

The promotional mix and its use by vodafone



One of the key components of marketing mix is Promotional mix. Promotion is used by companies, using a particular medium or channel, to inform consumers of the various benefits and features of the products. These benefits and features are communicated using different mediums namely; advertising, sales promotion, personal selling, direct marketing, internet promotion and publicity.

Few objectives of the promotion are as follows,

To inform consumers about a product and its added benefits

To create a positive image for the brand or the company

To influence buyers to purchase the product

To establish the brand or the product among its segment

Promotions are also done to make the product or company reliable and credible amongst the consumers for the services rendered. They are very essential if a company has to survive in the marketplace.

Ever since the inception of Vodafone in 1985, the mobile company has laid a lot of emphasis on using Television, as part of promotions, to ensure it remains a market leader in the telecom industry. This is evident from the first television campaign for Vodafone on ITV, also the first mobile phone advertisement on TV. This marketing strategy has resulted in turning Vodafone to the first telecom company with 10 million UK subscribers by the end of 2000.

The major source of entertainment during the mid 1980s to mid 1990s was television. Vodafone tried to reach out to a wider target audience using TV as its medium which helped to establish itself as a global player in the telecom industry. Vodafone has continued ever since with the same momentum for marketing communications. It is not just innovative with its products but also with marketing ways. The key message of Vodafone new campaign issued in September 2010 states ' Vodafone, through its innovative services and reliable network, is constantly beside its subscribers in a direct way and with mutual trust, to offer them unlimited freedom in communication' . Vodafone always has lived up and beyond its commitment.

Vodafone realises that its million subscribers communicate daily on an unlimited basis, thereby building a relationship. To add value to this relationship Vodafone has always been at the forefront of Telecom Industry in search of new innovative products and services at affordable prices.

Vodafone is also know to cash in opportunities that comes with associating with a celebrity. Vodafone in 2008 signed a deal with Warner Music for Madonna's upcoming ' Hard Candy' album was signed and distributed to Vodafone's huge customer base after the mobile company signed a deal with Warner Music. The promotion was launched 7 days before the albums global release, giving enough time to grab attention. Vodafone's customers will also have access to ringtones and SMS tones.

Advertising

Many consider advertising as a synonym for marketing however advertising is just a part of promotional mix where as marketing covers a much broader

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issue. Advertising in a way promotes, reminds, provides, competes and persuades about a product to the public.

Kotler in his book 'Marketing an Introduction' states that advertising is a paid form of promotion and presentation of non-personal ideas, goods or services by an identified sponsor.

Christos Toulas, a long distance runner, exemplifies Vodafone's new advertising campaign. His illustrious sports career and all goals that he has achieved, symbolizes the possibilities of new innovative products and services offered by Vodafone to all its subscribers. Vodafone's long term objective is to have a long term relationship with its subscribers. This advertising campaign inspires optimism amongst its employees and subscribers.

Vodafone could be termed as playing a revolutionary in the Greek telecom industry. Vodafone was the first to introduce economical plans like unlimited post-paid, prepaid communication to its consumers and businesses. Additionally they provided unlimited mobile and fixed internet in joint venture with Hellas online.

Public Relations

Public relations are all about generating goodwill with the society. Marketing methods focuses primarily on customers and distributors. For Vodafone to do well it needs the assistance of other groups such as employees, share holders, the local community and also the society at large.

Public relations is also defined as “ the management and relationships to establish goodwill and mutual understanding between an organisation and its public”

It's a major mass promotion tool. Public relations includes activities like corporate advertising, seminar, lobbying etc. to build publicity for a favourable corporate image and to get rid of unfavourable rumours, stories and events.

Vodafone ' Cut it Out' Anti Bullying PR Campaign

Vodafone recently introduced a ' Cut It Out' anti-bullying PR campaign. Approx 450, 000 young people are victims of bullying each year in the UK using mobile phone. Its a disturbing trend where they are victimised using texts and video messaging. Vodafone initiated a corporate responsibility to reduce bullying, in association with ' Threepipe', supported by parents and teachers, to create awareness and a fundraising campaign.

Threepipe in collaboration with Sir Andrew Lloyd Webber and the really useful group set a west end musical ' Joseph and His Amazing Technicolour Dreamcoat'. The musical was popular among for over 20 years. The show leading star, Lee Mead, had following of million teenage girls and their mums. Threepipe also introduced a competition, where the selected entries were sent to London College of fashion to be turned into real dream coats to be worn on stage.

Also a part of the campaign was a leading anti-bullying charity, Beatbullying. They created a website which included online resources for those whose

concerns of bullying. It also included competition entry details and schools pack for teachers to encourage entry of students into the competition as a part of classroom activity.

Meanwhile, Threepipe arranged exclusive editorial opportunities with Mirror and ITN News. Both were given access to children who were bullied and those parents whose children had committed suicide. This provided a powerful and social message about the seriousness of the issue as nobody had spoken to the media before.

All this effort was not just for a social cause but also to improve Vodafone's corporate image since new age bullying involved Vodafone's technology of text and video messaging. Vodafone had to ensure that their communications technology was meant for positive use and not an anti-social environment, especially among teenagers.

Direct Marketing

Direct Marketing is not mass communication. It is directed to target individuals or a group of people since it is interactive and consumers respond directly to the company. This method is targeted on those who are likely to be interested. Vodafone uses its Direct Marketing strategies small and medium sector establishments, especially those requiring fixed and mobile connectivity within an office premises.

Vodafone is targeting business travellers by sponsoring CNN TV series Global Office. It is a 30 minute programme that will be aired in the evenings. The series features trends, topics and tips concerning issues of business

management. The show is anchored by Richard Quest and Liz George. Vodafone has always had regular TV promotions especially sponsorship of MTV. However, now on CNN it is introducing 50 vignettes that will run alongside the advertising slots. It is aimed at building brand awareness among the business community which always on the move. The advertisement promotes Vodafone connect card and access email when they are away.

Vodafone hopes to reach the business community through such means as it was previously limited to in flight magazines and airport posters. A Vodafone spokeswoman made a recent statement “ The CNN deal takes our marketing efforts to a different level. We wanted a more integrated approach, which will reach our target audience through a number of different touchpoints: when they are away on business staying in hotels, when they are online, and when they are viewing at home.”

Sales Promotions

They are short term incentives to promote purchase and sale of a product. Vodafone always introduces give away with every package or cell phone they sell. A recent sales promotion for new and existing Vodafone customers in Australia had consumers get free Huawei pocket Wi-Fi. The plan is for those who purchase 24 month post paid MBB connection for over \$29 a month.

Distribution

The last part of the marketing mix is distribution also known as the place element of marketing. Product and services needs to be available in correct quantities and convenient locations and especially at those times when customer needs it the most.

Vodafone interacts with its customers in a variety of ways namely, retail locations, telephone or online. Vodafone owns and manages approximately 2, 100 retail stores and customer support. Additionally, they also have 7600 Vodafone branded stores in controlled markets which sells products and services through franchise and dealer arrangements. The most cost effective, user friendly channel for Vodafone to promote and sell its products and service is through internet. For the customer internet is easy and accessible. Accessibility is also reviewed on their stores for footprints and other capabilities. Vodafone also brings with it virtual mobile network operators or ' MVNO' in several markets providing access to their network at wholesale level. The distribution network also includes third party service providers, independent dealers, distributors and retailers.

The extent of indirect distribution varies between markets but may include using third party service providers, independent dealers, distributors and retailers. We host mobile virtual network operators (' MVNOs') in a number of markets, selling access to our network at a wholesale level.

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