Introduction
Promotion is about communication with actual or potential customers. Effective promotion not only increases awareness of products but can create images and product ‘personalities’ that consumers can identify with. Advertising is only one form of promotion and other techniques include direct selling and sales promotion offers. The amount firms spend on promotion – the promotion budget – is often a key decision but successful communication is not only about total spending, it also concerns how the budget is allocated between the competing forms of promotion available.

Objectives of promotion
Promotion campaigns can be designed to achieve several objectives. These are all concerned with communicating with the customer. These aims can either be focused on the short term – such as an increase in sales next month – or on the longer term – such as to change the public image of the business.

Promotional objectives include:
- Building product awareness, especially of new products. Several sales promotion techniques are very effective in exposing customers to products for the first time and helping to make the launch of a new product successful.
- Creating interest in new and existing products. Promotional techniques can be used to make consumers curious about a product which will encourage them to try it, perhaps for the first time. This trial might then lead to subsequent purchases.
- Providing information to customers about products, prices, specifications, after sales service and so on. This information might then be compared – hopefully favourably – with competitors products.
- Stimulating demand from customers. This means converting interest in the product into actual sales by convincing consumers to make a purchase. Once consumers have made a purchase, promotion can be used to encourage additional purchases and to reward loyalty from consumers.
- Encouraging customer loyalty and helping to build a relationship with customers. It is very important for a business to encourage repeat purchases from customers as this reduces the need to constantly attract new customers to the product or service.
- Building and reinforcing the brand image of the product. Promotional campaigns can have a significant impact on the perception of the brand by consumers and potential consumers. The impact of the message being delivered and the type of media used can be used to strengthen the image and branding of a product.
- Developing and adapting the public image of the whole business – not just one individual brand. The work and culture of the whole corporation is promoted – not the advantages of one particular product.
Tools of promotion and their relative advantages

Advertising

This is paid-for communication through a medium such as television or a magazine, and where the company paying for the message is identified and the message is controlled. The world advertising industry is large and growing. In the United States alone in 2006 spending on advertising exceeded US $150 billion and it has been estimated that worldwide advertising will exceed half a trillion dollars by 2010!

The most effective advertisements are directed towards the appropriate target market by selecting the media most likely to be referred to by the consumers being aimed at. Successful advertising campaigns lead to substantial increases in consumer awareness and therefore sales and this effect can last for a considerable period of time if brand loyalty can be established.

Advertisements can be classified into two types, but in practice this distinction is often quite blurred.

1. Informative advertising. These are adverts that give information to potential purchasers of a product, rather than just trying to create a brand image. This information could include price, technical specifications or main features and places where the product can be purchased. This style of advertising could be particularly effective with promoting a new product that consumers are unlikely to be aware of or when communicating a substantial change in price, design or specification.

2. Persuasive advertising. This is trying to create a distinct image or brand identity for the product and it may not contain any details at all about materials or ingredients used, prices or places to buy it. This form of advertising is very common, especially in those markets where there might be little actual difference between products and where advertisers are trying to create a perceived difference in the minds of consumers.

Perhaps, in reality, there is little difference between these two styles of advertising:

'The more informative your advertising, the more persuasive it will be' (David Ogilvy, Confessions of an Advertising Man, New York: Ballantine Books, 1971).

Advertising agencies

These are firms who advise businesses on the most effective way to promote products. Although expensive, these specialists can offer a complete promotional strategy and this can be invaluable to a business without its own marketing experts or to one that might be entering a new market for the first time. These agencies will – for substantial fees – undertake the following stages in devising a promotional plan:

- research the market, establish consumer tastes and preferences and identify the typical consumer profile;
- advise on the most cost-effective forms of media to be used to attract these potential consumers;
- use their own creative designers to devise adverts appropriate to the media to be used;
- film or print the adverts to be used in the campaign;
- monitor public reaction to the campaign and feed this back to the client to improve the effectiveness of future advice on promotion.

IWC.
Engineered for men.
**Advertising media**  Commercial advertising media can include radio, cinema and TV ads, web popups, billboards, printed flyers, newspapers, magazines, sides of buses and taxis, the backs of supermarket receipts...and you can certainly add to this list! The cost of these media varies enormously as they will each have very different scope and reach. Some could draw the attention of millions of potential customers – as with a TV advert during a popular programme – while others will only be seen by relatively few people – as with flyers delivered through letter boxes. The advertising manager will need to assess the cost of each medium with its potential effectiveness. Will TV advertising always lead to the greatest increase in sales? It may do – but will the additional cost compared to newspaper advertising be worthwhile? In 2007 a 30 second TV advertising 'slot' during an important football game in the USA was sold for US $2.7 million! Will the advertiser 'get a good
return' on this investment? A constant check needs to be kept on cost versus effectiveness to ensure that the advertising budget is being well spent.

Increasingly other media are being used for advertising such as the world wide web and e-mail advertising. SMS text messages are having a great impact too. The addition of a text back number is gaining popularity and the use of these messages can be a great way to get a viral (word of mouth) campaign off the ground.

**Choosing which media to use** Communication with the public needs a message and a medium (a means of transmitting the message). The bigger the firm and the greater the advertising budget the more 'media' choice there is. Limited resources will restrict options to the cheaper media. However, the most expensive forms of communication are not always the most effective. The choice of media requires consideration of the following factors:

1. **Cost.** TV and radio advertising can be very expensive 'per minute' of advert but the actual cost will depend on the time of day that the advertisements are to be transmitted and the size of the potential audience. National newspapers will be more expensive than local ones. Other media include posters, magazines of general and specific interest and cinema advertising. Marketing managers will be able to compare the cost of these different communication media and assess whether they come within the budget allocated for advertising. It must not be forgotten that buying media time or space is not the only, or indeed the major cost. The advert still has to be written and produced and the use of celebrities in TV, radio or cinema adverts can soon increase the total cost greatly.

2. **Size of audience.** This will allow the 'cost per person' to be calculated. Media managers will provide details of overall audience numbers at different times or in different regions. Total numbers are of less importance than the 'profile' of the audience, as the advertisements need to be directed towards potential customers only and not 'wasted' on groups most unlikely to ever buy the product.

3. **The profile of the audience in terms of age, income levels, interests and so on.** This should reflect as closely as possible the target consumer profile of the market being aimed for. For instance, there is likely to be little point in advertising a new child's toy after 10.00pm at night.

4. **The message to be communicated.** Written forms of communication are likely to be most effective for giving detailed information about a product that needs to be referred to more than once by the potential consumer. However, if an image-creating advert is planned, perhaps for a new range of clothes or sports equipment, then a dynamic and colourful TV advert is possibly more effective.

---

**Case study – Ribena Toothkind**

The Advertising Standards Authority has taken a huge multi-national pharmaceutical company to court over some of its allegedly misleading advertising claims. 'Ribena Toothkind' is a kids' drink that was claimed 'does not encourage tooth decay'. A pressure group called Action and Information against Sugars tried to force GlaxoSmithKline to change the name of the product after the court ruling found in favour of the ASA. However, the company refused to do this and instead launched an expensive new TV advertising with the slogan 'scientifically proven to minimize tooth decay'. The company believes that this claim is not misleading or untruthful.
5. **The other aspects of the marketing mix**. The need for integration of the mix was examined in Chapter 12 but the link between the other parts of the mix and the media chosen for adverts could be crucial to success. The use of exclusive and glossy women’s magazines to advertise a new value range of ready-cooked meals could be counterproductive.

6. **The law and other constraints**. A widespread ban on tobacco advertising in Formula One grand prix racing has forced many sponsors to use other media for presenting their cigarette advertising. In some countries, there are restrictions on the use of TV advertising aimed at children, claiming that it exercises too much influence over young minds. In addition to legal controls there are, in most countries, other constraints on what advertisements can contain. In Trinidad and Tobago the Advertising Standards Authority (ASA) acts to ensure that advertisements are ‘legal, decent and honest’. It can put pressure on advertisers to withdraw or change campaigns that do not meet these standards.

**Advertising impact and effectiveness**. The impact and effectiveness of advertising is a matter of considerable debate. ‘Does advertising increase sales and consumer loyalty?’ is the question to which every advertising manager wants the answer as accurately as possible. An obvious answer would seem to be: ‘Check the level of sales before and after the advertising campaign.’ It is true that this must be an important measure of success, BUT it cannot prove that the campaign has been a success because:

- Sales may have increased for another reason, e.g. an economic boom or change in consumer tastes favourable to this product.
- Sales may have been reduced by an even more effective campaign from competitors.

Here are some of the other most common methods used to assess the effectiveness of an advertising campaign, depending on the original objective of the advertisements:

<table>
<thead>
<tr>
<th>Objective of the advertising campaign</th>
<th>How success could be judged</th>
</tr>
</thead>
</table>
| Stimulate an increase in sales        | - Sales levels immediately after the campaign and several weeks after it compared with sales before the campaign (but see point above).  
- Number of customer enquiries from the advertisement.  
- Number of enquiries converted into sales. |
| Inform customers of a new product     | - Number of customer requests for further information.  
- Test customer awareness.  
- Initial sales of the product compared to target sales. |
| Remind consumers of the existence of a product | - Number of customer enquiries.  
- Test customer awareness both before and after the campaign. |
| Build a brand image                   | - Test customer awareness of brand image and the perceived value of the brand. |
| Build customer loyalty and relationship| - The number of repeat purchases.  
- The proportion of customers who continue to purchase. |

**Negative effects of advertising**. There are many pressure groups that campaign for a reduction in the amount of advertising that is undertaken – or at least, a change in the style or content of many advertisements. The arguments of these pressure groups and the typical advertising industry response to them are as follows:

Advertising is expensive, it adds to a business’s costs and raises the price of products.

**Response**: Advertising increases sales and allows firms to benefit from economies of scale, which reduce average costs.
Management of Business – Unit 2

Advertisers often ask newspapers and TV channels carrying their adverts not to publicise any negative reports about the business. This limits free speech and freedom of information.  
Response:  
This is very rare. If it does happen, it is only natural that companies that have spent millions building a certain image will try and protect it by all reasonable means.  

Advertising of products that can have negative social effects such as cigarettes, unhealthy fast foods and alcohol is unethical and encourages increased consumption of these goods.  
Response:  
These goods are not illegal and it would be a restriction of freedom to ban the advertising of them.

Activity

Read the case study below and then tackle the exercises that follow.

Case study – Trident Toys

Trident Toys make toys and games products for children up to the age of ten. The company has been struggling to cope with foreign competition as cheap imports have recently started to flood the market. The directors of Trident have decided to launch a new advertising campaign with a budget of $1m. The Marketing Director has two ideas for this new campaign and the directors have to decide which one to go ahead with.

Campaign A – advertise in daily newspapers and magazines most frequently read by young mothers. These adverts would stress the educational value of some of Trident’s products and how some of them are used successfully in schools to develop team building in classes of young children. This campaign would run for six weeks.

Campaign B – advertise on TV during children’s tea time. The adverts would be very colourful and would stress the idea that children with Trident Toys were happy and popular with their friends. Due to the cost of TV advertising, this campaign could only be afforded for two weeks.

(25 marks, 30 minutes)

(a) Explain the difference between informative and persuasive advertising, using the Trident Toys case in your answer. (4)
(b) Explain any TWO factors that the directors of Trident Toys should consider, if they opted for Campaign A, before deciding which newspapers and magazines to advertise in. (6)
(c) Using the information available to you, would you advise the directors of Trident Toys to opt for Campaign A or B. You should fully explain and justify your answer. (12)
(d) Explain ONE other piece of information that would have helped you decide between the two options. (3)
Advertising to children can be damaging psychologically – by creating a 'must have' culture at a very early age. It also leads to extreme 'pester power' – parents may be forced to buy toys and other products that they cannot afford because children continually demand them due to advertising pressure.

Response:
We do not advertise directly to children products that they are not allowed to consume such as alcohol and cigarettes. We should be allowed to advertise toys and child-related products to children as it informs them of the goods available. Parents can control the TV viewing of young children if they want to.

In fact, of course, advertising is quite strictly monitored in most countries. However, often this is only done by the advertising industry regulating itself with an agreed 'code of conduct' to keep adverts 'legal, decent, honest and truthful'. This is monitored in Trinidad and Tobago by the Advertising Standards Authority. Cigarette advertising is actually illegal in most countries and in the European Union attempts are being made to limit advertising of unhealthy food products and toys to children. As Management of Business students it is important that YOU form your own opinions about the merits and possible drawbacks of expensive advertising campaigns.

**Personal selling**

Personal selling is direct communication with potential buyers of a product with the intention of making a sale. This communication may initially focus on trying to develop a relationship with the potential buyer, but will always eventually end in trying to make a sale. This approach to marketing involves recruiting a sales team or sales force to engage in selling either to the final consumer or to intermediaries in the distribution channel.

There are two strategies that can be adopted with promotion of all types and this is true of personal selling. A 'push' strategy attempts to encourage intermediaries such as wholesalers to stock the product – so the sales force would concentrate their efforts on making sales of the product to wholesalers. The 'pull' strategy is designed to encourage final consumers to buy the product so that this forces the intermediaries to then stock it. In this approach, personal selling tactics would focus on the final consumer or retailers who would make the goods available to consumers.

The main roles of the sales force employed in personal selling are:

1. Finding new customers – perhaps by asking for contacts from existing customers.
2. Communicating with existing and potential customers about the product range.
3. 'Closing the sale' – this means, actually getting the customers to sign a contract or agree to purchase the product.
4. Providing support, advice and service to customers in the period up to the sale and after the sale.
5. Gathering information about trends in the market and changing consumer tastes. This can be gathered from talking to consumers and retailers.
6. Allocating scarce supplies to retailers. When the latest Sony playstation was launched, the demand was so great that retailers were only allocated a proportion of the stock requested.

**Sales promotion**

Sales promotion is not the same as advertising, although it can be used to support an advertising campaign. Sales promotion is defined as the activities designed to boost the sales of a product or service, which is more than just informing customers about the product.

There are many different types of sales promotion activities. They include: free samples, offering free gifts with a product, demonstrations or exhibitions, organising competitions, temporary price reductions, money-off coupons, 'three for the price of two' offers, personal letters to potential customers, customer loyalty cards to earn credit points, and 'buy one get one free' or BOGOF.

These examples suggest that sales promotion is very much of an active approach to marketing – it is not just about informing consumers. In many cases of sales promotion, consumers already know about a product's existence and the sales promotion campaign is all about stimulating consumers to buy it. Sales promotion can either be directed at:

- the final consumer to encourage purchase (pull strategy) or
- the distribution channel, e.g. the retailer, to encourage stocking and display of the product (push strategy).

The possible impact of some common methods of 'pull' sales promotion:
### Method explained

**Price promotions**—temporary reductions in price. Also known as price discounting.
Aimed at encouraging existing customers to buy more and new customers to purchase as it now appears more competitive.

**Money-off coupons**—this is a more versatile and better focused way of offering a price discount. Coupons can appear on the back of receipts, in newspaper adverts, on an existing pack of the product.

**Customer loyalty schemes**—such as ‘airmiles’ or customer loyalty cards. Focused on encouraging repeat purchases and discouraging consumers from shopping with competitors.

**Money refunds**—offered when the receipt is returned to the manufacturer.

**BOGOF**—encourages multiple purchases which reduces demand for competitors products too.

**Point of sale displays**—maximum impact on consumer behaviour is achieved by attractive, informative and well-positioned displays in stores.

### Possible limitations

- Increased sales gained from price promotions are at the expense of a loss of gross profit on each item sold.
- There might be a negative impact on the brand’s reputation from the discounted price.
- They may simply encourage consumers to buy what they would have bought anyway.
- Retailers may be surprised by the increase in demand and not hold enough stocks leading to consumer disappointment.
- The proportion of consumers using the coupon might be low if the reduction it offers is too small.
- The discount offered by such schemes cuts the gross profit on each purchase.
- There are administration costs to inform consumers of loyalty points earned and these may outweigh the benefits from increased consumer loyalty.
- Most consumers now have many loyalty cards from different retailers so their ‘loyalty’ impact is reduced.
- These involve the consumer filling in and posting off a form and this might be a disincentive.
- Delay before refund is received may act as disincentive.
- Substantial reduction in gross profit margin.
- Consumers may consider that if this scheme is able to operate, are they paying a ‘normal’ price that is too high?
- Is the scheme being used to sell off stock that cannot be sold at normal prices—impact on reputation?
- The best display points are usually offered to the market leaders—products with high market share.
- New products may struggle for best positions in stores—unless big discounts are offered to retailers.

### Promotion and the product life cycle

Table 13.2 summarises some of the promotion options at different stages of a product’s life cycle.

**Publicity**—also known as ‘public relations’
This can be defined as the efforts made by an organisation to achieve publicity about itself to its...
<table>
<thead>
<tr>
<th>Stage of the cycle</th>
<th>Promotional options</th>
</tr>
</thead>
</table>
| Introduction                    | ◆ Informative advertising to make consumers aware of the product's existence, price and main features.  
                                       ◆ Sales promotion might offer free samples or trial periods to encourage consumers to test the product. Incentives may need to be offered to the trade to stock the product. |
| Growth                          | ◆ Continue some informative advertising but the focus may now move to 'brand' building and persuasive advertising.  
                                       ◆ Sales promotion will encourage repeat purchases and attempt to develop brand loyalty. |
| Maturity                        | ◆ Advertising needs to emphasise the differences between this product and competitors. May be needed to remind consumers of the existence of the product.  
                                       ◆ Sales promotion incentives used to encourage brand switching and continued loyalty. |
| Decline – assuming no extension strategy | ◆ Minimal advertising, apart from informing consumers of special offers.  
                                       ◆ Sales promotion – there may be little additional support for the product if the intention is to withdraw it. |

Table 13.2 How promotional strategies may vary over the life cycle of a product

**Activity**

*Read the case study below and then tackle the exercises that follow.*

**Case study – ‘Hot when you want’ Nescafé**

Nestlé is to put at least $10m behind its Nescafé Original Hot When You Want self-heating coffee brand when it launches later this year.

Nestlé believes this is the biggest technological innovation in the sector since the development of instant coffee more than 60 years ago.

Nescafé’s advertising agency will be responsible for a $7m campaign that will include launching Hot When You Want on TV. It will also promote the brand below-the-line and possibly on the internet.

Hot When You Want, which will cost $1.19 for a 210ml can, will be trialled in one area next month, before a potential national launch.

The can contains an internal heat-engine which is activated by pressing a button on its base and turning it upside down. After the can is shaken, it reaches drinking temperature in three minutes. Hot When You Want is available in milk or milk and sugar variants.

‘Nescafé aims to deliver great quality coffee, accessible to consumers, whenever and wherever they want it,’ said the Nestlé Beverage Division managing director.

‘Consumer reaction to Hot When You Want has been phenomenally positive and stockists are delighted to see a refreshing new category being developed by a brand leader.’

The launch of Hot When You Want follows last year’s introduction to Nescafé Ice, which targeted 16-24-year-olds.

(20 marks, 25 minutes)

1. Suggest another name for this product that you think would be popular in your country. (2)
2. Outline two ways in which sales promotion activities might be used to support the launch of this product. (4)
3. Explain why the packaging of this product is likely to be an important factor determining its success. (6)
4. Examine the most important factors, apart from packaging, which might determine the success of this product. (8)
Activity

Read the case study below and then tackle the exercises that follow.

Case study
Sales Promotion – which way forward for Premium Frozen Foods (PFF)?

PFF produce a large range of frozen foods, such as pizzas, pies and desserts, which are sold through all major food retailers.

'According to our sales records over the past few years, we have been very successful at launching new product ranges but we have problems trying to keep our customers loyal,' complained the Marketing Director of PFF at a recent Board of Directors meeting. 'The advertising campaigns we use to launch new products are always well received, yet consumers quickly seem to move on to other brands on the market. Perhaps our prices are too high — but we do have an excellent reputation for quality food, so surely consumers should be prepared to pay for this? I think we need to spend more on advertising our existing products.'

'We need to keep our premium food image,' agreed the Managing Director. 'When I last went shopping, I was offered a book full of 'money-off coupons' by the supermarket and I noticed that we had none of our products included in the book. Also, my wife has just won a trip to Barbados after entering a competition on the back of a cereal box. She entered the competition 20 times altogether — I will be eating cereals for the next six months! We may need to look at some of these schemes ourselves.'

'I had problems finding some of our brands in the local supermarket last week. The best positions in the shop were taken by 'Superior Foods' products — and they were offering price cuts on some of their brands too,' added the Operations Director.

(24 marks, 30 minutes)

(a) Distinguish between 'advertising' and 'sales promotion' using examples from this case. (6)

(b) Do you agree with the Marketing Director that the PFF should spend more on advertising existing product ranges? Justify your answer. (6)

(c) Discuss the most appropriate sales promotion techniques that could be used by PFF to boost sales of existing products. (12)

Stakeholders in order to establish and maintain positive relations with them.

Generally, all of this publicity will be 'good news' about the work of the organisation, its products and any contributions it makes to community projects. A public limited company may wish to communicate positive news about itself to:

- employees,
- shareholders,
- trade unions,
- general public,
- customers,
- government.

The objectives of this publicity will be to:
- influence the opinions about the business held by these groups,
- reinforce positive opinions held about the business,
- transform neutral opinions into positive ones,
- change or reduce the impact of negative opinions.

The main methods used by a Public Relations Department of a business to achieve positive publicity to stakeholders external to the business are:

- Press conferences — to announce an expansion programme or to launch a new 'environmentally friendly' product.
- Press releases — news stories written by the business, about its own activities, that are sent to the local and national press and media networks.
- Consumer exhibitions — to display the range of goods and services provided by the business.
- Celebrity endorsements — a quality watch maker will be keen for one of its products to be worn by a
celebrity who is then photographed prominently displaying it!
- **Product launch events** — where existing and potential customers plus the newspapers and other media are invited to a slick and impressive ‘show’ to announce the introduction of a new product.
- **Promotional videos** — sent to the trade buyers, for example, to demonstrate visually the benefits that the product offers.

The main difference between advertising and publicity is ‘payment’. With advertising, the company pays for TV or radio time or newspaper space in order to allow the prepared advert to be displayed. With publicity, the media coverage is FREE, although there may have been expenses incurred in creating the event or show that is being reported on.

Relative advantages and limitations of the main promotional tools:

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Possible limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advertising:</strong></td>
<td></td>
</tr>
<tr>
<td>◆ Wide coverage.</td>
<td>◆ May be difficult to check on effectiveness.</td>
</tr>
<tr>
<td>◆ Advert content is controlled by the business.</td>
<td>◆ Advert may be seen by people who are not potential consumers — waste of resources.</td>
</tr>
<tr>
<td>◆ Media can be selected which have greatest chance of targeting the target market consumers.</td>
<td>◆ May be accused of unethical practice if directed at children.</td>
</tr>
<tr>
<td>◆ Provides effective means of informing consumers about new products.</td>
<td></td>
</tr>
<tr>
<td><strong>Personal selling:</strong></td>
<td>◆ Cost of employing the sales force.</td>
</tr>
<tr>
<td>◆ Directed at individual customers/consumers – can meet their needs and reply to their questions.</td>
<td>◆ Incentives need to be provided to sales force to ‘perform’.</td>
</tr>
<tr>
<td>◆ Can be very persuasive and effective.</td>
<td>◆ This may lead to excessive pressure put on customers to buy — may damage reputation of business or long-term relationship.</td>
</tr>
<tr>
<td>◆ Helps to build long-term relationships between company and customers.</td>
<td>◆ Can only see one customer at a time — may not be cost effective.</td>
</tr>
</tbody>
</table>
Management of Business – Unit 2

<table>
<thead>
<tr>
<th>Advantages</th>
<th>Possible limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales promotion:</strong></td>
<td></td>
</tr>
<tr>
<td>◆ Range of different strategies can be used for</td>
<td>◆ Can have a negative impact on perceived quality and exclusive</td>
</tr>
<tr>
<td>different products and types of consumers.</td>
<td>brand images.</td>
</tr>
<tr>
<td>◆ Effectiveness can often be judged, e.g. by return of</td>
<td>◆ Gross profit is often reduced – will sales increase enough to</td>
</tr>
<tr>
<td>coupons or number of people who join loyalty</td>
<td>compensate for this?</td>
</tr>
<tr>
<td>scheme.</td>
<td>◆ May be directed at consumers who would have continued buying</td>
</tr>
<tr>
<td>◆ Often effective in building up loyalty and repeat</td>
<td>the product anyway – not cost effective in this case.</td>
</tr>
<tr>
<td>sales.</td>
<td></td>
</tr>
<tr>
<td><strong>Publicity:</strong></td>
<td></td>
</tr>
<tr>
<td>◆ Free.</td>
<td>◆ There are some costs – salaries of Public Relations staff and</td>
</tr>
<tr>
<td>◆ Provides regular reminders to consumers about the</td>
<td>school/exhibition costs.</td>
</tr>
<tr>
<td>company and its products.</td>
<td>◆ The company is not in control of the final message (e.g. the</td>
</tr>
<tr>
<td>◆ Can be used to provide support for other</td>
<td>newspaper article) being communicated – unlike advertising.</td>
</tr>
<tr>
<td>promotional tools.</td>
<td>◆ Difficult to measure whether the key messages are being</td>
</tr>
<tr>
<td></td>
<td>communicated to and received by the target groups.</td>
</tr>
</tbody>
</table>

---

**Over-to-you**

Revision questions
(70 marks, 90 minutes)

1 Outline THREE objectives of promotion. (6)

2 For each of the three objectives in (a), explain how these might be met. You should refer to actual examples of advertisements or sales promotions for well-known products in your answer. (9)

3 State THREE reasons why a business might promote a new product. (3)

4 Explain the differences between advertising and sales promotion. (2)

5 Explain the difference between informative and persuasive advertising. (4)

6 Outline TWO reasons why spending more money on advertising might fail to increase sales to the expected level. (6)

7 Explain why it is important to assess whether a promotional campaign has been a success or not. (3)

8 State THREE ways, other than an increase in sales, in which a business might assess the effectiveness of a promotional campaign. (6)

9 What is meant by ‘personal selling’? (3)

10 Explain TWO possible benefits of using personal selling. (4)

11 What is meant by publicity and why might this be important to a business? (4)

12 Explain the difference between advertising and publicity. (4)

13 Explain how promotion might be used to extend a product’s life cycle. (6)

14 Outline TWO ways in which a car manufacturer launching a new model might be able to achieve positive publicity for it. (4)

15 Explain TWO methods of sales promotion that could be used by a maker of chocolate bars to increase sales of existing products. (6)