

# PROMOTIONAL MIX

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## 1. LEARNING OBJECTIVES

After completing this topic, learners should be able to:

- Define the promotional mix
- Explain the objectives of promotion
- Identify and describe the elements of the promotional mix, including: Advertising, Sales promotion, Direct marketing, Public Relationships (PR) and Personal selling
- Differentiate between the various promotional tools
- Evaluate the advantages and limitations of each promotional mix element.
- Case studies
- Understand ethical considerations in promotional activities.

## 2. INTRODUCTION

The Promotional Mix is a subset of the broader marketing mix (the 4 Ps). It refers to the specific blend of communication tools a business uses to inform, persuade, and remind customers about its products or services. The 4 Ps (also known as the Marketing Mix) represent the foundational pillars of any marketing strategy. Created in the 1960s by E. Jerome McCarthy and popularized by Philip Kotler, this framework helps businesses ensure they are offering the right product, to the right people, at the right price, in the right place.

- Product (The Offering)
- Price (The Value)
- Place (Distribution)
- Promotion (Communication)
- People
- Process
- Physical Evidence

The Objectives of Promotion:

- To create awareness about the product or service
- To provide information about features, price, quality, and availability.
- To persuade customers to choose a particular brand.
- To increase sales and market share.
- To remind customers about the product and brand.
- To build brand image and loyalty.
- To introduce new products in the market.
- To face competition effectively.
- To maintain demand for existing products.
- To support the overall marketing objectives of the organization.

### 3. ADVERTISING

Advertising is any paid, non-personal presentation of ideas or products by an identified sponsor. It is best for building brand awareness and reaching a large audience quickly. Advertising is a powerful communication tool used to influence the behavior and perception of a target audience. Below is a breakdown of its key facets, from its ancient roots to modern ethical standards.

#### 3.1 History of Advertising

- Ancient Times: Egyptians used papyrus for wall posters; in ancient Rome and Greece, "lost and found" ads were common. In China, candy sellers played bamboo flutes (oral ads) as early as the 11th century BCE.
- The Printing Press (1440s): Gutenberg's invention allowed for the first mass-produced flyers and newspaper ads.
- The Industrial Revolution (1800s): This era saw the birth of the first advertising agencies.
- The Golden Age (1960s-80s): The focus shifted from product features to brand personality and emotional connection.
- The Digital Age (2000s–Present): Shift toward hyper-targeted ads, social media influencers, and AI-generated content.

#### 3.2 Tools of Advertising

- Print: Newspapers, magazines, brochures.
- Broadcast: Television and Radio (mass reach).
- Outdoor (OOH): Billboards, transit ads (bus stops), and posters.
- Digital: Search engine ads (PPC), social media ads, and display banners.
- Native Advertising: Sponsored articles

#### 3.3 The DAGMAR Approach

Proposed by Russell Colley in 1961, DAGMAR stands for **Defining Advertising Goals for Measured Advertising Results**. It argues that the goal of an ad is a communication task rather than just a sales task. It is a strategic framework designed to set clear, quantifiable objectives for advertising campaigns. The model argues that the primary purpose of advertising is communication rather than just immediate sales. It provides a structured path for moving a potential customer from total ignorance of a product to a final purchase.

It follows the ACCA hierarchy:

- Awareness: Making the consumer aware the brand exists.
- Comprehension: Knowing the brand exists isn't enough; the consumer must understand what the product is, its features, and how it benefits them.
- Conviction: The consumer develops a preference for the brand and becomes convinced that it is the right choice for them.
- Action: The final step where the consumer actually makes the purchase.

### **3.4 Ethics in Advertising**

Ethics involve the moral principles that govern communication. Key issues include:

- Deception: Making false claims that misleads the consumer.
- Targeting Vulnerable Groups: Such as aggressive advertising of sugary cereals to children.
- Harmful Products: Ethical debates around advertising tobacco, alcohol, or gambling.
- Subliminal Messaging: Using hidden cues to influence consumers without their knowledge.
- Social Responsibility: Promoting diversity and avoiding harmful stereotypes.

## **4. SALES PROMOTION**

It is a short-term marketing strategy designed to stimulate quicker or larger purchases of a product or service. Unlike advertising, which focuses on building a long-term brand image and "reason to buy," sales promotion provides an "incentive to buy now." Sales promotion consists of a collection of incentive tools, mostly short-term, designed to stimulate the market.

### **4.1 Types of Sales Promotion**

- Consumer-Oriented Promotions (The "Pull" Strategy): These are directed at the end user. The goal is to create "demand" so that customers go to the store and pull the product off the shelves. Examples include Samples, Coupons, Cash Refunds (Rebates), Premiums and Contests.
- Trade-Oriented Promotions (The "Push" Strategy): These target wholesalers, distributors, and retailers. The goal is to persuade the "middlemen" to carry the brand, give it more shelf space, and push it to the consumers. Examples include Trade Allowances, Point-of-Purchase (POP) Displays, Training Programs, Dealer Incentives and Trade Shows.
- Business-to-Business (B2B) Promotions: In B2B, the focus shifts toward long-term relationships and high-volume orders rather than impulse buys. Examples include Volume Discounts, Trial Periods and Sales Contests (Internal).

### **4.2 Common Tools and Techniques**

- Price-Off (Discounts): A direct reduction in the listed price (e.g., 20% off).
- BOGO: "Buy One, Get One" deals.
- Samples: Providing a small amount of product for free.
- Premiums (Gifts): A free gift offered with a purchase (e.g., a toy in a chips packet).
- Loyalty Programs: Points or rewards for frequent purchases.
- Contests/Sweepstakes: Chance to win a prize based on skill or luck.
- Coupons/Promo codes: Certificates that give buyers a saving when they purchase specific products.

- **Cash Refunds (Rebates):** The consumer buys the product at full price and sends a "proof of purchase" to the manufacturer to get a partial refund by mail or digital transfer.
- **Trade Allowances:** Short-term price reductions offered to retailers for every case of product they buy during a specific period.
- **Point-of-Purchase (POP) Displays:** Providing retailers with specialized racks, signs, or cardboard cutouts to highlight the product in-store.
- **Training Programs:** Manufacturers train the retailer's sales staff so they are better equipped to sell the product to the final customer.
- **Dealer Incentives:** Contests or rewards for retailers who sell the highest volume of a certain brand (e.g., a trip to Hawaii for the top-selling car dealership).
- **Trade Shows:** Large industry events where manufacturers display their products to many potential "trade" buyers at once.

#### **4.3 Ethics in Sales Promotion**

Ethics involve the moral principles that govern communication. Key issues include:

- **Deceptive Pricing:** "Inflating" the original price just before a sale to make the discount look larger.
- **Hidden Fees:** Advertising a low price but adding mandatory "service" or "processing" fees at checkout.
- **Small Print/Disclosures:** Using "up to 70% off" when only a tiny fraction of items are at that price, or hiding restrictive terms in fine print.
- **Privacy Concerns:** Using contests or "freebies" solely to harvest consumer data without clear consent.
- **Bait and Switch:** Advertising a highly discounted item to draw people into the store, then claiming it's out of stock to sell a higher-priced version.

#### **4.4 Case Studies**

- I. **Success: Coca-Cola's "Share a Coke"**  
Coca-Cola replaced its logo with popular first names on bottles. It encouraged users to find their name or a friend's name and share a photo on social media. This personalized promotion reversed a decade-long decline in US consumption, increasing sales by over 2% and creating massive digital engagement.
- II. **Creative Strategy: Burger King's "Whopper Detour"**  
Burger King offered a Whopper for 1 cent—but only if the customer ordered it via the BK app while within 600 feet of a McDonald's location. The app was downloaded 1.5 million times in 8 days, jumping from rank 686 to number 1 in the App Store food category.
- III. **Ethical Failure: The 1992 Hoover "Free Flights" Fiasco**  
Hoover UK offered two free round-trip flights to Europe or the US with any purchase over £100. They severely underestimated demand. Over 200,000 people bought vacuum cleaners just for the tickets (which cost much more than the vacuums. Hoover couldn't fulfill the orders, leading to lawsuits, a £50 million loss, and the eventual sale of their European division. It is cited today as one of the biggest promotional disasters in history.

### **5. DIRECT MARKETING**

Direct marketing is a strategy where businesses communicate directly with a specific target audience to trigger a measurable action (like a purchase, a sign-up, or a phone call). Unlike mass advertising (billboards or TV ads), it bypasses intermediaries and speaks to the individual.

### **5.1 The Tools of Direct Marketing**

- Direct Mail like Letters, postcards, brochures, and catalogs sent to physical addresses.
- Email Marketing
- SMS Marketing
- Telemarketing
- Social Media Ads

## **6. PUBLIC RELATIONS**

Public Relations (PR) is the strategic practice of managing and circulating information between an individual or organization and the public. Its goal is to build a positive reputation, maintain a favorable image, and foster mutually beneficial relationships with stakeholders like customers, investors, and the community. PR focuses on earned media, getting others to talk positively through trust and credibility.

### **6.1 PR Tools**

- Media Relations Tools  
These are used to get news outlets to cover story. Examples are Press Releases, Press Kits, Media Pitches and Press Conferences.
- Digital & Social Media Tools  
Examples are Social Media Management ( like LinkedIn, and Instagram), Blogs/Podcasts and Influencer Relations.
- Professional PR Software  
Agencies use specialized software to automate and track their efforts such as AI-powered tools.

## **7. PERSONAL SELLING**

Personal selling is a core component of the promotion mix. Unlike advertising, which is a one-way broadcast, personal selling is a two-way, face-to-face communication where a salesperson interacts directly with a potential buyer to persuade them to purchase a product or service. It is particularly effective for complex, expensive, or highly technical products (like industrial machinery, software, or automobiles) because it allows for immediate feedback and customization of the message.

### **7.1 Personal Selling Process**

1. **Prospecting and Qualifying:** Identifying potential customers (leads) who might need the product and filtering those leads to ensure they have the need, authority to buy, and the ability to pay (money).
2. **Pre-approach:** The salesperson researches the prospect's background, business needs, and buying style. The goal is to set specific objectives for the sales call.
3. **Approach:** It involves meeting the customer for the first time. The focus here is on building rapport, gaining attention, and making a professional opening.
4. **Presentation and Demonstration:** It allows the customer to see the product in action, which helps build conviction.

5. Overcoming Objections: A good salesperson views objections as opportunities to provide more information and clarify doubts.
6. Closing the Sale: This is the most critical step where the salesperson asks for the order.
7. Follow-up: The salesperson ensures the product is delivered on time, the customer is trained to use it, and any issues are resolved. This builds long-term customer loyalty.