

Promotional Mix

What it is

The 'promotional mix' is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers.

The promotional mix includes the following tools –

- advertising
- public relations
- sales promotion
- direct marketing
- personal selling

The promotional mix is part of the wider marketing mix. To find out about the marketing mix see the 10-minute Marketing Mix.

Why it is important

If customers don't know what products and services you provide, then your business will not survive in today's competitive marketplace. Effective communication with your customers is vital to ensure that your business generates sales and profits.

By taking the time to develop and implement an appropriate promotional mix, you will stimulate your target audience to buy your products or services - and manage this within a budget you can afford.

What you should do

A successful promotional mix uses a balance of its five tools in a planned and structured way – a single tool rarely works well in isolation.

The challenge is to select the right mix of promotional activities to suit your particular business at a particular time – and to then use it correctly to achieve a result. The combination of tools you use will depend on the target audience, the message you wish to communicate and the budget you make available. There would be little point in advertising new gas boilers in a fashion magazine – much more appropriate to advertise in a trade magazine for builders and gas fitters.

Here is a 10-step checklist for developing and managing your promotional mix.

1. Decide how the products and services you provide can be 'packaged' together. The image of your business is formed by the way you promote the elements of the marketing mix – your products, prices and the places through which you sell. It is often helpful to think about promoting the business as opposed to a single product or service. If you need to think more about the marketing mix before going any further, take a look at the 10-minute Marketing Mix briefing.
2. Develop a profile of the target audience for the message you will communicate. Who is the target audience? This goes beyond a simple customer list. Is it consumers, businesses or members of the channel (such as distributors) you are using to get your product to the end customer? Is it the wider stakeholder audience?



3. Decide on the message to use. Are you trying to differentiate, remind, inform or persuade? Set an objective for what should be achieved. Be clear about the benefits that you want to promote.
4. Decide what image of the product/service/business you want your audience to retain.
5. Decide on a budget. This is often how much you can afford given projected sales for the product or service.
6. Decide how the message should be delivered. To help you to decide what aspects of the promotional mix to use, think about taking your customers on a journey that starts by creating awareness about your business, through obtaining information about the products and services you provide, and ends by generating a sale. Each component of the mix will achieve a different result, so your choice must be based on real objectives for your business. What promotional tools should be used? When should communications happen? How often? Is the message consistent?
7. Decide what actions you want your audience to take as a result of receiving your communication. It isn't always 'place an order'.
8. Put in place a means of measuring and controlling the plan once it is developed. Who will be responsible for dealing with the agency or media? Who will be responsible for checking that promotional activity happens as planned?
9. Undertake your promotional plan. Be consistent in what you say and how you say it.
10. Measure what you have achieved against the original objectives that you set.

What you need to know

To use the promotional mix effectively, you need to understand a little bit more about each of the five tools and how you could use them to achieve your objectives.



Advertising – There are three main reasons for advertising –

- to provide your target audience with information (creating awareness)
- to persuade them to buy from you (by promoting product and company benefits)
- to reinforce your existence (by consistently repeating key messages).

Research shows that people need to see an advertisement at least seven times before it starts to mean anything to them. So, to be effective, advertising needs to be conducted regularly in a consistent and 'recognisable' manner.

It can therefore be quite costly. Typical advertising media include Yellow Pages, local newspapers, radio, trade journals, exhibitions and websites. It is also difficult to assess how much business is achieved through 'paid-for' advertising unless you include some form of monitoring scheme (such as a discount voucher) within the advertisement.

Public relations – Publicity is something that 'happens' to a company and the result may be good or bad. Public relations (or PR) involve a sustained attempt to develop your reputation as a business by using the media to help create the image you desire. It is a way of keeping the business in your customers' eyes.

News or press releases can be distributed to the media to announce, for example, new product launches, a change in opening times or company successes. Articles can be distributed to trade journals or local newspapers, and sponsorship or charitable donations can help to position your business more prominently in the market place than your competitors. Attendance at exhibitions and seminars can also help to promote the image of your business to a chosen target audience.

If you feel confident dealing with the media yourself, then public relations can be a very cost-effective method of promoting your business.

Sales promotion – This activity is best described as a specific, usually short-term, promotion that is 'over and above' what you would normally provide to the customer (e.g. buy one, get one free).

When used effectively, sales promotions can help to move old stock, counteract competitor activity, merchandise new products, encourage repeat buying and motivate your staff. They can also be monitored, so the success of a particular sales promotion can be measured over time.

Sales promotions are a good way of attracting new customers. However, on their own they are unlikely to build customer loyalty or change their longer term buying habits. The type of promotion selected also has to be relevant to your target customers as well as to your own marketing objectives.

Direct marketing – Direct marketing is an increasingly popular technique as it enables you to target specific customer groups very accurately. It is a flexible way to deliver your message and, because each letter can be personalised, the chances of a response are greatly improved. The overall success of a campaign can also be directly measured in terms of the number of responses received.

You can collect information on customers and use this to build up your own 'in-house' database. Although this can be time-consuming, the information gathered will be accurate and relevant to you, and can be relatively easily kept up to date.

Alternatively, you can buy a mailing list of potential customers that is tailored to your precise specification. For example, if you were selling 'up-market' motorbikes and associated products, you could buy a mailing list that provided details of men over 40 years old, who own a bike, live in a certain postcode area and have a salary of above £25,000. The cost of buying this list may be high, but if you get a good response rate from your mailing activity to this group, then the expense would be considered to be worthwhile.

Be aware that some false addresses may be included in a purchased list so that the seller of the list can verify the mailing activity that takes place and stop theft of a list.

Personal selling – This is the most effective form of promotion because it allows your approach to be tailored to the needs of an individual customer. Getting a sale is ultimately extremely important, but the process involves a lot more than this. It is about having a constructive dialogue with customers to listen to their needs, promote product & company benefits on an individual basis, answer any questions, resolve any problems and get their feedback before clinching a sale.

Face-to-face, a sales person can build a relationship with the customer - understanding their needs and feeding back this knowledge to the business to improve products, customer service standards, competitor knowledge etc. Employing a sales person is a costly exercise in the first instance, but it is one that will provide a pay back, usually within 1-2 years.



For owner/managers of small businesses who may not have sufficient resources to employ such staff, do not forget that a personal approach to customers is still appreciated and is an important part of any business development strategy. Active networking with existing customers, suppliers, business associations and specialised industry groups can also play a valuable role in promoting your business to a wider target audience and the value of this activity should not be underestimated.

What to do now

Once you have completed the plan for your promotional mix, you need to plan and undertake specific promotional activities and make sure they meet your objectives.

Advertising programmes – These can be expensive and need to be planned ahead in order to meet publishing deadlines.

Public relations – A campaign will only be a success if it has been planned, coordinated and measured against a desired set of results.

Sales promotions - These need to be effectively managed by setting objectives for each promotion and evaluating the results after the event.

Direct marketing – Weigh up the benefits of using your own list against a bought-in list and whatever choice you make, be prepared to follow-up your activity to create the sale.

Sales representatives – A sales force needs to be motivated and managed to achieve sales targets. They require time and resources for training, motivation and personal development before they become fully effective.

For more information on planning specific promotional activities, see the 10-minute Marketing Communication briefing.

Where to find out more

You can use the terms described in this checklist in the search facility provided to conduct a search of this site. For more on the promotional mix, try looking at:

Advertising – The Advertising Standards Authority at www.asa.org.uk is a good reference point for UK standards and codes on advertising practice. Alternatively, a Directors' Briefings on advertising strategy may prove helpful. (See [Business Hotline](#) publication MA 9).

Public relations – A Directors' Briefings on effective PR may prove helpful. (See [Business Hotline](#) publication MA 11).

Sales promotions – Try the Institute of Sales Promotion on www.isp.org.uk for guidance and examples of sales promotions. Also try www.royalmail.co.uk for information on selling to new customers. A Directors' Briefings on exhibitions may also prove helpful. (See [Business Hotline](#) publication MA 2)

Direct marketing – The Institute of Direct Marketing (IDM) at www.theidm.com and the Direct Marketing Association (DA) at www.the-dma.org



An example in practice

Look at the e-marketing case of Greenfingers.com on www.cim.co.uk

This company was set up to sell garden equipment and plants over the Internet. It also provides an extensive search and information service for visitors to the site. The company deals directly with customers by using email to collect feedback once their order has been fulfilled. Using this feedback, the company has profiled its typical customer and plans to use this in future to conduct more 'one-to-one' direct marketing activity, tailored to individual needs.

Although the company has made its initial impact through the web, it is now looking to consolidate its activity by using more conventional marketing methods and integrating web activity with other elements of the promotional mix.

For example, it has just launched a mail-order catalogue and plans to distribute almost 2 million of these to potential customers by inserting them in popular gardening magazines.

The company has succeeded in raising its own profile by linking in and associating with other well-known names. For example, a direct mail campaign is planned to target established direct mail subscribers through the Book Club Association and the Royal Mail. Interactive TV and home shopping on Sky TV is another target area for development.

The case highlights the fact that it is the right combination of promotional activity conducted at the right time that helps a business to succeed. By making only promises that they can deliver and regularly monitoring customer feedback, Greenfingers has established itself well in its chosen marketplace.



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