

Learning goals

- ✓ Describe the main methods of promotion
- ✓ Explain the reasons businesses promote products
- ✓ Explain the factors that influence the promotional mix
- ✓ Recommend suitable promotion for a business

Key words



Promotion Communicating with customers to inform and persuade them to buy.



Advertising Paid promotion through media such as TV, print or the internet.



Sales promotion Short-term offers such as 2-for-1, coupons or free samples.



Promotional mix The combination of promotional methods a business uses.



PR Public relations — building a good image through events, news and sponsorship.

What you need to know



Businesses choose from several promotional methods.

1. Methods of promotion

Promotion means communicating with customers to **inform and persuade** them to buy. Methods include **advertising** (newspapers, magazines, TV, internet, billboards), **sales promotion** (2-for-1 offers, free gifts, samples, coupons, competitions), **PR** (a good image through news and events), **sponsorship**, **point-of-sale displays**, and **social media**. For a small café like BrewBliss, low-cost methods such as social media and a loyalty scheme often work best.

"Promotion informs and persuades — the trick is picking methods that reach the right customers for the right price."

2. Reasons for promotion

Businesses promote to **inform or remind** customers about a product, to **create or increase sales**, to **create or change the image** of a product, and to **persuade** customers to buy. Different goals suit different methods — a launch needs *informing*, a quiet week needs a *sales boost*.

3. Choosing the promotional mix

The **promotional mix** is the combination of methods chosen. The choice depends on the **finance available**, **competitor actions**, the **nature of the product**, the **nature of the market**, and the **target market** (where those customers spend their time).

Test yourself

Cover the answers below, answer Q38–Q42, then check.

Q38 What is promotion?

Q39 Give two methods of advertising.

Q40 Give two sales promotion methods.

Q41 Give two reasons a business promotes its products.

Q42 Give two factors that influence the promotional mix.

ANSWERS

A38 Communicating with customers to inform and persuade them to buy.

A39 Newspapers, magazines, television, internet, or billboards.

A40 2-for-1 offers, free gifts, samples, coupons, or competitions.

A41 To inform/remind customers, increase sales, change the image, or persuade people to buy.

A42 Finance available, competitor actions, the nature of the product/market, or the target market.