cover all six promotional activities.

- C** If your chosen business is a new business, consider how it might, for example, use personal selling by explaining some of the issues you think its salespersons could face. Again, try to consider all six promotional activities.

Figure 10.6: Sports sponsorship

Year	1997	1998	1999	2000	2001	2002	2003
Expenditure (£ millions)	322	353	377	401	421	429	411
Number of sponsors	995	969	1172	859	698	656	516

Source: Marketing Pocket Book 2005

Topic4 Communicating with target customers

Setting the scene: McDonald's Salads Plus

The BBC News online magazine has a regular Ad Breakdown feature which reviews advertising campaigns, identifying key features of advertisements and analysing the thinking behind them. Here are extracts of its review of McDonald's 2004 campaign for its Salads Plus range.

The brief: Attract people who would never eat a Big Mac and large fries.

What's going on: After a rundown of the menu, including Caesar salads, Quorn, yoghurt, "or even a crunchy apple", the voiceover says: "These girls are also new in McDonald's. Impatient Sophie, sensible Charlotte, and... Joanna, who's always late! New food – new people, Salads Plus."

Reasons: Recently the company recorded the first loss in its history, possibly due to a consumer trend towards healthier diets. So salads were introduced, designed to be "contemporary and relevant", ideal for appealing to "ladies who lunch", and to mums taking their children for a Happy Meal. The tactic seems to be working. In

April 2004 the company reported a 56 per cent increase in first quarter profits – in spite of newspaper reports that a crispy chicken Caesar salad has more calories (when served with dressing and croutons) than a Big Mac.

Media: Initially a television campaign, McDonald's is now focusing its efforts on putting these adverts in women's magazines, on websites and on the radio. One of the advertisements, placed in a women's health magazine, reads: "Aromatherapist Anna is typical of the new breed of customer attracted to McDonald's... Anna hates football, but loves Thierry Henry. She hates alcohol but loves bars... She hates her job but loves her boss."

Adapted from: www.news.bbc.co.uk 19 May 2004

Effective communication

Effective communication occurs when a message being sent is understood by the person receiving it. The receiver will also know how and when to respond to the message. Figure 10.7 illustrates the key elements of communication.

As Figure 10.7 shows, any communication can be broken down into several distinct components.

- **Sender** – the individual, group or organisation wanting to communicate ideas about the product.
- **Message** – the use of text, images, sounds, etc. to convey ideas and information about the product.
- **Medium** – the platform used to deliver the message, such as television, radio magazines, the internet and face-to-face communication.
- **Receiver** – the individual, group or organisation the message is intended for. The receiver interprets the message and attempts to understand its meaning.

KEY TERMS

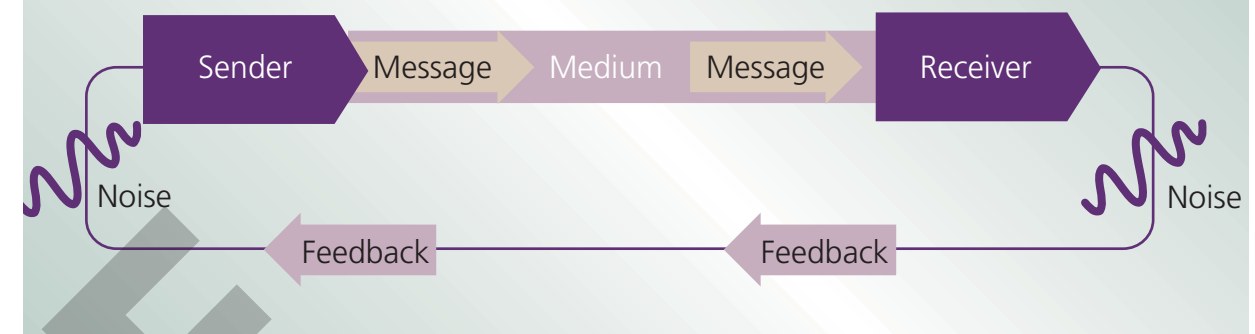
Feedback is the response to a message. Feedback can use a variety of different media or may be absent if the message is not understood or does not interest the person receiving it. It may take the form of an action, such as purchasing a product.

Noise is anything that gets in the way of the receiver understanding the message, such as conflicting information or an inability to believe the message.

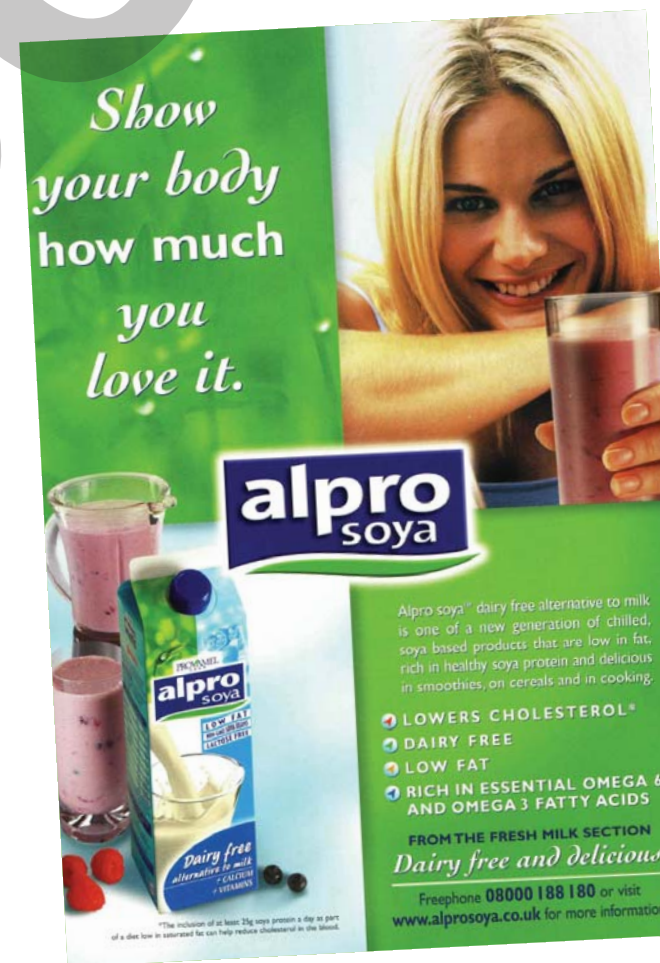
Buyer behaviour describes the way individuals make purchasing decisions. Buyer behaviour is affected by a complex range of influences. These can be grouped under three headings: social, psychological and personal influences.

- **Feedback** – the receiver's response to the message. This could be made using a variety of different media or might simply be an action (including ignoring the message).
- **Noise** – anything that gets in the way of the receiver understanding the sender's true message.

Figure 10.7: The communication process



Let's see how this communication model applies in a real situation. Alpro manufactures soya drinks, desserts and dairy free alternatives to single cream and yogurts. This advertisement for Alpro soya™ appeared in the June 2004 issue of the *Waitrose Food Illustrated* magazine.



- **Sender** – Alpro, which wants to communicate the benefits of its soya milk drink.
- **Message** – the advertisement uses text and images to communicate the health benefits and versatility of the soya milk.
- **Medium** – the advertisement was placed in a colour magazine published by a major supermarket chain.
- **Receiver** – readers of the supermarket's magazine might interpret the advert as saying that Alpro soya™ is good for your health and can also be used for making fruit smoothies.
- **Feedback** – readers might purchase the product, call the freephone number provided, visit Alpro's website for more information or ignore the message.
- **Noise** – readers might be uncertain about what soya is or might believe that it is no substitute for traditional dairy products are essential for good health.

For effective communication to take place, any business needs to ensure that its promotional activities deliver messages which:

- help to achieve business objectives
- target the intended audience
- are capable of being understood by the target audience
- promote positive feedback from the target audience.

Promotional activities that do not consider the key elements of the communication process are likely to be ineffective. An advertisement might be entertaining and amusing, but it will be ineffective if it attracts the wrong target audience or fails to promote positive feedback.

Look at the communication elements in Alpro's advertisement.

stop and think

Which target audience do you think is the Alpro advertisement is aimed at? Do you think the Alpro soya™ advertisement has the potential to communicate effectively with its target audience?

Look back at the McDonald's Salad Plus campaign (see above). How is McDonald's communicating with its target audience? What assumptions is McDonald's making about the motivations of its target audience?

Buyer behaviour

Promotional tools are designed to communicate effectively, by providing information to potential customers. In addition, they attempt to affect buyer behaviour by:

- creating and raising awareness
- creating, enhancing and/or changing the product's image.

In both cases, the focus is on perception. The promotional campaign aims to shape customers' perceptions of a business and its products. In other words, promotional tools are being used to influence the purchasing decisions of consumers by creating a favourable view of a business and its products.

Making purchasing decisions is a complex process. Figure 10.8 illustrates the three main influences on buyer behaviour. It indicates that the decision to purchase a product can be a very complex one, especially if the product is expensive (such as a house)

or of significant interest to a consumer (such as buying clothes to wear at a party).

Promotional tools, such as advertising and sales promotion, need to focus on some of the influences listed in Figure 10.8 if buyer behaviour is to be altered. The choice of influence depends on the product being promoted and the audience being targeted.

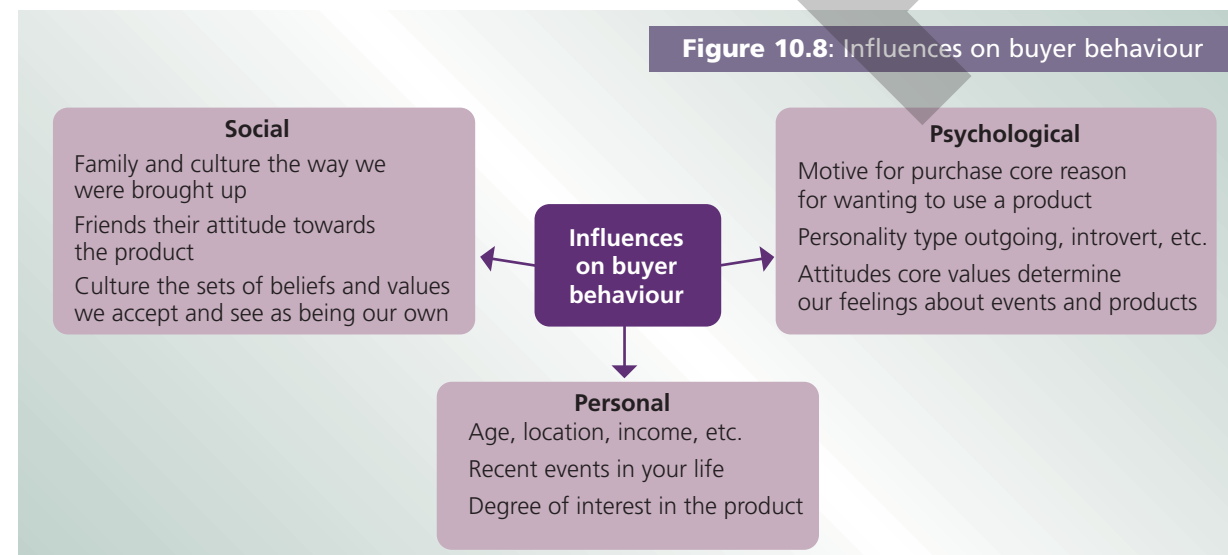
Sometimes promotional tools will be used in emotive ways, by acting on our feelings and targeting emotions such as fear and happiness. At other times, promotional tools will be used to inform rather than persuade, to provide rational facts and figures rather than appeal to our emotional identity.

A fashion clothing business, such as French Connection UK, launching a new range of clothes would possibly focus on these aspects of buyer behaviour:

- **social** – focus on the attitudes of friends and use advertising showing groups of people with apparently similar age and background characteristics
- **psychological** – communicate the values represented by the range of clothing and to which the buyer might aspire, such as “independent”, “edgy” or “casual”
- **personal** – promote key aspects or benefits of the product likely to appeal to the target age group, such as price ranges or the style of the clothing.

When promoting a new range of fashion clothing, it's likely that the social and psychological factors will be most important; with psychological factors are likely to be most dominant, because fashion is often based on abstract ideas – “style” or “cool” – rather than a functional product.

Figure 10.8: Influences on buyer behaviour



stop and think

Identify which of the influences on buyer behaviour in Figure 10.8 might be most important when using a promotional tool to:

- encourage students to enter post-16 education in a school or FE college

- increase the number of chocolate bars sold by a confectionery manufacturer such as Cadbury

- increase donations to a charity such as Oxfam or Shelter.

assessment practice

Assessing the effectiveness of communication

This assessment practice requires you to consider how you might communicate effectively with your targeted customers.

Using evidence you collected in the previous assessment practice – the examples and illustrations of promotional activities carried out by your chosen business or a similar business – analyse the effectiveness of your business's (proposed or current) communication with its target customers.

A Use Figure 10.7 to identify examples of effective communication and examples of poor communication.

B Interview a small sample of the target customers to gauge their opinion of the business's promotional activities.

C Using your findings from task B, and considering Figures 10.7 and 10.8, produce a single A4 page document summarising what you consider to be the “do's and don'ts” of communicating effectively with your business's target customers.

Topic 5 Promotional media

Setting the scene: "POW!"

Posters On Wheels (POW) claims to be the UK's mobile billboard advertising specialists. This is how the company sells the benefits of mobile billboards.



Imagine an advertising medium that will attract a customer's eye just by the way it looks. Then imagine coupling this medium with your stunning creative/message and running rings around your competitors. That's what mobile advertising is all about - it's a unique way of delivering your message directly to your target market.

POW mobiles' unique and unusual appearance demands attention and each have in-built personal address systems and stadium quality loud speakers. They are also equipped with bright lights for early morning and night time use.

On the road, the medium is a moving billboard. Stationery, it continues to broadcast your message. The result is media exposure close to 100 per cent of the time

You can find out more about mobile billboards by visiting Posters On Wheels' website at www.postersonwheels.com. Consider why a mobile billboard might be an effective promotional medium. Apart from the cost of hiring the vehicle and driver, what other costs might be involved in producing a mobile billboard?

Production requirements and costs

Decisions about which media to use in a promotion campaign involve balancing several factors. The effectiveness of any particular medium has to be weighed against the costs of using that medium. In this topic, we consider the production requirements, costs, and benefits and limitations of three important groups of promotional media:

- print media
- audiovisual media – film, video, television and radio
- new media – websites, e-mail and mobile phones.

1 Print media

Print media covers a wide range of promotional materials. As Figure 10.9 shows, this includes advertisements in newspapers and magazines, leaflets, brochures and direct mail, and billboards and other outdoor sites.

Production requirements

Posters on Wheels offers an interesting platform for displaying printed media. However, the business does not provide a design service – the customer must supply the poster design in an electronic format, either on disc or uploaded to the Posters on Wheels website. The website (www.postersonwheels.com)

KEY TERMS

Graphic designers produce artwork using desktop publishing and graphic design programs. Graphic designers require professional training: having a graphic design program on your computer does not make you a graphic designer.

Desktop publishing programs enable graphic designers to layout a document ready for sending to a professional printer. The most commonly used desktop publishing packages are QuarkXpress and Adobe InDesign.

Graphic design imaging programs enable graphic designers to produce images which can be imported into a desktop publishing program or sent to a printers. Commonly used imaging programs are Adobe Illustrator, Adobe Photoshop and Macromedia Freehand.

Drafts are initial versions of a document. A proof is the finished version of a document. The perfect proof is the final version of the document.

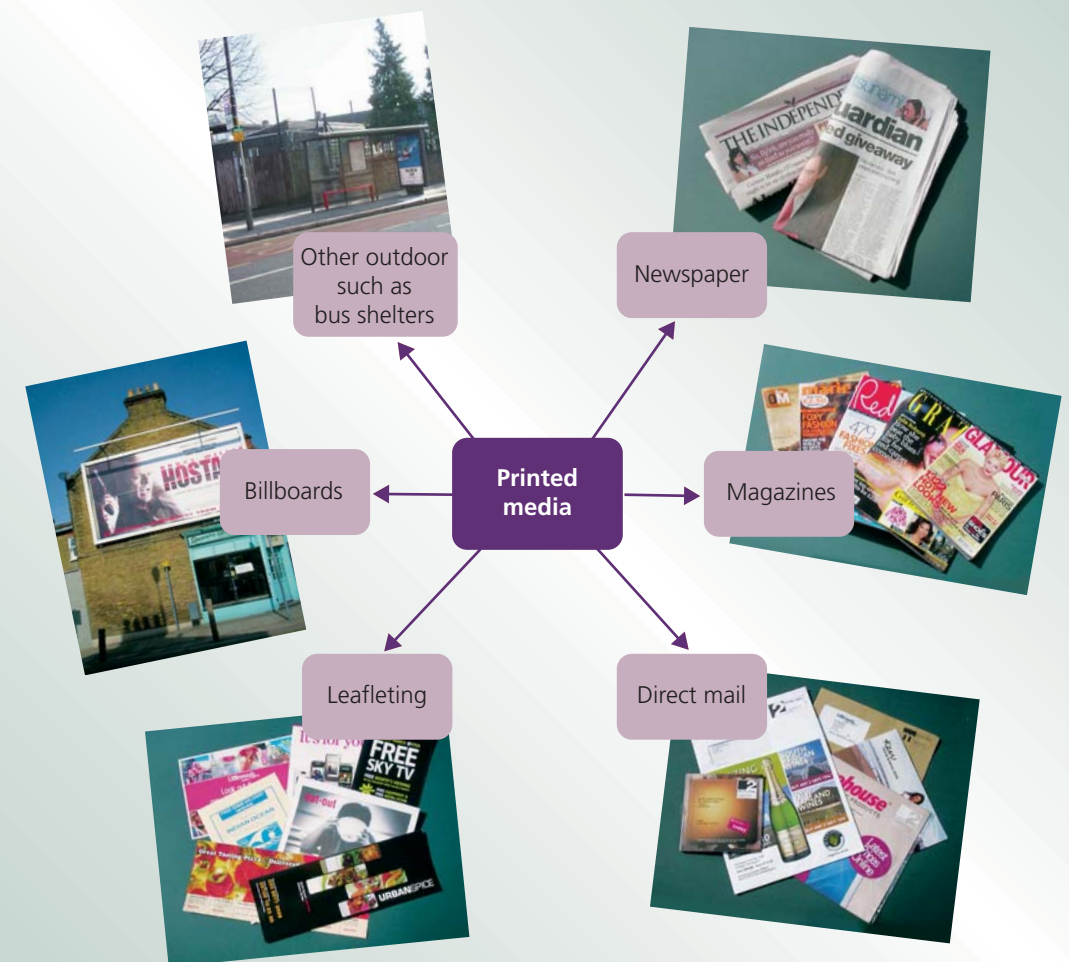
Straplines are phrases, usually at the end of promotional material, that summarise the benefits of the product or helps to define the product's image. Straplines often aim to exploit the target audience's psychological reasons for purchasing the product.

Scripts set out the words (including any dialogue) used in audio and moving image promotional materials. Storyboards outline the sequence of images/events in films and videos.

An audio or moving image promotion (such as a television advert) moves through several stages during the editing process. A **rough cut** characterises the initial stages; the **final cut** represents the finished product.

Web servers are computers that provide information to users' computers when they browse a business's website. The web server can be located within the business or managed by a specialist web hosting business.

Figure 10.9: Print media



details the requirements of any electronic file sent to Posters on Wheels. It also provides templates – blank documents – which can be opened by computer design software, such as QuarkXpress and Adobe InDesign.

Any business wishing to produce printed promotional material – whether designing a leaflet, newspaper advertisement or a billboard, needs to follow four steps once it has developed a rough outline or idea for the material.

- Step 1 Identify the design requirements of the organisation printing the promotional material. Often work must be submitted using particular software and/or templates; if colour printing is being used, additional design requirements will be stipulated
- Step 2 Produce first drafts of the material. This work can be done in-house by the business or can be undertaken by a design agency. A design agency should certainly be used if the business has no staff with graphic design qualifications and experience.
- Step 3 Produce a proof version. Check the draft for content accuracy and visual appearance. It might take several drafts before the designers produce an acceptable proof.
- Step 4 Approve a perfect proof. Check the initial proof version for errors to produce a perfect proof. It is the responsibility of the business to check the accuracy of the perfect proof before it is printed.

stop and think

Visit the website of a professional printing business, such as IMEX Print at www.trade-print.com, and look at the production requirements. Find out which design software is accepted, how the files are to be delivered and any issues relating to colour. Why might many businesses choose to use a design agency to develop work for print rather than attempt to produce the material in-house?

WWW.TRADE-PRINT.COM

HOME INFORMATION PRICING LARGE FORMAT CONTACT US ORDER

OUR SERVICE
TRADE ONLY
EQUIPMENT
TURNAROUND
CONFIDENTIAL
PROOFING
FILES & MEDIA
ARTWORK SPECS
DELIVERY
PAYMENT & VAT
TERMS & COND.

Welcome

to Trade-Print.com, the UK's online trade service for short run full colour printing.
Trade-print.com is the website of IMEX Print, a UK litho printing company with a reputation for high quality colour printing stretching back over fifty years.
From your digital artwork supplied on disc or via ISO, our service offers:
- Quality litho at trade prices.
- Computer-to-plate workflow.
- Fast turnaround.



Costs

Print costs depend on several factors. These include:

- the use of colour – black and white is less expensive than full colour, but the price gap has fallen in recent years
- the size of the print-run – the larger the print-run (the number of copies printed), the cheaper the unit cost (see Figure 10.10 for an example)
- the size of the promotional material – the cost of a 48 sheet billboard is obviously much higher than an A4 leaflet; a full-page advert in a national newspaper is more expensive than a small listing in a local newspaper
- the use of design and/or advertising agencies – costs can be reduced considerably if design work is carried out in-house, however the quality and effectiveness of the finished promotional material is likely to suffer as a consequence.

Figure 10.10: Costs of printing a two-sided, A4, full-colour leaflet

Print run	Total cost	Unit cost
1,000	£154	£0.15
5,000	£219	£0.04
10,000	£338	£0.03
50,000	£1,112	£0.02

Note: Trade prices from Imex Print, as at January 2005, based on using lowest weight paper

stop and think

Newspapers calculate the cost of an advert by the amount of column inches or column centimetres it occupies. If the column centimetre rate is £10, then an advert which is 5 cm in height and 2 columns wide will cost £200 (= 5 x 2 x £10). Visit websites of local and national papers, such as the *Eastern Daily Press* (www.edp24.co.uk) and *The Guardian* (www.guardian.co.uk), and find out their advertising rates. How much more expensive is it to advertise in the national press?

Benefits and limitations

Figure 10.9 illustrates some of the different media available for printed promotional materials. The true cost of printed promotional material is not only

determined by the design and printing costs. A business needs to consider the costs of distribution, of sending promotional materials to customers or buying advertising space (in say newspapers or on billboards). A vital consideration is the coverage and frequency of the printed promotional material.

Coverage is measured by the proportion of the target audience that views the promotional material; for example, the number of people within the targeted age group who buy a particular magazine compared with the total population in that targeted age group. Frequency is the number of times the promotional material might be viewed; for example, the number of times an advert is carried by a newspaper.

Ideally, to produce a useful cost indicator, the total cost of designing, printing and distributing any promotional material should be divided by the number of people viewing the material. For example, hiring Posters on Wheels to drive around a city centre during peak shopping times might have a high cost, but the coverage and impact could be much greater than distributing leaflets to local housing estates.

The wider the coverage and the greater the frequency, the greater the possible impact of any promotional material. However, wide coverage and high frequency usually comes at a price, driving up the total cost of producing and distributing the promotional material. The final choice of print media depends on the business's objectives and the amount of money allocated to the promotion campaign. Figure 10.11 summarises the key benefits and limitations of some print media.

Figure 10.11: Benefits and limitations of some print media

Print media	Benefits	Limitations
Newspapers	Many people read newspapers. Can define the type of person reading the newspaper by age, income group, etc. Adverts can be placed without too much notice, say one to two weeks. Published daily or weekly.	Discarded very quickly. Limited printing capabilities – quality of graphics can suffer and limit the design of the advertisement.
Magazines	Easy to identify the readership of magazines, especially with specialist publications. Good printing capabilities with high-quality graphics possible. Kept for long periods resulting in repeated exposure.	High initial advertising costs compared to other print media. As most are monthly publications, advance notice needed when placing an advert. Could be kept for too long, resulting in out-of-date promotional messages
Billboards and other outdoor sites	Low cost given repeated viewing. Can be located close to where target market lives, works or travels. Always displaying the message.	Message can't be complicated as only a few seconds devoted by the reader. Doesn't often gain full attention. Can't easily control who views the message.

2 Audio and moving images

The most high profile use of audio and moving images in promotional media is in radio, television and cinema advertising. However, promotional activity in this area isn't limited to paid advertising. Many businesses produce promotional videos and DVDs, for direct distribution to customers or for use in installations in retail shops and at exhibitions and trade shows. An increasing number of businesses also use audiovisual elements on their websites.

Production requirements

Promotional campaigns using audio and moving images require careful planning. As with print media, a systematic approach to planning and executing the campaign is essential. This is certainly the case when producing moving image promotional media, such as television and cinema advertisements.

It requires a variety of demanding skills to produce audio and moving images. In general, therefore, all audio and visual work is likely to be carried out by specialist agencies. However, any organisation commissioning an audiovisual promotional campaign needs to manage and control the process, and it should ensure that these stages are followed.

- A rough outline of the promotion should be produced. This needs to take into account the overall objectives of the campaign. This should help to determine the messages that need to be conveyed, and the characters and events that might be involved.

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Topic 5 Promotional media

- A script (audio) and storyboard (moving image) should be produced. These are used to direct the production of the soundtrack and/or moving image.
- The audio or moving image piece needs to be recorded and edited. A rough cut, or draft version, is then reviewed by the customer. A final cut is then produced.
- The final cut is stored using an appropriate format, such as DVD, web server, digital audio tape, film and video tape.
- The finished product is distributed to appropriate locations, such as particular radio stations, television channels and cinemas, and/or uploaded to websites. Broadcast time slots, if required, should have been booked in advance.

Costs

The cost of producing and broadcasting promotional material using audio and/or moving images depends on factors such as:

- the quality of the final production
- the length of the final product
- the delivery method
- timing and location.

High-quality radio, television and cinema advertising is much more expensive to produce than material intended for more limited distribution across the internet or on a video display unit in a supermarket. Production standards are much higher for television and cinema advertising, and the editing and image processing costs are also higher. Note that as the running time of the material increases, so will the final cost of production. These costs can escalate and it's vital that the production has clear targets regarding content and duration.

Advertising rates depend on the platforms being used. The internet presents an almost costless platform (if the company runs material on its own website). By comparison, advertising on television seems expensive. Distributing material on DVD is relatively inexpensive, even after original production (filming) costs are taking into account, and can be an attractive option.

Advertising rates also depend on the timing and location of the broadcast. Advertising on radio or television at peak listening and viewing times costs more than at periods when the audience is much smaller. Similarly, showing advertisements in busy, inner city cinemas is more expensive than running a campaign in rural cinemas.

Benefits and limitations

As with printed promotional materials, the true cost of a particular distribution channel for audiovisual promotional material depends on coverage and frequency. Although it is possible to produce audio and moving image material inexpensively and distribute it at virtually no cost across the internet, the coverage (the percentage of the target audience viewing the website hosting the material) and the frequency (the number of times the website is viewed) may be low.

For television and radio advertising, it is sensible to think in terms of the cost per 1000 viewers of, say, placing 30, 15 and 5 second adverts. In this way, true comparisons can be made. Figure 10.12 shows the average cost per 1000 potential adult viewers of a 30-second advertising slot using different UK television channels.

Figure 10.12: The cost of television advertising (2003)

Channel	30 second equivalent per 1000 viewers
ITV	£6.86
Channel 4	£6.96
Channel 5	£4.09
GMTV	£3.75
Satellite	£3.99

Source: Marketing Pocket Book 2005

Data on the coverage (or reach) of individual television channels is available from Barb, the Broadcasters' Audience Research Board. (Visit Barb's website www.barb.co.uk for more information.) Radio Joint Audience Research Limited – commonly known by its acronym Rajar (www.rajar.co.uk) – performs a similar function for radio. The Advertising Association (www.adassoc.org.uk) provides detailed information on how to assess the true cost of radio and television advertising

Figure 10.13 summarises the key benefits and limitations of radio and television media. Note that for many smaller businesses with limited promotional budgets, the use of radio, cinema and television advertising might be prohibitively expensive. The high initial cost of most cinema and television advertising will rule these methods out for many businesses.

Figure 10.13: Benefits and limitations of radio and television

Method	Benefits	Limitations
Radio	Readily accessible by target audience, at home or on the move. Relatively low cost compared to television and cinema, a 30-second slot on a national station might cost around £1,500 for a peak listening time slot. Message can be quickly modified. Plenty of regional stations.	Obviously limited to audio messages. Prestige of the medium has declined. Attention span of listener is limited – people listen to the radio and do other things at the same time. Once the audio message has been played, it's gone – message does not persist.
Television	Reaches a very large audience. High initial cost, but low cost per viewer. Benefits from using sound and vision – some adverts can be highly memorable. High prestige. Regional television stations afford some selectivity of audience. Stations also have some age group and income level selectivity – compare, say, Channel 4 to ITV1.	High initial cost. As with radio, a "perishable" message. Audience size can fluctuate. Space extremely limited during peak viewing times. Increasing use of videos and other recording technologies means that viewers can skip adverts. Viewers can also switch channels during the advertising breaks.

stop and think

What do you think are the benefits and limitations of cinema advertising? Visit Carlton Screen Advertising's website (www.carltonscreen.com) to develop your ideas. In answering the question, think about:

- the classification system (U, PG, 15, 18, etc.) used for films
- the quality of the audio and visual systems
- the target audience.

3 New media

Businesses are always looking for new and more effective ways to get promotional messages across to their target audiences. The technologies underpinning the internet, e-mail and mobile phones offers new avenues for promotional activities.

Websites

The science fiction movie *Minority Report*, released in 2002, featured interactive video advertising screens. These screens, located in public places, had the ability to identify individuals and address them by name. Today, e-commerce websites can perform a similar, if less spectacular, by using small files, or cookies, stored on our computers. The technology works as follows:

- when you visit a website you have previously visited, your cookie file is read and your identity is revealed to the website

- the website uses this information to communicate with the central web server, drawing down a profile of your buying behaviour
- the web server can then deliver individual promotional messages which it hopes are tailored to your interests – for example, Amazon's website does this with the message: "we have recommendations for you".

Web servers can also record the particular web pages that users browse or click through. Promotional materials appearing on web pages, or as separate pop-up windows, encourage you to click on them to get more information; the web server then records these events for later analysis.

This analysis helps to build a profile of individuals' interests and browsing habits. In turn, businesses can use this information to improve their online promotional activities and their understanding of buyer behaviour. Double Click is a business that specialises in this type of analysis and technology. You can find out more by visiting the company's website at www.doubleclick.com.

E-mail and mobile telephone technologies

E-mail and mobile telephone text messaging can provide very accurate channels of communication. Businesses can purchase lists of e-mail addresses covering a particular target group, such as a list of individuals within a certain age and income group that have bought particular products in the past. These lists can be used to bulk e-mail carefully designed promotional messages to people who should be interested in the offer.

The success of this approach depends on the accuracy of the e-mail address list. If it is inaccurate, or too general, then the promotion campaign will be ineffective. To counteract this problem, many businesses use opt-in lists. These e-mail lists are comprised of users who have actively agreed (or opted-in) to receive further e-mail communications.

Bulk text messaging is also being used to send promotional messages to target audiences. Given the use of text messaging by teenagers and young adults, this is likely to be an effective medium for products targeted at these age groups. Now 3G networks also makes it possible to use picture messaging.

The production requirements and cost of new media varies according to the scale of the operation and particular technologies used. It is virtually costless for a business to place promotional messages on its own existing website – the website has already been established and promotional graphics for web pages are not difficult to produce. However, it does cost time and money to establish a website, as well as to gain the skills and technologies needed to target website users with specific promotional messages.

Delivering e-mails and text messages to your target audience is not very expensive (see Figure 10.14). It

can, however, be expensive to obtain accurate e-mail and telephone lists. Bulk e-mails also suffer from the same “junk mail” problem as direct mail. Text messages lack any real visual impact, but this can be overcome by using newer picture messaging.

Figure 10.14: The cost of bulk texting

Volume of texts	Cost per message
1–999	£0.060
1,000–4,999	£0.055
5,000–9,999	£0.052
10,000–24,999	£0.050
25,000–49,999	£0.048
50,000–99,999	£0.046
100,000–149,999	£0.044
150,000–249,999	£0.042
250,000–499,999	£0.039
500,000–1,000,000	£0.038

Note: Prices, exclusive of VAT, as at January 2005
Source: www.zimepl.com

Researching and analysing customer attitudes

Setting the scene: selected newspaper readership profiles

Each of the UK’s national newspapers attract readers with a different range of characteristics. This means that newspapers, such as the *Daily Mail*, have distinct readership profiles. This can be illustrated by looking at two ways of profiling customer characteristics: by socioeconomic class (see page 155 of the AS textbook) and by age.

Figure 10.15 below shows the average daily circulation in 2004 (number of newspapers sold) of three UK national daily newspapers – *The Sun*, *Daily Mail* and *Daily Telegraph* – together with their readership profile by socioeconomic group

and by age, both expressed as a percentage of each newspaper’s circulation. Consider how a business that intends to advertise in a national newspaper could use the information contained in Figure 10.15.

Figure 10.15: Readership profile of three UK newspapers

Readership profile by socioeconomic class (percentage of circulation)						
	Circulation	A	B	C1	C2	DE
<i>The Sun</i>	3,157,000	1	9	26	29	34
<i>Daily Mail</i>	2,302,000	5	26	36	19	14
<i>Daily Telegraph</i>	870,000	15	45	28	7	6

Readership profile by age (percentage of circulation)							
	Circulation	15–24	25–34	35–44	45–54	55–64	65+
<i>The Sun</i>	3,157,000	20	20	20	14	12	14
<i>Daily Mail</i>	2,302,000	9	10	15	18	20	27
<i>Daily Telegraph</i>	870,000	8	7	13	16	20	36

Source: Advertising Statistics Yearbook 2005
Note: Circulation figures relate to 2004

The importance of customer attitudes

All promotional activities rely on effective communication. It is important in planning promotional activities and deciding on the appropriate media to use in a campaign that businesses consider the attitudes of their target customers. If businesses get the tone of the message wrong, or use an inappropriate medium, then the target group is unlikely to “hear” the message and the communication will be ineffective. Understanding

customer attitudes is crucial, therefore, in any promotion campaign.

Tone, structure and content

It is important to ensure that the tone, structure and content of any message is appropriate. For example, the tone and structure of a printed advertisement designed to create a sale will be very different to one that aims to alter customer perceptions of a product. The promotional activity should always be designed to achieve specific promotional objectives.

assessment practice

Costing your promotional activities

You will need to research the cost of producing and delivering the promotional activities you intend to use in your promotion campaign.

A Review the evidence you have gathered in previous assessment practices. By now you should be getting an idea of the types of promotional activities you will use in your promotion campaign. Make a list of the promotional activities involving: print, audio, moving images, and websites and e-mail

For moving images, establish the format and purpose (television advert, in-store promotion, DVD, etc.); specify the duration and delivery (for example, a 30 second advert on a regional television station; determine who will produce and edit the material

For a website, specify the number of web pages; determine who will produce the website, etc.

B Estimate the likely size and characteristics of each promotional activity you listed in task A.

For print, specify the size of leaflets, advertisements and coupons, the use of colour and quality of paper etc; decide which individuals or companies will design, print and deliver the materials

For audio, specify duration of the piece; decide which radio stations are to be used; determine who will produce and edit the advertisement

C Estimate the cost of each of your promotional activities. Some of the information in this topic may help you estimate these costs, but you will probably need to undertake additional research

D Present your results using a spreadsheet. Use formulas as much as possible to allow you to calculate how the total cost of a promotional activity might change if you have to alter your plans or change some of your assumptions.

Selecting appropriate media

The message of a promotional activity needs to be delivered to its intended audience. The promotional activity should therefore be delivered through media most likely to target the intended audience. The chosen medium should be cost effective and capable of delivering the promotional activity's message.

Suppose that a business wants to promote its sale, in which it is offering 50 per cent price reductions on some goods. This could be delivered by e-mail or the business could place adverts in national newspapers. E-mail might be appropriate if the offer is restricted to a few products aimed at a niche market. A national newspaper might be appropriate if the offer applies to several products and is pitched at a mass market.

For guidance on designing effective communications, and the strengths and weaknesses of different media, look back at pages 211–15 of the AS textbook.

Engaging the audience

Individuals are increasingly face information overload. During our waking hours, we are subjected to a large volume of messages. To cope with this excess of information, we subconsciously reject messages that appear either irrelevant or unappealing. Suppose, for example, you receive a text message promoting the launch of a new product. Two to three seconds might be devoted to scanning this text message before deciding to keep or delete it.

Most people need an immediate incentive before they consider that a message is worthwhile reading or interpreting. Promotional messages need to engage with the target audience and attract their interest and attention. Messages aimed at young people might “say” save money, appealing directly to their wallets, but they are just as likely to be effective if they “say” have fun or experience something new.

The willingness to interpret a message also depends on the environment in which the promotion is delivered. This might influence whether people are “in the mood” to receive the message. Entertainment events, such as a party to launch a new product, can

be appropriate vehicles for some promotional activities as they create a more receptive atmosphere and individuals are more likely to “receive” the promotion's messages.

business practice

Dr Pepper campaign

In order to demonstrate the effectiveness of cinema advertising, Carlton Screen Advertising frequently carries out audience surveys. This assessment of a Dr Pepper campaign is from Carlton's website (www.carltonscreen.com). The campaign's objective was to increase awareness of, and likelihood to try, Dr Pepper amongst the key 15–24 target audience. The main results reported by Carlton were:

- recall at the cinema was above average, a huge 85 per cent of cinema goers could recall seeing the advert compared to 63 per cent of non-cinema goers
- over half of cinema goers spontaneously recalled the advert's strapline – What's the worst that could happen? – compared to a quarter of non-cinema goers

- depth of communication amongst cinema goers was far higher than that of control sample – those seeing the ad on the big screen were able to recall over four different aspects, compared to under two mentions for the average television viewer (see Figure 10.16)
- cinema goers were also more likely to find it funny and enjoy watching the advert.

When using moving images to communicate a promotional message, why might cinema be more effective than television? Under what circumstances would television be more appropriate?

Figure 10.16: Impact of Dr Pepper advertisement

Spontaneous descriptions of ad	Cinema goers	Non-cinema goers
Boy picked up his date	75%	20%
Girl comes downstairs	52%	15%
Dad and boy wrestled	50%	11%
Mention of date/prom	76%	20%
Mention of offering – Dr Pepper and strapline	46%	15%
Average number of mentions	4.28	1.69

Source: www.carltonscreen.com

business practice

IDG

IGD is a registered charity that promotes education and training for people working in the food industry. To fund IGD's charitable activities, a trading company – IGD Services Ltd – carries out a range of commercial activities including market research. The company publishes market research findings under its Shopper Insight brand. This is an extract from an IGD brochure promoting its insight report into promotional activity. The Shopper Insight report on promotional activity costs £500 (£350 for IGD members).

Promotional Activity

Advertising, direct mail, BOGOFs, price reductions, extra free, coupons, in-store media... Various promotional techniques are used by retailers and manufacturers to build awareness of their offer and influence shoppers to purchase.

Promotions can build loyalty to a brand or retailer, or can result in shoppers being less loyal as they shop around for the best offer. The type of promotional activity is dependent on the [product] category, the target audience and the objective that it seeks to achieve.

IGD's Shopper Insight report on **Promotional Activity** explores shoppers' attitudes to the various promotional activities employed by retailers and manufacturers in the food and grocery industry.

Promotional Activity will:

- provide you with a deeper understanding of your shoppers' mindsets, their motivations, behaviours and values
- clarify what promotional mechanics encourage shoppers to try new products
- explain how responses to promotions could be different depending on the [product] category being promoted
- investigate whether different promotions are preferred by different types of shoppers.

Suppose the owner of an independent corner store wants to increase her sales revenue by 20 per cent during the next six months. Last year her sales revenue was £150,000 and, after allowing for a personal income of £20,000, she made a profit of £10,000. She is considering purchasing IGD's Shopper Insight report on promotional activity. Do you think this would be a worthwhile purchase? Justify your answer.

You can use this information to make informed business decisions and develop successful strategies to meet shoppers' needs.

For retailers, manufacturers and media companies, this report will be an invaluable source of primary research intelligence you won't find elsewhere.

Research methodology

Shopper Insight is based upon unique, original primary research.

Qualitative research provides a detailed understanding of the beliefs and attitudes driving shoppers' needs, enabling us to identify any changes in opinion. Eight focus groups are conducted, each comprising eight main shoppers from different life stages and socioeconomic groups from different regions around the UK.

Quantitative research allows us to substantiate the prevalence and strength of specific attitudes and behaviour, across a representative sample. Demographic and regional differences will be highlighted in each report as well as variations by main supermarket used.

Source: IGD Services Ltd (www.igd.com)

Research and analysis

In developing a promotion campaign, market research should be carried out to provide information on customer attitudes towards promotional activities and media. This could involve both primary and secondary market research. (Look back at pages 26–31 of the AS textbook if you need to revise these concepts.)

Secondary market research should be considered first as, given reliable sources, this information will be immediately available, and key trends will have been identified by researchers and analysts. However, secondary sources have potential drawbacks:

- a business might have a unique target audience which secondary sources fail to profile
- the only secondary information available may be out of date and the business feels that it needs up-to-date information
- the price of the secondary information is high in relation to the business's financial resources.

If any of these circumstances apply, then primary research should be considered. Some businesses will, in any case, be forced down the primary research route because the information they require is very specific and will not be available from secondary sources.

Primary research should be considered if a business wishes to verify the validity of secondary research in

relation to its target customers' attitudes. It is also a good option if the business has a source of internal customer data, such as customer sales records, which could be analysed to provide useful information.

If primary research is required, the business should consider how the data will be collected. In the context of promotional activities, these methods are particularly important:

- customer questionnaires – using, for example, closed questions to rank the relevance of particular sales promotion techniques
- consumer panels – for example, organising several panels, each with particular socioeconomic and age groupings, to discuss the impact of a planned advertisement
- personal interviews – using, for example, open-ended questions to reveal attitudes towards the use of particular imagery and cultural references within a moving image advertisement.

Once the primary data has been collected, it should be analysed to identify key trends and patterns. The grouping of data by customer characteristics is particularly important. Without this level of analysis, primary research into customers' attitudes will be of little value, as a business would not be able to relate any findings to specific customer groups that may be the target audience for individual campaigns.

assessment practice

Researching customer attitudes

In Topic 1 you considered the characteristics of your business's target customers. This assessment practice requires you to research your target audience's attitudes towards promotional activities.

- A** Construct a questionnaire and/or an interview sheet. This should be designed to collect the following data on your target customers.

Some indication of their socioeconomic profile. This is a sensitive area, and you will need to collect information which allows you to make an assessment of each respondent's socioeconomic group. Your teacher will help you to construct these questions.

Attitudes to promotional activities and media. For example, do they prefer "50% off" or "buy two, get one free" promotions; do they read leaflets posted through the letter box? Ensure that you cover a range of promotional activities and media. You might base some questions on

specific examples of promotional activities by, say, showing them copies of printed adverts.

Their use of media such as television, newspapers and magazines. For example, ask questions about favourite television channels and programmes, times when they listen to the radio, which newspapers they read.

- B** Present your findings in the form of a 10-minute presentation on "attitudes towards promotional activities". This presentation should include a handout of no more than two A4 pages. The handout should contain tables and charts illustrating your findings and should identify the promotional activities and media likely to be positively received by your target customers.

The promotional mix

Setting the scene: Finding Nemo

In 2003 a campaign used to promote the animated film *Finding Nemo* (Walt Disney/Pixar) targeted three separate groups: children, their parents and 15–24 year olds. Different promotional activities were aimed at each of these groups.

For children, for example, there were *Finding Nemo* themed lunch bags, which offered a discount on the movie on collecting four bottle tops from Robinson's fruit drink bottles

Promotional activity aimed at parents included a prominent advert placed in the sports pages of newspapers on the day of an important football match between England and Turkey. The advertising copy read:

Things to do today

Catch Fish

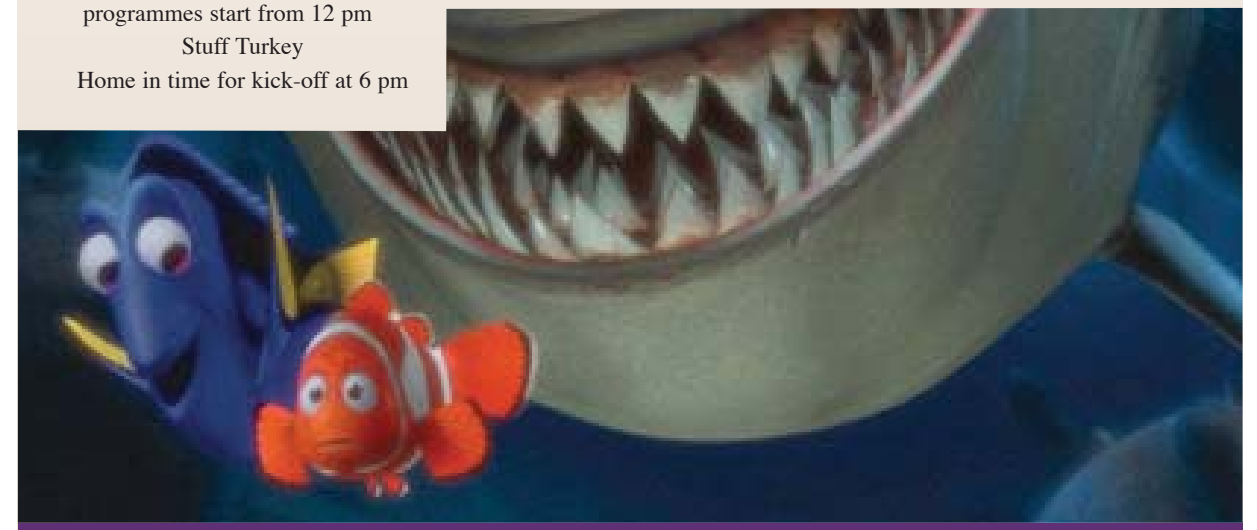
Take the kids to see *Finding Nemo* – programmes start from 12 pm

Stuff Turkey

Home in time for kick-off at 6 pm

To reach 15–24 year olds, teams of people were hired to promote the film at Reading and Leeds music festivals by distributing *Ocean's Eleven* postcards to the target age group.

The promotion campaign used a wide variety of promotional activities and media, with messages tailored to specific target audiences. The campaign was successful as it appealed to all target audience groups. In 2003, *Finding Nemo* was the number one box office film – grossing over £38 million. It attracted not only its core market (children and their parents) but also a significant audience in the 15–24 age group.



Getting the right mix

The promotion campaign surrounding *Finding Nemo* is a good illustration of the way in which a business can use a variety of promotional activities to communicate with its target customers. By using several promotional activities, it was possible to target different segments of the market for the film.

The specific combination of promotional activities within a single campaign is known as the campaign's promotional mix. Sophisticated marketing campaigns will use many different promotional activities within

the mix. However, any campaign's promotional mix can draw from a range of promotional activities, including:

- sales promotion
- merchandising
- personal selling
- exhibitions
- advertising
- public relations.

You have already looked at these promotional activities in some detail (in Topic 3) and considered the costs of delivering these promotional activities through different media (in Topic 5). The challenge is to get the mix of promotional activities right. This is a crucial element of a successful promotion campaign. The exact make-up of a campaign's promotional mix requires careful consideration: rely too much on one type of promotional activity and the message might only reach a relatively limited range of customers; use too many promotional activities and the message might be confusing and difficult to decode.

stop and think

Imagine you are responsible for promoting your Year 12/13 student Xmas party. Previous parties only attracted about 50 per cent of Year 12/13 students. Your main objective is to get 75 per cent attendance at this year's party.

After carrying out some research you discover that previous Xmas parties were criticised for using venues which were either boring or too difficult to get to. However, you are certain that you have booked an accessible and interesting venue for this year's party. So, you are putting your efforts into a promotion campaign.

What type of promotional mix might be appropriate? You have a campaign budget of £100, but a number of Year 12/13 students are prepared to give you some of their precious time for free! The head and assistant head of Year 12/13 are also happy to help.

Several factors help to determine the nature of any campaign's promotional mix. These include:

- the objectives of the campaign
- the campaign's budget
- the target customers' attitudes towards different promotional activities.

An effective promotional mix will balance the demands of these factors. The objectives of the campaign are paramount, but the choice of promotional activities will be heavily influenced by the size of the campaign budget. The attitudes of particular customer segments will also influence the choice of promotional activities and the media used to deliver them.

The choice of the most appropriate promotional mix should be made after considering these competing factors. Careful analysis and evaluation, based on valid research of promotional activities and customer behaviour, is required if the promotional mix is to support the campaign's objectives. In this topic, we consider the importance of the campaign's objectives and its budget. In Topic 8, we investigate the significance of the target customers' attitudes towards different promotional activities.

Campaign objectives

Any promotion campaign has one or more objectives. As we showed in Topic 1, typical objectives include:

- improving customer awareness and knowledge of a product
- improving the image of a business
- generating or increasing sales
- improving customer loyalty to a product or a business
- altering customer perceptions of a product.

To achieve any of these objectives, customer attitudes towards a business and/or its products have to be altered. It is unlikely that any single promotional activity will achieve a campaign objective – a promotional mix is required.

When outlining a promotional mix, it is sensible to consider a variety of promotional activities that might be available to the business within the budget. The final selection and sequencing of promotional activities will depend on the budget and customer attitudes. However, initially, it is sensible to think in general terms and outline a number of different promotional mixes.

These mixes will differ because they use different promotional activities, and/or they present the promotional activities in a different sequence. For example, a campaign, whose objective is to raise awareness about a new product, might use an exhibition and a PR event. However, which should come first? Should the activities take place simultaneously? Should the PR event act as an initial message, to gain interest in the product, with the exhibition providing detailed product information to interested potential customers?

Campaign budget

Topic 5 set out some typical costs of delivering various promotional activities. However, the overall cost of any promotional activity will be determined by its detailed

business practice

Launching the Xbox 360



The Xbox 360, a new version of Microsoft's video game console, was launched in the USA towards the end of 2005.

The day before the consoles went on sale, a launch party was held in the Mojave desert, a few hundred miles from Microsoft's headquarters in Redmond. Three thousand Xbox gamers had the opportunity to meet Microsoft executives and play on Xbox consoles connected to high definition screens.

Tickets for the event could only be obtained by entering prize draws through affiliated websites such as Game Pro (www.gamepro.com). These websites displayed advertisements for the Xbox 360 along with articles speculating on the capabilities of the product.

Similar events were held in European cities. Just as in the USA, events were scheduled just

before the official product release in each major European country. The promotion campaign had a clear plan: the Xbox 360 was to go on sale shortly after the publicity and buzz generated by each launch party.

Unfortunately, the supply of Xbox 360 consoles could not meet the demand and many potential customers were disappointed. News reports suggested that Microsoft had brought the launch date forward in order to release the Xbox 360 before competitors, such as Sony, launched their latest consoles.

Microsoft's campaign utilised launch events, PR and web-based advertising. What other elements do you think that Microsoft could have used within its promotional mix when launching the Xbox 360? Would you consider the Xbox 360 launch campaign to be successful? Give your reasons.

specification: the particular medium used, the duration of the activity, the design costs (including labour costs), the channels used to deliver the activity (such as poster vans, local or national newspapers), etc.

The size of the campaign budget inevitably has a considerable influence on the types of promotional activity selected in a campaign's promotional mix. Given a limited budget, difficult choices have to be made, and expensive media may be immediately ruled out of consideration. Even when a budget seems generous, often the objectives of the promotion campaign are such that substantial promotional effort is required if they are to be achieved. This means that, while the size of a campaign budget might dictate which types of promotional activities can be used, difficult decisions have to be made irrespective of how money has been allocated. In all campaigns, the marketing team will be looking to use promotional activities which make the most impact and deliver the best value for money.

It is sensible to complete a detailed budget for a promotion campaign (see Topic 2) which sets out the method, timing and cost of each element of the campaign's promotional mix. In order to carry out what-if calculations, the budget should be constructed using a computer spreadsheet.

Using spreadsheets to plan campaigns

Spreadsheets are useful because they can be set up to carry out what-if calculations. For example, what if a decision is made to use a national newspaper to carry an advert rather than a local newspaper? If the spreadsheet is set up correctly, all that would need to be altered would be the daily rate charged by the newspaper. The impact on the total cost of the campaign would be automatically calculated.

The cost of each promotional activity can be split into fixed and variable costs (see Unit 3 in the AS textbook). Spreadsheets can simply calculate the variable cost by multiplying the unit cost by the number of times the promotional activity is used. For example, if the daily rate for placing a half-page advert in a local newspaper is £250 and the campaign is based on ten placements (say, every Friday and Saturday for five weeks), then the variable cost would be £2,500 (£250 x 10). The fixed cost – in this case, the cost of designing the advertisement – would have to be researched. This would involve getting a quote from a graphic designer or an advertising agency, or, if the advert is to be produced in-house, by estimating how many hours it would take to produce and multiplying this by the hourly wage rate of the employee producing the advertisement.

The estimated total cost of the promotion campaign would be calculated by adding up the total costs (fixed plus variable) of the campaign's individual promotional activities. It would also be sensible to budget for contingencies such as increased design or labour costs. A spreadsheet could do this very simply, by calculating the contingency as a certain percentage (say, 10 per cent) of the budget. The total cost of the promotion campaign, including the contingency, is then compared with the allocated budget. The aim is to balance the two.

Consider, as a further example of its usefulness, how a spreadsheet could be set up to take into account discounts for bulk orders. For example, you might get a 10 per cent discount if more than 1000 A5 fliers are ordered from a printer. Again, it is straightforward to enter a formula so that a spreadsheet applies a discount when a particular threshold is reached.

assessment practice

Using spreadsheets

The assessment practice at the end of Topic 5 asked you to estimate the cost of your promotional activities and present these in the form of a spreadsheet. This assessment practice requires you to develop the spreadsheet set up in Topic 5's assessment practice and to carry out some what-if analyses as part of an initial assessment of the suitability of your campaign's promotional mix. In doing so, you should appreciate how you can use a spreadsheet to plan your business's promotion campaign more effectively.

A Recall the spreadsheet you set up for the assessment practice in Topic 5. Develop this spreadsheet by entering formulae to calculate:

- the fixed, variable and total costs of each promotional activity
- the total cost of all your promotional activities, including an allowance for contingencies
- the gap between the total cost of your promotional activities and the allocated budget – in other words, calculate budget minus total cost.

Get your teacher/lecturer to check the accuracy and functionality of the spreadsheet.

B Use the spreadsheet to carry out a number of what-if analyses. This requires you to alter key aspects of your promotional activities, and the assess the impact of these changes on the total cost of your promotional mix.

Each time you change an aspect of a promotional activity you should ensure that you stay within your budget. For example, if you increase the number of free products you give to customers, this will increase the cost of this promotional activity and you will have to reduce the cost of some other promotional activities to stay within budget. Which promotional activities would you change and why?

C Produce a single A4 document summarising the results of your what-if analyses. This document should present an initial assessment of the suitability of your promotional mix.

Attention, interest, desire, action

Setting the scene: Campaign targets student drinkers

A nationwide campaign is being launched to warn students of the dangers of excessive alcohol. The drive, headed by the National Union of Students (NUS) in conjunction with the drinks company Diageo, aims to promote sensible drinking.

The union will place beer mats and stickers in student bars giving young people tips on how to keep their drinking within reasonable limits. Tips appearing on the beer mats include having something to eat while drinking, having soft drinks in between alcoholic ones and drinking plenty of water.

NUS spokesman Nick Emms told BBC News the traditional image of the hard-drinking student was "no more" with 25 per cent of them not drinking at all. He said students were much more interested in their own health and fitness than they had been in the past. Mr Emms said students

would appreciate the informative tone of the campaign, which would not sound "preachy" or "lecturing".

The government has also launched a campaign to tackle binge drinking. It includes a graphic poster campaign warning of £80 on-the-spot fines for being drunk and disorderly. Posters warn "get drunk and disorderly, get arrested, get an £80 fine", with one spelling out £80 in vomit.

Source: news.bbc.co.uk, 15 November 2005

Note: the posters from the government campaign can be downloaded from www.gnn.gov.uk

KEY TERMS

AIDA is an acronym for Attention-Interest-Desire-Action. These are the stages and individual needs to be taken through before purchasing a product.

Promotional mix is the specific combination of promotional activities used within a promotion campaign.

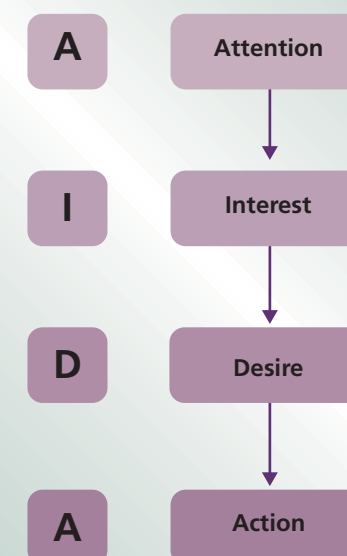
Altering buyer behaviour

Promotional activities attempt to influence the decisions of consumers by creating a favourable view of a business and its products. A systematic approach to altering buyer behaviour can be taken by using the AIDA model (see Figure 10.17). Used chiefly within advertising, AIDA is a way of thinking about the key steps an individual needs to take before purchasing a product. It can be applied to all promotional activities and helps when considering the timing of promotional activities in a promotion campaign.

Consider what each AIDA stage means in terms of buyer engagement by looking at a campaign to promote a new nightclub:

- **attention** – gaining an initial awareness of the product and establishing knowledge about the product, for example, by using a PR event to announce the opening of a new nightclub
- **interest** – moving from awareness of the product to establishing a willingness to investigate purchasing the product, say by half-page advertisements in a local newspaper
- **desire** – moving from a general interest in the product to an intention to purchase, perhaps linked to coupons on A5 leaflets distributed to homes, for free drinks on opening night

Figure 10.17: AIDA



- **action** – closing the sale by turning an intention to purchase into a confirmed sale, through in this case personal sales outside the nightclub on opening night.

In the responsible drinking campaigns (featured above), both the NUS and government had the same intention: to promote the sensible use of alcohol. However, the campaigns adopted very different approaches. The NUS adopted an informative approach which did not preach, or lecture, to its audience. The government used fear to communicate a harsher message – drinking to excess is harmful to your wallet and your stomach!

In terms of the AIDA model, the government campaign was more likely to gain the attention of the reader. The approach taken by the NUS might have been more successful in establishing a willingness to listen to the message. Taken together, the two approaches could take the target audience through the stages of attention and interest. It is likely that additional promotional activities would be required to alter behaviour in the long run – to take the audience through the stages of desire (“I really shouldn’t drink to excess”) and action (“Never again!”).

stop and think

Why do you think the NUS attempted to communicate in an informative way, while the government used posters adopting a more aggressive tone? What other promotional activities might the NUS have used in its campaign to warn students of the dangers of excessive alcohol?

Identify a promotion campaign which took you through all four AIDA stages, from gaining your attention to purchasing the product (or altering your view). How did the campaign’s promotional activities do this?

Using AIDA

Any promotion campaign relies on an effective promotional mix. The AIDA model helps in selecting the best combination of promotional activities. In particular, it provides a procedure for ensuring that the final promotional mix takes into account the target customers’ attitudes towards different promotional activities.

1 Attention

If the target audience is not aware of the product and/or business, it is essential to gain the target audience’s attention. The first element of an effective promotional mix is a promotional activity (or set of activities) that can get attention for the product or business. This promotional activity will “kick off” the campaign, and it will be the first entry in the campaign’s Gantt planning chart.

As this promotional activity, or set of closely connected activities, will set the tone for the rest of the campaign, you need to carefully consider:

- the tone and content of the message being communicated
- the type of promotional activity best suited to gaining the attention of the target audience
- how the promotional activity will be delivered – the medium or media that will be used
- how often to repeat the message – the frequency of the promotional activity.

The choices you make, in each case, will be determined by the objectives of the promotion campaign, the nature of the product and the target customers’ attitudes towards different promotional activities.

If a product has a mass market appeal, and the target audience spans a wide range of socioeconomic groups, then the message should be universal. In this case, advertising on television and/or in national newspapers would appear to be appropriate. As the message may well be a simple one, frequency would not have to be high if the advertisement delivered its message forcefully by, for example, using humour or fear.

If a product has a less universal appeal and is designed for a niche market, then a more targeted approach to gaining attention is required. Direct mail could be appropriate if a reliable mailing list is available. The message would have to appeal to the concerns of the target customers and rely more on information than emotion, although the exact nature of the product would be crucial here.

Whatever the nature of the product’s market, however, the aim here is to get the attention of the target audience. This means focus on activities that can spark that interest. Some promotional activities are unlikely to be appropriate when attempting to gain the attention of the target market. These include sales promotion, merchandising and personal selling.

These promotional activities address target customers who are already aware of the product. They work best

when potential customers already have an interest in finding out more about the product. For example, while “cold calling” can sometimes work, personal selling is far more effective when the customer approaches the salesperson by, for example, walking into a store and requesting assistance, or ringing a customer helpline.

Exhibitions, advertising and PR are often more appropriate when the objective of the promotional activity is to gain the attention of the target market. Advertising and public relations are particularly suited to this stage of the AIDA model. An exhibition, while capable of gaining the attention of the target audience, relies on individuals attending the event and therefore assumes a level of awareness which might not be present. An advertising campaign followed by an exhibition, however, would be appropriate.

2 Interest

The AIDA model illustrates the importance of sequencing promotional activities. This is certainly the case when moving the target audience from the attention stage to the interest stage.

To move an individual to the interest stage requires promotional activities that are capable of engaging. They need to appeal to the personal, psychological and social influences on and individual’s buying behaviour (see Figure 10.8, page XX). Understanding the motives behind a potential buyer’s behaviour is crucial for this stage of the AIDA model.

At this stage, PR events may be less successful than more focused activities such as direct mail shots and exhibitions. Personal selling could be highly effective if the target audience initiates contact with the sales force. If, for example, potential customers respond to an advertisement which successfully gained their attention and provided a telephone or e-mail contact. Merchandising, in the form of in-store displays, could perform a similar function, but sales promotions assume a high level of interest by the target customers and are more appropriate for the desire and action stages of the AIDA model.

3 Desire

At this stage the focus should shift from establishing a willingness to investigate the benefits of a product to providing genuine incentives to make a purchase. The promotional activities should be very focused and address specific influences on buyer behaviour. The message should be about why purchasing would provide very real benefits. The promotional activity should aim to convince potential customers that they will lose out if they do not purchase the product.

Advertising can be effective at this stage of the AIDA model. It can instil a degree of urgency in the target market. However, personal selling, sales promotions and merchandising are ideal ways to establish the desire to purchase a product – given a willingness to investigate purchasing a product, these promotional activities can communicate specific benefits and address the particular needs of individual customers.

4 Action

The final stage of the AIDA model focuses on the task of convincing the target market that they should purchase the product. The desire to purchase should have already been established, so the final elements of the promotional mix aim to turn this desire into a financial transaction, a change in behaviour or a change in attitude towards a product or business. Sales promotion, merchandising and personal selling are all capable of achieving this change. They are focused promotional activities which can be designed to provide that final push to get customers commit to the purchase.

stop and think

Identify two promotional activities which convinced you to purchase a product or altered your attitude towards a product or business. In each case, describe the features of the promotion – the type of activity, the content of the message, any incentives provided, etc.

assessment practice

Developing your campaign using AIDA

This exercise requires you to develop your promotion campaign’s promotional mix.

Using the AIDA model, assess whether the promotional mix you outlined in Topic 7’s assessment practice is capable of achieving your promotion campaign’s objectives. You should consider the order of your promotional activities as well as the type of promotional activities used.

Get rid of your gremlins and **get on** 0800 100 900

Throughout this unit, we have investigated the factors which help to determine the promotional mix of a promotion campaign. These factors include:

- business and marketing aims and objectives – the overall direction of the business and how it is intending to use marketing activities to achieve its aims and objectives (see Topic 1)
- the objectives of the promotion campaign – the specific targets set for the promotion campaign, such as raising product awareness or increasing product sales (see Topic 1)
- customer attitudes – the importance of customer attitudes towards different promotional activities and how to communicate effectively with the target audience (in Topics 4 and 6)
- the budget allocated to the promotion campaign – the importance of working within a campaign budget and using various techniques (such as Gantt charts and spreadsheet models) to plan the elements of the campaign's promotional mix (in Topics 2 and 7).

The core of the unit (Topics 3, 5, 7 and 8) introduced a range of promotional activities available to businesses, allowing you to investigate their advantages and disadvantages, to appreciate their typical costs and to understand how they could be combined into a promotional mix.

Constructing an effective promotional mix, as we have seen, is not a simple matter. Information about the target audience has to be researched and analysed. The cost of different promotional activities needs to be considered, including the extent to which the activities are produced and carried out by the business or by an external agency. The timing and balance of the various promotional activities must be considered. And all of this has to come within the allocated budget.

The case study that follows is taken from a real promotion campaign – the Get On campaign. The background material and illustrations are sourced from www.dfes.gov.uk/get-on unless otherwise stated. The study is intended to help you review all the ideas presented in this unit before you consider

how you might recommend a promotional mix for your own promotion campaign.

The Get-On campaign

The Department for Education and Skills (DfES) is the government body responsible for all aspects of education, training and learning. The DfES is keen to promote the idea of life-long learning – that learning should not end after we finish our time in formal education at 16 or 18. Through its Skills for Life initiative, the DfES is working with key stakeholders (such as colleges and employers) to improve adult literacy and numeracy.

For many adults lacking basic numeracy and literacy skills – for example, those with an inability to read or write – the thought of “going back to school” is terrifying. Through fear and embarrassment, adults lacking basic skills have traditionally never spoken about their problem: they struggle in silence.

The Get On campaign's main aim is to encourage this target market to take that first step – to pick up the telephone and call the Get On hotline.

The target audience

The Get On campaign's target audience are those adults who lack basic literacy and numeracy skills. At a public relations event held in August 2003, a government education minister said:

Millions of adults in the UK do not have the skills of an average 11 year old. This lack of basic skills affects many areas of their lives - from how much they get paid, to being unable to help their children with homework. Many people with poor basic skills will see their own children or other young people getting their GCSEs later this week - something they feel they could never achieve themselves. Tackling the problem of adult basic skills is a key priority for the government and we are determined to help 1.5 million adults improve their reading, writing and maths by 2007.

The 2004/5 campaign made very effective use of the advertising signature shown at the top of page XX.

The gremlin theme has become a distinctive feature of recent Get On campaigns. Stuart Barnes, from the advertising agency St Luke's, explains the reasoning behind the gremlin theme:

The Get On campaign to promote awareness and take-up of adult basic skills learning opportunities was the result of careful research by St Luke's. The research showed that people with poor reading, writing, spelling or numbers skills felt that it was their own personal issue which only they could fix and only when they felt it was right for them. They couldn't be told or even encouraged to learn, either by advertising, by an organisation, and often not by friends or family.

Nearly everyone we spoke to with poor literacy or numeracy had the same emotional response. They felt very frustrated with themselves when they were unable to complete tasks they thought they should be capable of. They were scared of being found out and were afraid of the severe impact on their self confidence that would result. This is where the idea of the Gremlins came from.

The Gremlin personifies this emotional response as a third party. It appears when you are confronted with a task involving reading, writing or numbers. The Gremlin is the thing which stops you being able to do things - it undermines your confidence, it mocks your mistakes and always threatens to embarrass you.

Additional research carried out by St Luke's showed that people with poor literacy or numeracy skills do not see it as a problem as long as they can adopt coping strategies to get through everyday activities. The lack of literacy and numeracy skills did not make them any less of a person and did not impact on their social and family lives.

St Luke's concluded that both humour and fear would be essential parts of any advertising campaign capable of breaking through the barriers put up by people with poor literacy and numeracy skills: humour to get

the attention and interest of the person; fear to generate desire and action.

Promotional activities

The script for a 40 second television advertisement produced by St Luke's for the Get On campaign is shown on page XX. Note that “super” means superimposition and refers to the telephone number and Get On logo – the signature of the advert – that were displayed on screen at the end of the advertisement.

In addition to advertising, the Get On campaign has used several other promotional activities including:

- **public relations exercises** – for example, the campaign has used celebrities such as Phil Tufnell to publicise the campaign
- **direct mail** targeting key stakeholders and raising awareness of the campaign
- **personal selling** through encouraging key personnel in contact with the target audience to deliver the message – these front-line personnel include GPs, health visitors, counsellors, prison officers, probation officers, immigration officers, Jobcentre Plus personal advisers and social service staff.

New drive against learning gremlins

The Department for Education and Skills says the latest figures show that since the Get On campaign began two years ago, some 320,000 people have gained a reading, writing or maths qualification, and millions more have started courses. A new series of adverts will build on the previous theme of the campaign and feature people being tormented by a little gremlin - their embarrassment over a lack of basic literacy or numeracy skills.

Among those in the new campaign is former cricketer and *I'm A Celebrity Get Me Out of Here* winner Phil Tufnell. “When I was growing up all I thought about was cricket, so it's fair to say I wasn't too hot at things like spelling,” he says. “But just because you missed out on a chance to learn first time around, doesn't mean you can't go back into learning and knock your own gremlins for six.”

Source: news.bbc.co.uk, 18 August 2003

A script from the campaign

Open on a man sat at a table in a factory rest area. In front of him on the table we see a large envelope, which he's looking at slightly anxiously.

After a short while, we suddenly see a gremlin appear from behind the table.

GREMLIN: OH NO, NO, NO, WE DON'T WANT TO OPEN THAT. WE'LL JUST BE DISAPPOINTED.

We then see the gremlin and the man sat on some steps together.

GREMLIN: LET'S FACE IT, YOUR ENGLISH IS ABOUT AS GOOD MY TAP DANCING.

We then see the man and the gremlin in the washroom, the guy splashes his face with water while the gremlin files his nails.

GREMLIN: I TOLD YOU YOU'D NEVER PASS THAT COURSE. YOU KNOW WHAT PEOPLE CALL YOU BEHIND YOUR BACK?

We see the man walk through the corridor, gremlin following.

GREMLIN: IT'S FAILURE, FAILURE, LOOK AT YOU, YOU'RE A FAILURE!

We see the man pick up the envelope and start to open it. We see the gremlin fold his arms in annoyance.

GREMLIN: GO ON THEN. SEE IF I CARE.

As the man looks at the contents of the envelope, we see the gremlin look at himself and realise that he's shrivelling and shrinking. As he does so, he speaks in an ever higher pitch of voice until he's really tiny.

GREMLIN: URGHH. NOT THE QUALIFICATION. I HATE QUALIFICATIONS.

We then see the man accidentally tread on the tiny gremlin. The confident man puts up his feet on the table. On the sole of one of his shoes we see a squashed tiny gremlin.

GREMLIN: I'LL BE BACK. THIS ISN'T THE LAST YOU'VE HEARD FROM ME!

Cut to the man using the side of the table to scrape the gremlin off his shoe. As the gremlin lands in a wastepaper bin we here a small thud.

VOICE OVER: GET RID OF YOUR GREMLIN. CALL 0800 100 900.

SUPER: 0800 100 900 and Get On logo.

GREMLIN: I WANT MY MUMMY!



Promotional media

A wide range of promotional media has been used by the Get On campaign. This perfect proof for a printed advertisement shows a continuation of the "get rid of your gremlin" theme. While focusing more on humour than fear, it reinforces the main message delivered by the televised adverts.



Radio advertisements have also been broadcast and they used the same combination of humour and fear. You can listen and view radio and television advertisements by visiting the campaign's promotional website at www.dfes.gov.uk/get-on and clicking on the download menu button.

The campaign also makes use of various print and ICT media in the form of:

- balloons – white, with blue Get On logo and 0800 100 900
- postcards – three different gremlin designs, with top tips and space for local details
- gremlin masks – available in both paper and plastic
- beer mats – gremlin branded on the front with the 0800 100 900 on the back
- posters – available in A2 and A3, the smaller posters have space for local information
- bookmarks – gremlin branded with the 0800 100 900
- notepads – yellow pads with the Get On logo and 0800 100 900
- stickers – single gremlin window stickers and smaller sets of Get On and gremlin stickers
- scratch cards – types available workplace, sports, personal finance, family learning

Finally, key stakeholders (such as schools and colleges) can download templates of posters and logos, along with clip art, to help them to put together their own printed promotional materials. Here (above and below) are some examples of the clip art available for download.



stop and think

Assess the suitability of the promotional mix used by the DfES in its Get On campaign by considering:

- the extent to which the campaign considered the attitudes of the target audience
- the suitability of the promotional activities and media used by the campaign
- the ability of the campaign to achieve its aim – to get adults lacking basic numeracy and literacy skills to call the Get On hotline telephone number.

Evaluating a promotional mix

Any promotional mix is only as good as the assumptions it is based on and the media it is delivered through.

Assumptions

In selecting the elements of the promotional mix, various assumptions will have been made, including assumptions about the:

- attitudes of the target audience towards various promotional activities
- appeal of the product to target customers
- ability of the business to produce and deliver promotional activities.

In the Get On campaign, the DfES employed an advertising agency to research and specify the ways in which the campaign message would be communicated. Various aspects of the campaign were devolved to key stakeholders. For example, the agency produced poster templates that could be downloaded and used by, for example, schools and colleges. Nevertheless, given the size of the Get On campaign, external agencies would have carried out much of its planning and implementation.

It is likely that the promotion campaign you have been investigating in the assessment practice activities is on a much smaller scale. If this is the case, then it is likely that the business will have to produce and deliver most of the promotional activities. It is, therefore, crucial that you have made realistic

assumptions about the ability of the business to undertake these tasks in-house. Incorrect assumptions here would result in a promotional mix that looked fine on paper but would be difficult to implement.

Have you made reasonable assumptions about the attitudes and motivations of the target customers? Are these assumptions based on some valid research? If not, then it would be impossible to judge the suitability of the campaign's promotional mix. While you will not be able to carry out research on the scale implemented for the Get On campaign, you should endeavour to carry out sufficient research so that you can make some valid working assumptions about the attitudes and motivations of your target customers.

Media selection

In Topic 8 you looked at how the AIDA model could help you to analyse a campaign's promotional mix. While it is important to justify the choice of promotional mix in terms of the promotional activities, a more practical issue is the media used to deliver these activities. In addition, the timing and location of promotional activities must also be considered.

The Get On campaign used a variety of different media. Both radio, television and print were used for the central advertising campaigns, while PR was directed at mass media communications such as national daily newspapers and internet news sites. Personal selling was also part of the campaign. As the target audience was reluctant to engage initially with schools and teachers, the campaign had to consider suitable personnel who were likely to have some contact with adults who might lack basic numeracy and literacy skills. The Get On campaign solved this problem by using Jobcentre Plus personal advisers and social service staff.

Your promotion campaign is likely to be allocated a limited budget. If this is the case, then your choice of media will be a difficult one to make. Judging which media to use for particular promotional activities will require you to balance the suitability of the media against its cost of production and delivery. Devoting a large proportion of your budget to a radio or television advertising campaign could be sensible, but you will have to clearly demonstrate that this promotional activity and its particular delivery is capable of taking the target audience through all stages of the AIDA model. In all likelihood, the use of one promotional activity, delivered via an expensive medium, will not be sensible and will not achieve the campaign's objectives.

assessment practice

Evaluating the suitability of your promotional mix

If you have completed all the assessment practices in this unit, you should have:

- a set of objectives for your promotion campaign and an allocated budget
- an analysis of the target market – who they are, what motivates them and their attitudes towards various promotional activities
- an understanding of the promotional activities available to your business – and the ability of the business to produce and deliver these activities – and their costs
- a spreadsheet outlining your campaign's promotional mix, including timings and costs
- an analysis of the suitability of your promotional mix in terms of the AIDA model.

For this final assessment practice you are required to review your promotion campaign.

Using all of the above outcomes, evaluate the suitability of the campaign's promotional mix by assessing:

- the ability of the campaign to achieve its objectives
- the extent to which the promotional mix takes into account the attitudes of target customers
- the cost of promotional activities compared with the resources available to the business and your allocated budget.