

Promotion strategy of microsoft



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Every organization needs a promotion strategy in order to sell its products or service. Promotion is essential in Marketing. Without an appropriate promotion strategy, organizations are unable to market products and services effectively. Belch and Belch (2008, p. 60) write that promotion is ... the coordination of all seller-initiated efforts to set-up channels of information and persuasion to sell goods and services or to promote an idea.

In order that promotion should be effective, it is a blend of many factors.

Microsoft (2004, p. 3) writes that promotional mix is,

The blend of marketing campaigns, sales promotions, and public relations a company uses to reach its target customer segment.

Furthermore, Belch and Belch (2008, p. 62) state that the promotion mix,

Includes advertising, sales promotion, public relation/ publicity, personal selling, plus direct marketing and Internet/interactive media. Direct marketing is direct mail, mail order catalogs, database marketing, direct selling, telemarketing, and direct response ads through direct mail, the Internet, and various media. (Belch and Belch)

Bennet (1988) notes that the five types of promotion are: advertising, personal selling, sales promotion, public relations and direct marketing.

These were originally articulated by Philip Kotler, a marketing scholar.

The marketing mix contains a number of elements- one of the elements in the Marketing mix is promotion. Londre (2006) writes that the marketing mix consists of four elements- Product, Price, Promotion and Place. These are

usually referred to as the 4 Ps. When these elements in the marketing mix are put together, they achieve success in sales and positioning the organization well above its competitors. When an organization is about to sell a product or service various factors come into play- a combination of these factors which ensure success in sales are referred to as the marketing mix.

Microsoft has competitive advantage because it is a leader in the software industry and the organization uses various types of promotion to sustain the loyalty of customers and ensure repeat purchases (boost sales). As a leader in the computer business, customers worldwide look up to Microsoft and the organization is also responsive to their needs. For example, various trial software are available on Microsoft's website as a promotional tool to encourage customers to buy after they are satisfied with product. Also, trial software also creates brand loyalty because customers start feeling that the organizations care about them and trusts them enough to give out some software for free.

Microsoft (2008) has a number of promotions for its partners and customers. Some of these promotions include: Partner subsidy dollars (where partners help customers get subsidy for the purchase of certain licenses); the SmartPay Promotion (here customers pick a payment plan that fits their budget); Windows Server 2008 CAL promotion (discounts off Windows Server 2008 and assurance packs); Software Asset Management (in this plan \$1500 is given by Microsoft to be used for upgrades); Microsoft Financing to help with customer IT budgets; Reseller promotions (a bundle of five valuable

offers that encourage sales); OLV consolidation promotion; US OEM system builder promotions (save money via promotions and rebates).

Microsoft has competitive advantage in promotion because no other organization has the where with all to offer its customers and partners as much benefits as Microsoft can. Therefore, Microsoft is a leader in the industry and also has competitive advantage in promotion.