



# BIZguides

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## Marketing

# Promotion Strategy

Promotion is the method you use to spread the word about your product or service to customers, stakeholders and the broader public.

Once you've identified your target market, you'll have a good idea of the best way to reach them, but most businesses use a mix of advertising, personal selling, referrals, sales promotion and public relations to promote their products or services.

## 1. Advertising

### What is advertising?

Advertising is a form of communication designed to persuade potential customers to choose your product or service over that of a competitor.

Successful advertising involves making your products or services positively known by that section of the public most likely to purchase them.

It should be a planned, consistent activity that keeps the name of your business and the benefits of your products or services uppermost in the mind of the consumer.

### Why advertise?

The objective of advertising is to increase your profit by increasing your sales. Advertising aims to:

- Make your business and product name familiar to the public
- Create goodwill and build a favourable image
- Educate and inform the public
- Offer specific products or services
- Attract customers to find out more about your product or service

### The rules of advertising

There are four rules to consider when planning any advertising activity – ie: before you prepare and book any form of advertising.

**Aim** - What is the primary purpose of the advertisement? Is it to inform, sell, produce listings or improve the image of your business?

**Target** - Who is the target? From which sector of the public are you trying to achieve a response? For example is it male, female, adult, teenager, child, mother, father etc.

**Media** – Bearing the aim and target in mind, which of the media available to you is the most suitable – ie: TV, radio, press or Internet?

**Competitors** – What are your competitors doing? Which media channel do they use? Are they successful? Can you improve on their approach and beat them in competition?

### Developing effective advertising

Good advertising generally elicits the following four responses:

**Attention** – It catches the eye or ear and stands out amid the clutter of competing advertisements.

**Interest** – It arouses interest and delivers sufficient impact in the message or offering.

**Desire** – It creates a desire to learn more or crave ownership.

**Action** – It spurs an action which leads to achievement of the ad's original objective – ie: it prompts potential customers to purchase or use your product or service.

### Making sure your advertisement is legal

Section 52 of the Trade Practices Act (Cth) 1974 prohibits misleading or deceptive conduct.

You must consider the advertisement as a whole and the ordinary meaning of the words used. You must determine if the people to whom the advertisement is directed are likely to be misled or deceived by its content.

You can use humour, cartoons and slogans to make your ad stand out, but be sure they're not likely to mislead or deceive your audience. The Australian Competition and Consumer Commission (ACCC) provides advertising guidelines in information circulars that are available from the local office of the ACCC, or from the website [www.accc.gov.au](http://www.accc.gov.au).

## Commonly used media

There are many media options open to advertisers. Which media you use will depend on who you are trying to reach, what you want to say and your budget. Often a combination of media (the media mix) can be used to good effect. Remember to keep your branding and message consistent across all media. This includes use of colours, logos, design elements and fonts.

- **Stationery**

Stationery, which includes letterheads, envelopes and business cards, is a means by which your business image or "name identification" is projected. Good quality stationery, used with care and attention and with a high standard of presentation, is an everyday means of presenting your business image.

- **Window display or office front**

The external presentation of your business office or shop is one of the principal ways of establishing your business image. An attractive, well maintained exterior with clear, bold sign writing is an essential start. Windows should be bright, attractively presented, scrupulously clean and well lit at night. The display should be arranged neatly and aimed at projecting an attractive company image and providing a reason to buy your products or services. Above all it should have sufficient impact to attract attention.

- **Press advertising**

This is a commonly used form of general advertising and includes advertising in all press such as newspapers, magazines and journals. Press advertising is suitable for image building, information dissemination and sales campaigns. It is also a very affordable option for small businesses.

- **Radio**

Radio is considered by many advertisers as an ideal medium due to its ability to reach specific target groups e.g. teenagers, racing followers or grocery buyers. Radio advertising covers spot adverts (usually 15 or 30 second), promotions or talkback/DJ discussions. Most radio stations offer packages which include production and extension of your radio campaign through their websites.

- **Television**

Television is a powerful advertising medium because it creates impact through sight, sound and movement however the cost of producing the advertisement and procuring sufficient air time to allow the campaign to work often makes it prohibitive for small business.

- **Direct mail**

This is a broad category covering direct communication with the consumer through email, post or fax. It can include newsletters, catalogues and letters. If you plan to use email, be sure to comply with national anti-SPAM legislation which makes it illegal to send unsolicited commercial electronic messages. Visit the Australian Communications and Media Authority website for more details - [www.acma.gov.au](http://www.acma.gov.au).

- **Outdoor**

This is any type of advertising which is done outdoors, including static advertising such as billboards, backs of street benches and bus shelters or mobile advertising displayed on buses, trains, taxis or towed signage.

- **Ambient**

Refers to any form of advertising that occurs in a non-standard medium outside the home, and usually where your consumers are likely to be. It's limited only by your imagination and includes things like advertising on the back of shopping receipts or toilet doors at the cinema, placing branded coasters at the local pub, projecting onto buildings, advertising inside lifts or distributing branded cups.

- **Cinema**

You can purchase cinema advertising by individual cinemas or screens for a set amount of screenings or "runs". Most providers offer packages which include production and screening of your advertisement

- **Point of Sale**

Advertising at the point where the consumer makes a purchase decision eg: floor stickers, in-store digital advertising, shopping trolley signage, shelf or counter posters or playing interviews about your product in store.

- **Online**

The options for online advertising continue to grow rapidly. They include advertising on your website, advertising on other websites, creating links to your website from other websites, publishing blogs, offering online product games, social networks and forums.

- **Directory listings**

Many consumers use business directories to find a supplier. Directories include the yellow or white pages, union directories, trade directories or local business directories.

## Evaluating the effectiveness of your advertising

Famous American department store merchant John Wanamaker (1838-1922) was attributed as saying "Half the money I spend on advertising is wasted – the trouble is I don't know which half." This quote is often still true today as many businesses do not evaluate the effectiveness of their advertising.

Evaluating effectiveness can be as simple as staff asking every new customer "How did you hear about us?" or asking every customer that responds to an advertised special "where did you see or hear our advertisement?"

Whatever method you use, it is absolutely critical in getting top value for your advertising dollar by finding out which media works and which doesn't.

## 2. Selling

### What is selling?

Put simply, selling is the exchange of goods or services for an agreed sum of money.

Depending on the circumstances, a sales transaction can include one, some or all of the following stages.

**Prospecting and qualifying** – identifying qualified prospects ie: those that are likely to want or need your product or service and can afford to pay for it.

**Pre-approach** – undertaking research about prospects to assist in the actual selling process.

**Approach** – making actual contact with the prospect in person, by phone or in writing.

**Presentation and demonstration** – presenting and demonstrating the features and benefits of your product or service in order to convince the prospect that their want or need can be satisfied.

**Handling objections** – demonstrating the product or service value to overcome real or perceived objections or misunderstandings that are impeding the purchase decision.

**Closing** – bringing the selling process to a successful conclusion by either asking for the order or responding to a positive decision from the prospect.

**Follow-up** – proactive or reactive contact with the purchaser to establish their satisfaction level and to address any problems that may exist.

In planning the selling element of your marketing strategy you will need to consider the following:

- The size and structure of your sales team
- Recruiting, training, motivating and evaluating individuals and the team as a whole
- The remuneration structure
- The location/territory to be serviced
- Management and communication systems

Selling is a particularly important element if you are marketing services because the purchaser of a professional service is in fact buying the capabilities of the seller. So he or she would be closely evaluating the behaviour and characteristics of your sales person, your business, its reputation, facilities and appearance.

## 3. Sales Promotion

### What is sales promotion?

Sales promotion relates to short term incentives or activities that encourage the purchase or sale of a product or service. Sales promotions initiatives are often referred to as "below the line" activities.

### What are the major sales promotion activities?

Sales promotion activities can be targeted toward final buyers (consumer promotions), business customers (business promotions), retailers and wholesalers (trade promotions) and members of the sales force (sales force promotions). Here are some typical sales promotion activities:

#### Consumer promotions

- Point of purchase display material
- In-store demonstrations, samplings and celebrity appearances
- Competitions, coupons, sweepstakes and games
- On-pack offers, multi-packs and bonuses
- Loyalty reward programs

#### Business promotions

- Seminars and workshops
- Conference presentations
- Trade show displays
- Telemarketing and direct mail campaigns
- Newsletters
- Event sponsorship
- Capability documents

## Trade promotions

- Reward incentives linked to purchases or sales
- Reseller staff incentives
- Competitions
- Corporate entertainment
- Bonus stock

## Sales Force Promotions

- Commissions
- Sales competitions with prizes or awards

# 4. Public Relations

## What is public relations?

The Public Relations Institute of Australia (PRIA) defines Public Relations (PR) as:

“The deliberate, planned and sustained effort to establish and maintain mutual understanding between an organisation (or individual) and its (or their) publics”.

Put more simply, public relations is about building good relations with the stakeholders (publics) of your business by obtaining favourable publicity, building a good corporate image and handling or heading off unfavourable rumours, stories and events.

By building good relationships with your stakeholders, particularly customers, you can generate positive word of mouth and referrals from satisfied customers.

## Who is a stakeholder?

Stakeholders are the various groups in a society which can influence or pressure your business's decision making and have an impact on its marketing performance. These groups include:

- Clients/customers
- Staff
- Shareholders
- Strategic partners
- Media
- Government
- Local community
- Financial institutions
- Community groups

Operationally, stakeholders really refer to those groups that your business is or should be, communicating with.

## What are the main public relations tools?

Typical PR tools include:

- News creation and distribution (media releases)
- Special events such as news conferences, grand openings and product launches
- Speeches and presentations
- Educational programs
- Annual reports, brochures, newsletters, magazines and AV presentations
- Community activities and sponsorships

## What are the key steps in implementing public relations?

Implementing effective public relations activities requires careful planning. The three major steps are outlined below:

Setting the objectives – what is it you want to achieve and who do you want to reach? Is it to create awareness of a new product or service to your existing clients, to overcome community misconceptions about your business or to create a positive impression with your bank manager?

Deciding on the message and the vehicle – what is the major thing you want to communicate and what public relations tools will you use to get the message to its target?

Evaluating the results – did you achieve the desired result and did it lead to a positive outcome?

Many small businesses do not devote enough attention to public relations in their promotional mix but done properly, it can be a powerful and cost effective business development and marketing tool.