

A C B

Attracting Customers Bootcamp

Week 5
Promotions

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Promotions

Before we get started let's look at the outcomes from the ACB course:

- Understand what marketing is
- Understand how marketing can benefit you
- Understand your client completely
- Learn how to identify the best products or services to increase sales
- Identify the best way to promote your products
- Discover how you can give your customers the best experience
- Work out how you can stand out from your competitors
- Create a realistic and relevant marketing strategy

This week and next week we will look at the learning outcome-
Identify the best way to promote your products

Introduction

Many people believe promotions is just advertising, however this is just one aspect of promotions. Promotions includes getting clear on your marketing message, personal selling, your promotional strategy, digital promotions and much more. As promotions is such a vital element in the marketing mix, we will spend two weeks looking at Promotions. This week we will consider:

- What Promotion is
- The impact promotions have on a business
- The Promotional Mix and which activities will work best for you.

What is Promotion?

Promotion is any activity which involves communicating with your customer about your products, services or brand, with the aim of increasing awareness, attracting customers, and encouraging customers to buy things.

If there is one thing you take away from this week, it should be this: You will get more success focusing on 2 or 3 activities and doing them well, compared to just focusing on one or, at the other extreme too many activities.

Benefits of Promotion

As we found out last week, most of us are in business to sell someone our product or service. To sell our product or service, people need to know about it. Promotions make people aware of our product, service or brand. Through promotions we can create awareness when we start our business, wish to increase sales, launch something new or when we want to enter a new market. Promotional activity can do more than just create awareness, it can also help you:

- Acquire new customers

We want to attract new customers and ensure they buy from us, not our competitors. When you use the right mixture of promotional activities, above and below the line promotions and create a strong promotional strategy with the right marketing message you will find it easier to gain more customers.

- Brand building and positioning

Promotional activities can increase brand awareness, which can build customer loyalty and increase sales. By ensuring your marketing messages are right and represent your brand values and personality you can use promotional activities to position your brand- in other words influence how your customers think of your brand so that you stand out from competitors, Think of the promotions for BMW cars- they all present BMW as a luxury car brand.

- Acceptance

A customer is more likely to buy a product or service if they are familiar with the brand or company. Therefore promotions can make your customers familiar with your business which can help customers accept and choose your product or service.

- Targeting of Customers

Your mix of promotional activities and your marketing message will help you target the right customers who want your products or services. For example Nike targets healthy and sport loving people through all of their promotional activities.

The Promotional Mix

Now we know the benefits of promotion, let's look at how we can choose the right promotional activities to use. One method of identifying the right promotional activities is the Promotional Mix.

The Promotional Mix categorises the main types of offline promotional activities which you can do into 5 main categories of offline promotional activities. Later we will consider each in more detail, for the moment let's briefly consider each of them.

1. **Advertising**

These are any paid methods of non personal communications. This is a big part of the promotional mix and activities under this category send your marketing message to a mass audience with the aim of reaching existing and potential customers. However this is a one way communication method. Advertising includes: TV adverts, newspaper adverts, outdoor advertising, cinema advertising, and radio advertising.

2. **Personal Selling**

When you talk to prospective customers to make a sale. This is a very personal aspect of promotion, and it can be the most expensive. However it can be the most valuable.

3. **Direct Marketing.**

These are any methods which communicate your product or service benefits to a targeted audience of prospective and current customers. This can include two way communication and allows responses to be measure. Direct Marketing includes: direct mail, telemarketing, catalogue marketing, mobile marketing, inserts, and door to door marketing.

4. **Sales Promotions**

When you offer incentives which are designed to increase or stimulate sales. Sales Promotions include coupons, competitions and loyalty cards.

5. **Publicity**

When third parties give information on your product, service or brand to their audience, with the aims of increasing awareness and sales. This sometimes does not involve any direct payment for the copy.

Base your mixture of promotional methods on your ideal customer, to get the best results

Benefits of the Promotional Mix

Have you heard of not putting all your eggs in one basket? Well it is the same with the promotional mix- you will get greater results using a mixture of 3 or 4 activities compared to using 1 activity. Now as every business is unique there is no one size fits all combination, it is a case of picking a few activities which you think are best suited to you and try them until you find the perfect mix. Things may change over time as well.

However once you find the best mix, the magic happens and your sales will increase. The promotional mix gives you a clear list of the most popular promotional activities to choose from. The mix also provides multiple strategies to reach customers, making sales and reach your goals.

How to work out the best Promotional Mix for you

1. *How much money do you have for promotions?*

A national advertising campaign costs a lot more than sales promotion or publicity. If you are starting out, you may be time rich but cash poor therefore it may be suitable to use promotional activities such personal selling or publicity.

What is your annual budget for promotions? Which activities in the promotional mix will work best for you based on your budget?

2. *Market size*

If your market is small and local to you personal selling may be best. However if your market is a larger target market spread throughout the world personal selling would not be suitable for you. Whereas advertising or internet promotion would be better.

Is your market big or small and local? Which activities in the promotional mix will work best for you based on market size?

3. *Customer Information Needs*

If your product is of a high value or a technical product or service, personal selling may get you greater results than advertising.

Does your customer need a lot of information about the product or service? Which activities in the promotional mix will work best for you?

4. *Product characteristics*

If you are selling to a business personal selling has been proven to be a successful promotional activity. Whereas if you are selling to the consumer advertising can work better.

Are you selling to a business or to the consumer? Which activities in the promotional mix will work best for you?

5. *Push or Pull strategy*

For businesses trying to communicate with retailers (push strategy) personal selling or trade promotions work well, Whereas if you are communicating to the consumer (pull strategy) you will want to increase consumer demand through advertising and consumer promotions.

Are you using a push (communicating with retailers) or pull (communicating with consumers) strategy? Which activities in the promotional mix will work best for you?

Let's consider what activities your competitors use?

Based on the answers above what elements of the promotional mix will work best for you?

Now you have a list of the best categories of promotions for your business, let's look at the specific activities which you can do. Don't worry if you only have one or two categories listed- most categories include numerous offline promotional activities.

Promotional Mix in detail

Let's look at each category of the Promotional Mix in more detail, to allow you to work out the best activities to help you grow your business.

1. *Advertising*

The advantages and disadvantages for advertising include:

- Advertising is good for building awareness as you reach a wide audience quickly
- Repeating adverts can position your brand
- Advertising can help the sales effort

However advertising is impersonal and lacks flexibility. Depending on your product or service it may be difficult to close the sale as customers cannot ask questions.

Types of advertising

TV adverts- TV adverts are useful when you wish to show your product or service in action. These can be published on TV or through your own channel online- Dove and Audi have both created their own internet channel to help customers with the buying decision.

Radio- Radio adverts are useful for communicating factual information and your brand personality. However radio does not provide any visual representation. Costs are quite low, and with DAB radios you can display your phone number on display when the advert is running. You can also target certain areas with local stations.

Newspaper or Magazine Adverts- It is easy to present facts in press advertising, and customers can take time absorbing the information and revisit the information. You can also target your ideal customer based on their location and interests.

Outdoor advertising- This is a visual form of advertising and is useful as reminder advertising. You must ensure your message is clear and concise- a rule used by many companies is to use no more than 7 words a poster, as you have an average of 6 seconds to get your message across to your customers.

Cinema adverts- Cinema adverts are great as you can utilise colour, sound, and movement in cinema advertising. You can also target large groups of people. It is worth remembering that typically the audience for cinema adverts is aged 15-25 although this does vary.

Internet advertising- Through things such as pay per click advertising, listings in search engines, SEO and pop up ads you can reach a global audience at relatively little cost. You can link internet adverts with selling platforms and you can also track responses. You can also change adverts, and prices quickly. Internet adverts can also be used as two way communications through emails and chat bots.

However the internet is impersonal and it does require customers to visit the website. Customers may also find adverts obtrusive, and you may be subject to click fraud which provides false information.

Next week we will look at internet promotions in more detail.

If Advertising is suitable for your business, which methods will you use?

2. Personal Selling

This involves face to face contact with your customer. The advantages of personal selling include

- It allows for direct interaction with your customers
- You can tailor the presentation to your customers needs
- You can deal with any concerns your buyer has
- You can focus on the customers who are most likely to buy, and the ones who will spend the most - normally 80% of sales come from 20% of your customers.
- You must focus on the long term relationship

However you need to be a good salesperson or use good salespeople otherwise you can easily waste money without improving sales. It is worth remembering customers could avoid the buying selling negotiations.

Personal selling also costs a lot- you have to consider travel costs, travel expenses. In business to business marketing the salesforce can take over 70% of the marketing budget

The role of a salesperson

For years sales has had a bad reputation- seeming sleazy or icky. Owning a small business you may feel overwhelmed by the prospect of selling. Try to remember customer orientated selling is associated with

- asking questions
- providing product and service information, with evidence to support any claims
- acknowledging the customers point of view
- agreeing with customers perceptions
- releasing tension
- having a richer knowledge of your customers
- having confidence in you, your business and your products or services

The Sales Process

There are 7 processes in the sales process, which we will look at now.

1. Preparation

This involves preparing to present your product or service, identifying potentially common objections and knowing everything about your product or service. At this time research competitors products, and ensure you are confident with what you are presenting.

You also need to work out what you want from the meeting. Be aware of the customers decision making process, they may not have the final choice and may have to consult with others. You may need to arrange a second visit.

2.The Opening

You need to create a favourable first impression and you can do this by

- Being business like in behaviour and appearance
- Being friendly but not too familiar- you are not their best friend!
- Being attentive to detail
- Observing common courtesies, for example being asked to sit down
- Asking if it is convenient for the customers to see you
- Thanking the customer for their time- remember their time is precious too!

3. Identify Needs

Identify the customers need at the start of the meeting, and then choose the product or service with the appropriate benefits.

4. Presentation and Demonstration

After you have identified the customers needs, you need to tell the customer why they should choose your product or service over others. Tell them the benefits, not the features, of your product or service. You can also demonstrate the product or service at this point.

5. Dealing with objections

Almost every sales person is faced with an objection. The key is to overcome both the substantive and emotional objection. One method for overcoming objections is:

1. Listen and do not interrupt the customer, as this will allow you to understand the problem and will make the customer feel valid.
2. Agree and counter. Listen and then put forward an alternative point of view. For example you may say, 'Yes X is cheaper, however my product or service is made of higher quality parts and has a 10 year guarantee'.

6. Closing the Sale

It is almost always necessary to ask for the sale, and this can be the icky part. There are plenty of ways to close the sale depending on your product or service, some methods of closing the sale are listed on the next page.

- Asking 'Would you like one?'
- Summarising the main points and then ask for the order, for example ' We have agreed meets your requirements of Would you like to place an order?'
- Giving the customer an offer ' I am able to offer you a 10% discount if you place the order now'
- Agree to an action- sometimes it is not appropriate to ask for the sale. The customer may need time to consider or speak with others involved in the buying process. In this circumstance you may ask the customer to take an action before your next meeting, or you may agree to do something before the next meeting. Actions can include giving more information, reading leaflets etc. The idea is to build a relationship between you and your customer.

7. The follow-up

You must always follow up with the customer after the sale. This will develop relationships which encourages your customers to come back to **you**. It also allows for any problems or feedback on your product or service.

Would personal selling work for your business?

3. *Direct Marketing.*

Direct marketing involves contacting a customer without an intermediary. Direct marketing is useful for developing relationships with customers, and it is cheaper to build loyalty than attract new customers. Through direct marketing you can also sell other products or services to the same customers, and you can target specific groups of people. Perfect if you are targeting customers in a small area. You can also target customers who want speed and convenience.

There are drawbacks to direct marketing:

- Direct marketing is limited by national boundaries
- Direct marketing is regulated

There are a number of things to remember with Direct Marketing:

- You need to build a database of customers which must be in line with Privacy Rules- in other words do not store credit card or payment details. You should only store anything you need to help the customers
- You can find out who is more likely to buy your product from any data which you collect.

Let's now consider the different activities within direct marketing:

Direct Mail: When you send post to the home address or business address of your potential customer. This is a relatively cheap method for promotion. However the response does depend on the quality of your contact list, and whether the details are up to date. You can also risk upset if the list is out of date and people have passed away, or if people have asked for no direct mail.

Telemarketing: This is when you use telecommunications to conduct marketing and sales activities. You can receive or make calls. If you wish to use this method there are various packages you can purchase to assist the process including Experians QAS.

The advantages of telemarketing include:

- Lower costs than personal selling
- It allows for two way communication
- You can use telemarketing for: direct sales, supporting the salesperson, screening potential customers and building your marketing database.

However your customers may be annoyed with too long phone calls or nuisance calls. It is also easier for customers to say no over the phone and it is more expensive than direct mail, media advertising and the internet.

Direct Response Advertising: When you use prime media such as TV adverts, newspapers and magazine adverts to get a direct response such as enquiry, an order or to request a visit. This can be done by displaying a free phone number, email address or web link.

An advantage of this method is that you will get direct responses however it is a one way communication that can be costly.

Catalogue Marketing: Using catalogues to increase sales can seem quite an old fashioned method at first. However look through your mail and you will see many catalogues are still delivered to your door. You will probably be surprised by how many arrive on your doorstep.

Catalogue marketing is still used because catalogues can assist with purchases online. You can also use catalogues to get actual sales.

Catalogues can be sent via email, in the post or left in places customers will visit.

Catalogue marketing is useful when your ideal customer is busy, affluent and values choosing products at home, or if your customers live in isolated areas. You can also provide a lot of information in catalogues and this is great for business to business products.

However catalogues are expensive to produce and goods cannot be tried before purchase.

Would Direct Marketing be suitable for your business? If so which activities would be best?

4. *Sales Promotions*

These are incentives which are designed to increase or stimulate sales.

There is a lot of money spent on sales promotions because:

- More purchases are made in impulse
- The cost of advertising is increasing
- Product lifecycles are getting shorter
- Competitors may offer sales promotions encouraging you to do so as well
- It is easier to measure results.

Sales promotions are normally used to provide a quick sharp shock to sales, as a short term method. There are no guaranteed long term results.

Normally sales promotions will attract more current customers than long term customers.

The main types of sales promotions activities are:

- Money off
- Bonus packs
- Price promotions
- Loyalty Cards
- Free Samples
- Coupons
- Price Discounts
- Promotional price support
- Competitions
- Allowances
- In store display and promotional support
- Free goods

Some of the results you can expect from sales promotions include:

- Fast sales boosts
- Encouraging trials or repeat purchases
- Stimulating the purchase of larger packs
- Gaining distribution

You can evaluate the success of sales promotions by pretesting research including: testing offers before they are launched via group discussion; testing an offer in a certain area; or comparing two promotional offers to see the best results.

After the promotion has ended you must also measure the sales compared to before and after the promotions.

Would sales promotions work for your product or service? Which sales promotions will you choose.

5. *Public Relations*

This is when you get coverage from the a third party for your brand or products or services, without paying for an advertisement. There are a number of advantages to Public Relations including:

- Creating prestige and a positive reputation which can help increase sales
- Sales are also helped by customers seeing unobtrusive things in the press, TV and radio
- Customers will feel they are treated well and they will get the right information
- Misconceptions and false information can be rectified
- When customers read articles by independent third parties they are more likely to trust the source

Publicity

Publicity is one form of public relations promotions and publicity is when you receive free media coverage. Publicity can be obtained through developing relationships with the press and issuing press releases. Publicity can be symmetrical- when communications are 2 way, or asymmetrical- when communications are one way.

Publicity is great for building credibility however you must be aware:

- You have no control of the timing
- You may loose control of how the content is used
- There is no guarantee the information will be published
- You need to make sure the publicity is combined with other promotional activities

List the places where you could get free publicity that your customers or target market will see. For example specific TV shows, newspapers or magazines.

Sponsorship

This is when you commit money or resources to an individual, event or organisation to gain promotions. A popular example is sponsoring a sport event or team.

Sponsorship can:

- Help you gain publicity.
- Create entertainment opportunities for your customer if you sponsor an event or sports team, and you invite your customers to the event or to watch the sport.
- Create a positive brand image- you could sponsor a local event to show you care about a certain location, or you could sponsor a local charity or school to foster community relationships.
- You become associated with the thing you sponsor.

When sponsoring you must be clear on your aims, if you want more sales worldwide sponsoring a local flower will not help. You must also consider:

- What do you want to achieve?
- Who are you trying to reach? Is it your target market?
- What are the risks?
- What are the results if sponsorship has occurred in the past?
- Is it value for money?

Don't forget if you sponsor something you can provide promotional materials such as personalised pencils, mugs or notebooks for potential customers to take away with them.

List any events or groups you could sponsor which would interest your target market.

Exhibitions

Exhibitions can be categorised with public relations, or as a separate promotional category. Exhibitions are when buyers, sellers, and competitors all come together in a commercial setting.

Although there are lots of opinions on exhibitions, they are useful if you sell to a business, or your products are of a high value. There is evidence in this circumstance they are almost as successful at increasing sales as personal selling.

Exhibitions can:

- allow you to reach an audience directly
- create a awareness and develop relationships with customers
- strengthen relationship with customers
- demonstrate your product or service
- gather information on competitors
- introduce new products or services
- recruit dealers
- deal with any problems
- generate a mailing list
- make sales

Points to note for Exhibitions

- Ensure that you set clear and measurable objectives before the exhibition
- Plan for an exhibition in advance
- Exhibit a wide range of products
- Always have someone in attendance- you never know when customers may appear!
- Ensure staff are well informed
- Provide informational literature
- Have seating on the stand
- Provide refreshments
- Collect leads
- Follow up on all leads

After the exhibition you must evaluate the exhibition and you can do this by working out: how many visitors you had; how many leads you had; the cost; the number and value of orders; how much competitor knowledge you gained; how much interest you had; and the promotion of brand values. There is an exhibition planner on the next page to assist you, if you plan on attending any exhibitions.

Exhibition Planner

Exhibition Name

Place

Time

Date

Things to remember

1. Have a wide range of products
2. Make sure there is someone always on the stand
3. Make sure everyone knows about the products and services
4. Have informational literature available
5. Have a seating area
6. Provide refreshments

What are your Exhibition Objectives?

Was the Exhibition Successful?

Would exhibitions work as a promotional activity for you? If so list any exhibitions you could attend.

Now that we have considered all of the offline promotional categories in the Promotional Mix, we need to identify the best activities to promote your business. Next week we will then look at online promotional activities and your marketing message before we craft your promotional strategy.

To identify the best offline activities, use the following page and score each of the promotional activities we have looked at out of 10. Score the activities least suitable as 1, and those most suitable as 10.

Promotional Method**Score****Advertising**

TV Ads
Radio
Newspaper Ads
Magazine Ads
Outdoor ADS
Cineman Ads
Internet Ads

Personal Selling

Personal Selling

Direct Marketing

Direct Mail
Telemarketing
Direct Response Marketing
Catalogue Marketing

Sales Promotions

Money off
Bonus packs
Price promotions
Loyalty Cards
Free Samples
Premiums
Coupons
Price Discounts
Promotional price support
Competitions
In store display and promotional support
Free goods

Public Relations

Publicity- news releases,
news conferences, interviews,
feature articles, photo-calls and public speaking.
Sponsorship
Exhibitions

List the top scoring methods below:

Summary

This week we have learnt all about the promotional mix, and which offline promotional activities are best for you. As you may have noticed we have not focused on internet marketing, we will look at this next week along with how to create a promotional strategy and crafting your perfect marketing message.

I would love to hear your ideas and look forward to next week where we will look at more to do with promotions. Just use hashtag #week5. See you next week

Notes