

**CHAPTER  
17**

# Promotion

## Part 1: Content Review

### Matching

Write the letter for the correct term for each definition on the line provided.

- \_\_\_\_\_ 1. Manufacturer pushing a retailer to handle that manufacturer's merchandise to sell to customers.
- \_\_\_\_\_ 2. Information about products that customers or viewers feel compelled to pass along to others.
- \_\_\_\_\_ 3. Web page in a journal format created by a person or organization.
- \_\_\_\_\_ 4. Packet of information sent to the media about a new business opening or other major business events.
- \_\_\_\_\_ 5. Stands for customer attention, interest, desire, and action.
- \_\_\_\_\_ 6. Coordination of marketing communications to achieve a specific goal.
- \_\_\_\_\_ 7. Uses logic to change a belief or get people to take a certain action.
- \_\_\_\_\_ 8. Communications from an organization to its customers and to the public.
- \_\_\_\_\_ 9. Efforts used to encourage customers to buy a product within a specific time period, usually as soon as possible.
- \_\_\_\_\_ 10. Selling to consumers.

**Terms**

- A. AIDA
- B. blog
- C. business-to-consumer (B2C) selling
- D. marketing communications
- E. persuasion
- F. press kit
- G. promotional campaign
- H. push promotional concept
- I. sales promotion
- J. viral marketing

### Completion

Fill in the blanks with the term that best completes each sentence.

**Terms**

- |   |                   |                          |
|---|-------------------|--------------------------|
| event marketing                           | preselling        | public relations (PR)    |
| institutional promotion                   | press conference  | pull promotional concept |
| integrated marketing communications (IMC) | press release     | telemarketing            |
|   | product promotion |                          |

- 1. \_\_\_\_\_ encourages customers to participate rather than just observe.
- 2. A meeting set by a business or organization to which the media is invited to attend is a(n) \_\_\_\_\_.

3. The \_\_\_\_\_ involves a manufacturer pulling customers to actively seek out that manufacturer's product.
4. An approach to marketing that integrates all promotional efforts to deliver one message about a product using various media \_\_\_\_\_.
5. A(n) \_\_\_\_\_ is a story featuring useful company information written by the company PR contact.
6. Promoting specific products or services offered by the business is \_\_\_\_\_.
7. Personal selling done over the telephone is \_\_\_\_\_.
8. \_\_\_\_\_ is the marketing activities promoting goodwill between a company and the public.
9. Promoting the company rather than its products is \_\_\_\_\_.
10. Creating interest and demand for a product before it is available for sale is \_\_\_\_\_.

## True or False

Decide whether each statement is true or false. If the statement is true, write *True* on the line provided. If the statement is false, write *False* and rewrite the statement to make it true.

1. If customers do not know that a product exists, they cannot buy it.  
 \_\_\_\_\_  
 \_\_\_\_\_
2. Most promotional campaigns are service promotions.  
 \_\_\_\_\_  
 \_\_\_\_\_
3. Many promotional strategies can be used to promote an organization's products or brands.  
 \_\_\_\_\_  
 \_\_\_\_\_
4. The first step in creating a promotional plan is to identify the goals for the promotion.  
 \_\_\_\_\_  
 \_\_\_\_\_
5. Rubrics are standards of measurement that determine the effectiveness of a promotion.  
 \_\_\_\_\_  
 \_\_\_\_\_
6. To receive a rebate, a customer does not always have to complete a form and mail it to the manufacturer.  
 \_\_\_\_\_  
 \_\_\_\_\_

Name \_\_\_\_\_

7. When introducing a new product, companies may offer free product samples to encourage customers to try the new items.

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8. Public relations is paid media coverage.

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9. Reactive public relations is used to counteract a negative public perception about the company.

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10. The media will only publish information in a press release it considers newsworthy.

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## Part 2: Concept Review

### Push and Pull Promotional Strategies

A *push promotional strategy* involves taking the product to the customers. A *pull promotional strategy* involves using promotions to encourage customers to actively seek out the product. Read each scenario and answer the questions that follow. Use complete sentences.

#### New Ski Resort

A ski resort recently opened in northern Indiana. This resort was the only one within a 100-mile area. Because there were no ski resorts in the area until this new business opened, equipment and clothing was hard to find in local shops. Online retailers were the only source of quality ski equipment and clothing.

The new resort advertised skiing as a fun family activity. Advertisements for the resort focused on the importance of families spending time together. The majority of the resort's target market, local families, had never skied before. When families visited the resort for a day or a long weekend, they layered on their warmest winter clothes and rented skis from the resort's pro shop. As the sport gained popularity, the demand for products grew.

1. Which promotional strategy, push or pull, would you recommend to manufacturers of ski clothing and equipment that want to promote their products in northern Indiana?

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2. Explain why you selected this promotional strategy.

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### Rock Climbing Gear

Rock climbing is a challenging sport that appeals to a relatively small number of people. Often, it is difficult for climbers to find the rugged, high-tech clothing and equipment they need for this activity. A small company located in the mountains of North Carolina manufactures this type of gear, but product demand is low. In an effort to increase demand for its product, the company conducted market research by surveying rock climbers. The information obtained from the survey suggested that gender, age, level of experience, lifestyle, and commitment to the sport contributed to this particular marketing niche. The company created a customer profile using the research data. It then hired an advertising firm to develop advertisements to reach the target market. The goal was to encourage customers to purchase rock climbing gear directly from the company.

3. Which promotional strategy, push or pull, was being applied?

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4. Explain why you selected this promotional strategy.

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### Grey Poupon Mustard

Thirty years ago, “mustard” meant French’s yellow mustard. Then, the makers of Grey Poupon mustard began running a clever media campaign. In the television advertisement, an elegant man sitting in a Rolls Royce and holding a silver platter of beef nods to his chauffeur. The chauffeur reaches into the glove compartment and brings out the Grey Poupon. Another Rolls Royce pulls up. A man leans out and asks, “Pardon me. Would you have any Grey Poupon?” The mustard is handed over with a smile. The commercial ends with a voice-over, “One of life’s finer pleasures.” By the late 1980s, Grey Poupon sales had overtaken French’s yellow mustard.

5. Which promotional strategy, push or pull, was being applied here? How did the commercial make this clear?

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### Electronic Promotion

Read the scenarios that follow. Then, using complete sentences, answer the following questions.

#### Online Shopping for a Home

Shopping for a house is a time-consuming process. Real estate agencies use the Internet to promote their listings with information about houses for sale. Prospective home buyers can see photos of each

Name \_\_\_\_\_

house plus a detailed list of features. Some websites offer maps so buyers can find where a house is located. Some offer virtual tours of houses so buyers can see each room and even views from the windows.

1. Before the use of the Internet was widespread, home buyers mainly relied on the expertise of real estate agents. How has the Internet changed the way buyers shop for houses?

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2. Many people buy houses directly from the Internet, without actually visiting the house. List the advantages and disadvantages of this practice.

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### **Backyard Birds, Online and Off**

Backyard Birds sells birdhouses, feeders, seed, binoculars, and other items for bird lovers. The company's target markets include senior citizens and those who live in rural areas. For 35 years, it sent out thousands of catalogs every year through the mail. Several years ago, Backyard Birds put its catalog on its website. Instead of mailing the annual catalog, customers received postcards with the company's website listed. However, website traffic was low and very few customers used the online catalog to make purchases. Most customers continued to purchase from Backyard Birds with a mail-in order form or over the telephone. Two years later, Backyard Birds decided to discontinue its online catalog and went back to mailing a printed catalog.

3. Why do you think the website failed as a sales tool?

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4. Do you think it was a good idea for Backyard Birds to discontinue the online catalog? Explain your answer.

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- Assume Backyard Birds has hired you as a marketing manager. What would you recommend they produce? Explain your answer.

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## Part 3: Marketing Math

### Viral Marketing and Exponential Growth

Viral marketing is also called *buzz marketing*. It is information about products or companies that customers or viewers are compelled to pass along to others. E-mail is a popular medium for sending promotional messages that marketers hope will *go viral*, or be forwarded by many people. For example, an e-mail service provider attaches a promotional message to the bottom of each e-mail. Every time a subscriber sends an e-mail message, he or she also sends a promotional message for the service.

Viral marketing is popular because the number of messages sent can grow exponentially. *Exponential growth* occurs when the increase in a quantity occurs by multiplication, rather than addition. Growth by addition, or finding a sum total, is called *arithmetic growth*. In the following example, arithmetic growth occurs when 2 new customers are added every day. Exponential growth occurs when the number of customers doubles, or is multiplied by 2, every day. By the sixth day, the company that has added 2 new customers a day has only 11 customers, but the company that multiplied its customers by 2 every day has 32 customers. That is 21 more customers than the first company. The concept is shown in the following table.

Arithmetic versus Exponential Growth						
	Day 1	Day 2	Day 3	Day 4	Day 5	Day 6
<b>Arithmetic (Added 2)</b>	1	3	5	7	9	11
<b>Exponential (Multiplied by 2)</b>	1	2	4	8	16	32

Suppose you get an interesting e-mail with a message you want others to see. Perhaps you send that e-mail to two people. Then, those two people send that e-mail to two more people, and so on. This is how messages go viral. This situation is similar to the number of customers doubling every day. See the following diagram.

Exponential Growth by Doubling	
$2^0 = 1$	X
$2^1 = 2$	X X
$2^2 = 4$	X X X X
$2^3 = 8$	X X X X X X X X
$2^4 = 16$	X X X X X X X X X X X X X X
$2^5 = 32$	X X

Name \_\_\_\_\_

This form of growth is called *exponential* because it can be described by a mathematical expression called an *exponent*. Another term for an exponent is *power*. An exponent is a number indicating how many times another number is multiplied by itself. The number being multiplied is called the *base number*. An exponent is written as a superscript next to the base; for example,  $2^3$  means 2 is multiplied by itself three times:  $2 \times 2 \times 2 = 8$ . It is read as “2 to the third power.” The number 2 is the base, and the number 3 is the exponent. Any number raised to the zero (0) power is defined as one (1). Thus,  $2^0 = 1$ . Any number raised to the first power (1) is defined as the number itself. Thus,  $2^1 = 2$ .

Now, take a look at exponential growth through tripling. Imagine that each person who gets that e-mail sends it to three people, and so on. In this case, the base number is three. Fill in the following chart to show exponential growth by tripling.

$3^0 = 1$	
$3^1 = 3$	
$3^2 = 9$	
$3^3 = 27$	
$3^4 = 81$	

## Part 4: Be Your Own Leader

### Admire a Leader

Identify a leader in your community who you admire. It could be a family member, your employer, a teacher or coach at school, or some other person you admire. Think about what you know about the person. Answer the following questions about the person. Be prepared to share your findings with the rest of the class.

1. Who is this person? \_\_\_\_\_

2. How would you describe this person’s leadership style? \_\_\_\_\_

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3. How does this person influence your leadership style? \_\_\_\_\_

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4. What do you they do to inspire you? \_\_\_\_\_  
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\_\_\_\_\_  
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5. How would you describe this person if asked to write a letter of recommendation for him/her?  
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