

Promotion Strategy: Concept & Process

Dr Shivendra Singh

Department of Commerce

MGCU

- Modern marketing calls for more than developing a good product, pricing it attractively and making it available to target customers.
- The whole marketing mix must be integrated to deliver a consistent image and strategic positioning.
- Firms must communicate continuously with their present and potential customers.

- Promotion is the function of informing, persuading and influencing the consumer's purchase decision.
- Consumers receive marketing communications – messages that deal with buyer-seller relationships – from a variety of media, including television, magazines and the Internet.

Promotion mix

- A firm's total marketing communications program, called its promotion mix, consists of a specific blend of advertising, sales promotion, public relations, personal selling and word of mouth to achieve advertising and marketing objectives.

Need of Marketing Communication

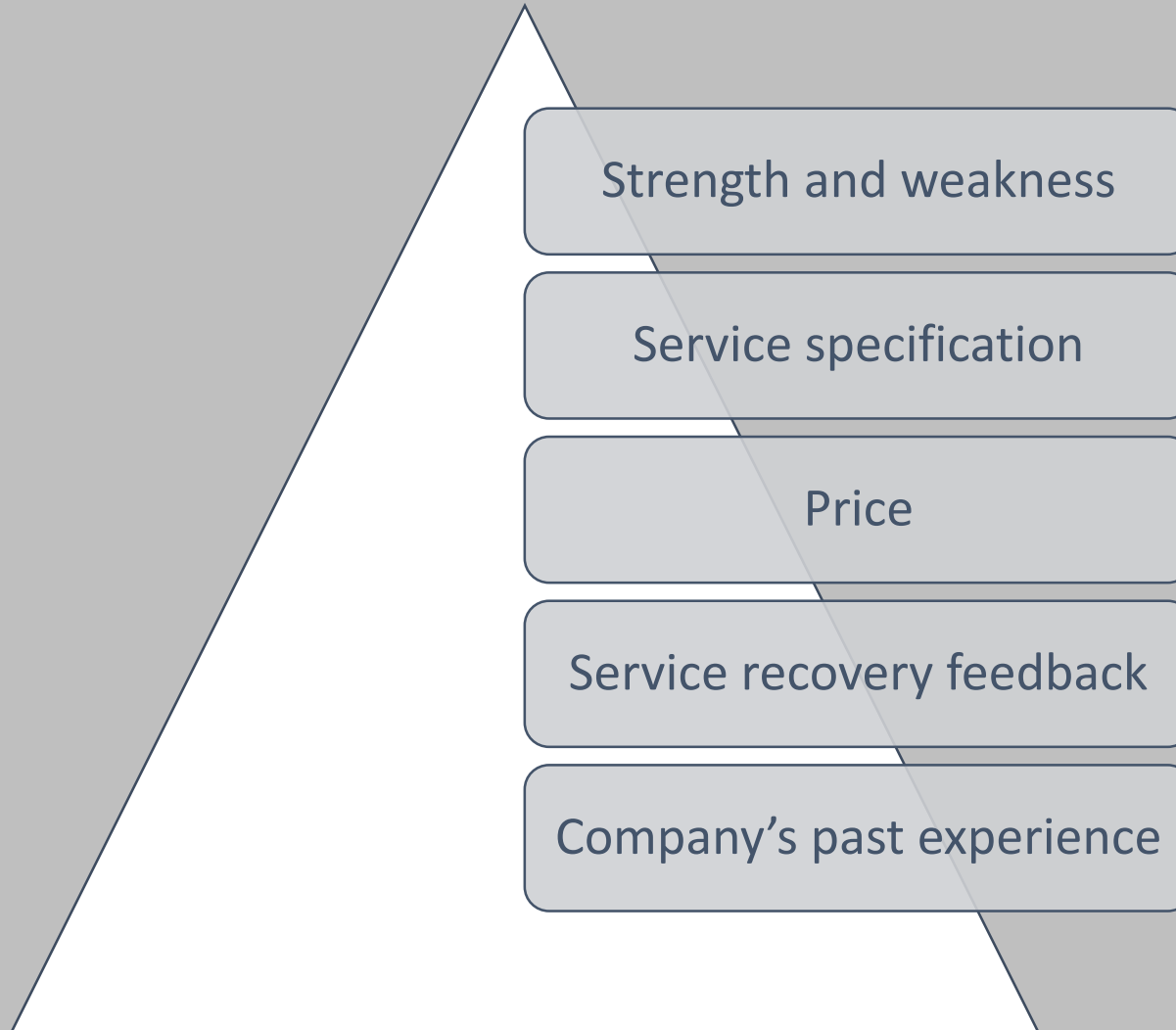
- Differentiate
- Remind
- Inform
- Persuade

Steps in Developing Promotion Strategy

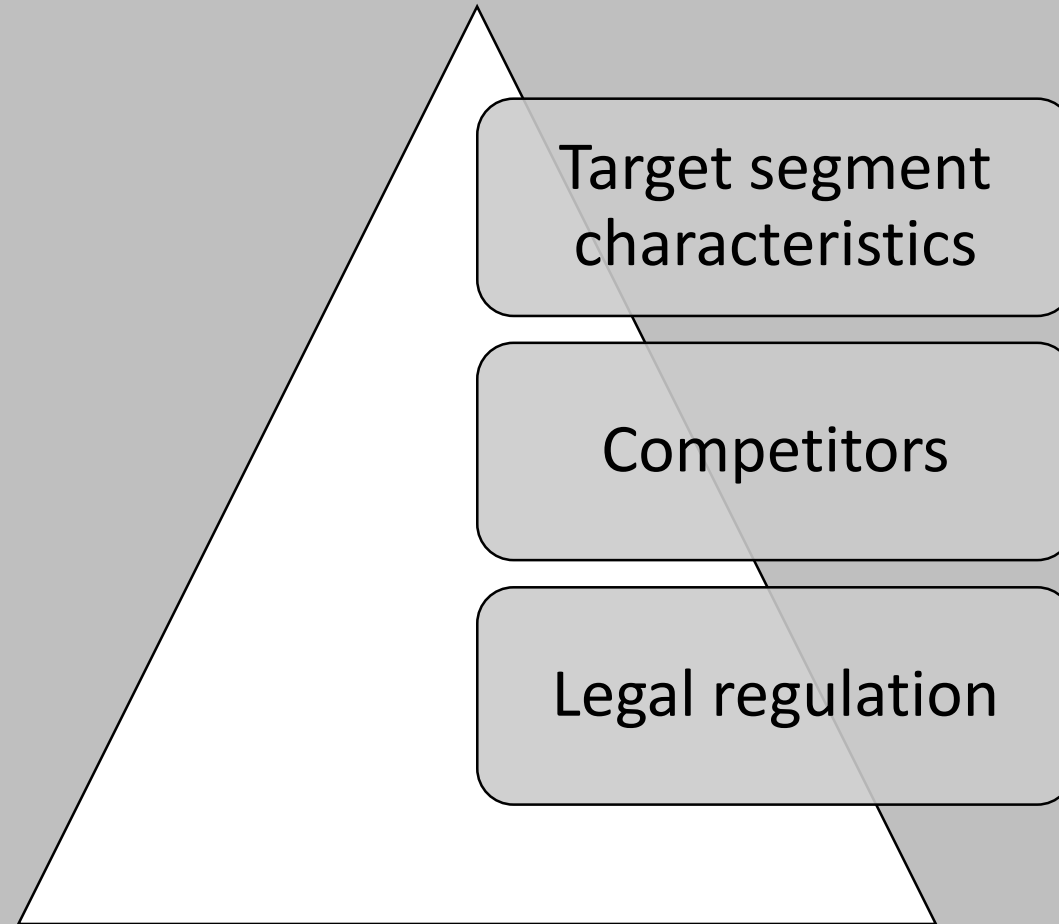


Step 1. Situational analysis

A. Internal Analysis



B. External analysis



Step 2. Marketing objective

- The marketing objective to be achieved in the promotion campaign should be clear from the outset. Some are:
- Brand awareness
- Brand knowledge
- Brand attitude
- Conviction
- Sale
- Distribution

Step 3. Budget allocation

The following four methods for allocating the budget for promotion are generally used:

- Affordable method
- Percentage of sales method
- Competitive parity method
- Objective and task method

Step 4. Promotion mix selection

Following factors influence the choice of promotional mix:

- Resource available and cost of tool
- Market size and concentration
- Customer information needs
- Push VS Pull
- PLC

Advantages & disadvantages of different tools

Promotional tool	Advantages	Disadvantage
Advertising	<ul style="list-style-type: none">• Reaches a large group of potential consumers for a relatively low price per exposure• Allows strict control over the final message• Can be adapted to either mass audiences or specific audience segments	<ul style="list-style-type: none">• Does not permit totally accurate measurement of results• Usually cannot close sales
Personal selling	<ul style="list-style-type: none">• Permits measurement of effectiveness• Elicits an immediate response• Tailors the message to fit the customer	<ul style="list-style-type: none">• Relies almost exclusively upon the ability of the salesperson• Involves high cost per contact

Promotional tool	Advantages	Disadvantage
Sales promotion	<ul style="list-style-type: none"> • Produces an immediate consumer response • Attracts attention and creates product awareness • Allows easy measurement of results • Provides short term sales increases 	<ul style="list-style-type: none"> • Is non-personal in nature • Is difficult to differentiate from competitors' efforts
Direct marketing	<ul style="list-style-type: none"> • Generates an immediate response • Covers a wide audience with targeted advertising • Allows complete, customized, personal message • Produces measurable results 	<ul style="list-style-type: none"> • Suffers from image problem • Involves a high cost per reader • Depends on quality and accuracy of mailing lists • May annoy consumers
Public relations	<ul style="list-style-type: none"> • Creates a positive attitude toward a brand or firm • Enhances credibility of a brand or firm 	<ul style="list-style-type: none"> • May not permit accurate measurement of effect on sales • Involves much effort directed toward nonmarketing – oriented goals

Step 5. Coordination and integration

- The whole marketing plan needs to be coordinated and the message displayed should be uniform so as not to confuse the customers.
- It should also be inline with the services provided so that the customer expectation can be met easily.

Step 6. Measurement of effectiveness

It helps the management to know about the outcome of the effort and the money spent on the communication strategy.

Step 7. Evaluation and follow-up

- Any advertising that does not deliver sales in the first seven days is completely ineffectual (J.P. Jones, 2206)
- Collect feedback, which includes researching how effective the communications were in meeting the objectives.
- Evaluation can be done by keeping an eye on the sales figures before, during and after the running promotional programme.

Thank You