

Chapter 17 Promotional Concepts and Strategies

Section 17.1 The Promotional Mix

Review Key Concepts

1. Promotion is an important marketing function, because it is used to inform, persuade, or remind people about a company's products and its image.
2. Product promotion is used to convince people to buy or use a certain product. For example, if a company has come out with a new product, they would use product promotion to make people aware of the product. Institutional promotion does not directly sell a product, but is used to create a favorable image, which can result in sales. For example, a company develops a Web site for customers to learn more about the company's environmental and social responsibility initiatives.
3. The push concept depends on the manufacturer to get distribution channel members to purchase products. It relies on a mix of personal selling, advertising and buying discounts. The pull concept directs promotion to potential consumers or relies on advertising geared to consumers and consumer sales promotions such as coupons, premiums, samples, and demonstrations.

Practice Academics

Social Studies

4. Answers will vary, but many companies employ social media directors or have instituted an internal process to receive and respond to both positive and negative customer-generated responses and opinions about a company's products and services.

Mathematics

5. Print advertisement in an outdoor magazine = 30% ($\$300 \div 1000 = .30$); online advertisement campaign = 45% ($\$450 \div 1000 = .45$); premiums = 15% ($\$150 \div 1000 = .15$); donation to a local outdoor program for children = 10% ($\$100 \div 1000 = .10$)