

**BUSINESS:** *Creating informed, discerning employees, consumers and future leaders*

## Topic 2.2.3 Promotion

### Key Vocabulary

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

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

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

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

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

**Sales promotion** – a short term strategy such as BOGOF

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

**e-commerce** – buying and selling on-line

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

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

### Core Knowledge

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

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

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

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

#### **Impact of technology:**

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

### Don't be a "man on the street"

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



### Wider Business World

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

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



### Synoptic Links

**Technology** – made it easier to advertise on social media

**Legislation** – adverts must be true and meet regulations

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

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

**Globalisation** – will the promotion work in all countries?