

Module 1: Marketing

Lesson 2 - Marketing Mix: Promotion

OVERVIEW

In this marketing mix lesson, students gain a basic understanding of the concept of **promotion**. Later, in module 4, students will explore this important component of the marketing mix in greater detail.

OBJECTIVES

1. Define promotion.
2. Recognize why companies engage in promotion.
3. Describe the various forms of promotion.
4. Identify the components of the promotions mix.

KEY TERMS

Advertising

Direct marketing

Personal selling

Promotion

Promotion mix

Publicity

Sales promotions

This Lesson Bundle Includes:

- Introduction to Promotion - Lesson Outline
- Introduction to Promotion - Slide Presentation
- Discussion Deck & Activity Suggestion - Sweet Promotion: Krispy Kreme's Promotion Strategy
- Industry Application - Related Links

Lesson 2 - Marketing Mix: Promotion

MARKETING MIX: PROMOTION

What is the Marketing Mix?

Components of the marketing mix traditionally include **product**, **place**, **promotion**, and **price**.

What is Promotion?

Promotion is any form of communication used to inform, persuade, or remind people about a company's products or services. Promotion plays a significant role in creating and maintaining the levels of commitment and emotional involvement consumers have with the brand.

Effective promotions can help generate sales while creating opportunities to engage and connect with consumers. Promotions can also help to create or maintain a positive image for an organization or brand.



DISCUSSION TOPIC

Think about the last few purchases you made. Ask yourself:

- What influenced those purchase decisions?
- Where did you hear about the product?
- How did you hear about the product?
- Was the item on sale or available for a limited period of time?

The Promotion Mix

The **promotion mix** consists of any combination of advertising, sales promotion, publicity, direct marketing, and personal selling. It could also include sponsorship, trade shows, and other exhibition events.

Why is promotion important?

A business might have a great product and an affordable price point, but consumers will not purchase the product if they don't know it exists or the benefits the product can provide. Building an effective promotion strategy is the key to communicating this information to consumers.

Factors that influence decisions regarding the promotions mix:

- Budget
- Stage of product life cycle
- Target market
- Competition
- Distribution channels



Forms of Promotion

There are six basic forms of promotion:

- Advertising
- Sales Promotion
- Publicity
- Direct Marketing
- Personal Selling
- Sports & Entertainment Marketing

Advertising

Advertising is any paid, non-personal form of communication by an identified company promoting goods and services.

Sales Promotion

Sales promotion involves activities or communications that encourage consumers to purchase products or services. Promotions are usually short-term and encourage consumers to act quickly. For example, a local health or fitness club may run a sales promotion offering “limited-time” membership opportunities.

Forms of Sales Promotion:

- Limited or Special Editions
- Free shipping
- Contests and sweepstakes
- Sampling
- Point of purchase
- Discounts and couponing
- Rebates

Publicity

Publicity is public information about a company/team, good, or service appearing in the mass media as a news item at no cost to the organization.

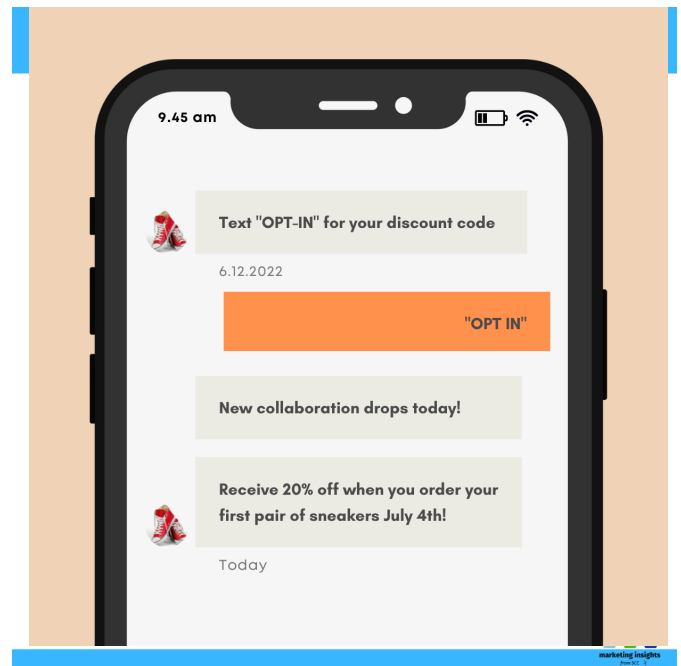
Direct Marketing

Direct marketing is a form of promotion where an organization, individual, or business communicates key information about products and services directly to a target consumer.

When a store or brand sends text messages about special offers or discounts to customers in the company’s database, they are engaging in a form of direct marketing.

Personal Selling

Personal selling entails any person-to-person communication in which the seller has an opportunity to influence the consumer’s buying decisions. The personal selling process is two-way communication between a sales professional representing an organization and a prospective customer.



Sports, Entertainment & Influencer Marketing

Sports, entertainment, and influencer marketing represents a new and rapidly growing component of the promotions mix. In sports, sponsorship and product or brand endorsement are popular ways for brands to reach consumers. In entertainment, product placement and promotional tie-ins are surging in popularity. Influencer marketing has also become an effective way to communicate information about products and services to consumers.

Effective Promotion

Why is promotion such an important component of the marketing mix? Because effective promotions can help an organization to reach a variety of business goals, from increasing the number of consumers participating in loyalty programs or downloading apps to increasing sales and boosting revenue.

Examples:

- With less than 40% of fliers on any given flight participating in its “SkyMiles” rewards program, Delta was looking for ways to increase the number of consumers enrolled in the loyalty program. The solution was a co-branded promotional partnership that allowed customers to enjoy free in-flight WiFi after they linked their “SkyMiles” account with a Starbucks loyalty account. According to [Inc.](#), the goal of the promotion was to successfully link one million accounts in the first year. It reached that milestone in just 16 days.



CASE STUDY SWEET PROMOTION

Subway, Delta, and Starbucks aren’t the only brands who have implemented successful promotions. Krispy Kreme has seen its sales climb significantly in the last few years thanks to a very effective promotions plan. How successful has the promotion strategy been? Last year, the company [sold](#) a record 1.63 billion doughnuts worldwide. In addition to bringing in customers to buy coffee and other menu items, the company's promotion strategy has helped to grow Krispy Kreme's revenue. Overall, the company saw revenues increase by 9% to an incredible \$404.6 million last year. That's a lot of doughnuts!

For a look at examples of Krispy Kreme promotions that helped to fuel the company's sales surge, [review SCC Insights' "Sweet Promotion: Krispy Kreme Glazes a Trail to Marketing Success" visual case study and discussion deck.](#)

ACTIVITY SUGGESTION: After reviewing the discussion deck, challenge your students to create the next Krispy Kreme promotion. Be sure to have them present their ideas in class, along with a description of the goal for the promotion.



KEY TAKEAWAY

Why is promotion important?

A business might have a great product and an affordable price point, but consumers will not purchase the product if they don't know it exists or all the great benefits the product can provide. Building an effective promotion strategy is the key to communicating information to consumers.





INDUSTRY APPLICATION

Connect your classroom with industry examples by reviewing the following news stories relating to concepts covered in this lesson:

Promotion - [KFC's Shady Rays Sunglasses Show Fast Food Promos Don't Have to be Cheap-Looking](#)

Sales Promotion - [Subway Is Giving Out Free Sandwiches to Celebrate Switching to Freshly-Sliced Meat](#)

Sales Promotion - [DoorDash prepares 'Summer of DashPass' promotion](#)

Sweepstakes Promotion - [Your Next KFC Order Could Get You a Free Vacation to Aruba](#)

Sweepstakes Promotion - [Dramamine® Eases Americans' Travel Woes with 'Ditch the Drama' Sweepstakes Offering a Vacation to Anywhere in the World](#)

Event Sponsorship - [QDOBA Mexican Eats® Hosts First-Ever World Burrito Eating Championship in Honor of National Burrito Day](#)

KEY TERMS DEFINED:

Advertising: Any paid, non-personal form of communication by an identified company promoting goods and services.

Direct marketing: A form of promotion where an organization, individual, or business communicates key information about products and services directly to a target consumer.

Personal selling: Any person-to-person communication in which the seller has an opportunity to influence the consumer's buying decisions.

Promotion: Any form of communication used to inform, persuade, or remind people about company products or services.

Promotion mix: Any combination of advertising, sales promotion, publicity, direct marketing, and personal selling.

Publicity: Public information about a company/team, good, or service appearing in the mass media as a news item at no cost to the organization.

Sales promotion: Activities or communications encouraging consumers to purchase products or services.

