

# Promotional mix used by two selected organisations marketing essay



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Sales promotion tend to be thought of as being all promotions apart from advertising, personal selling, and public relations. For example the BOGOF promotion, or Buy One Get One Free. Others include couponing, money-off promotions, competitions, free accessories (such as free blades with a new razor), introductory offers (such as buy digital TV and get free installation), and so on. Each sales promotion should be carefully costed and compared with the next best alternative.

### 3. Public Relations (PR).

Public Relations is defined as ' the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics' (Institute of Public Relations). It is relatively cheap, but certainly not cheap. Successful strategies tend to be long-term and plan for all eventualities. All airlines exploit PR; just watch what happens when there is a disaster. The pre-planned PR machine clicks in very quickly with a very effective rehearsed plan.

### 4. Direct Mail.

Direct mail is very highly focussed upon targeting consumers based upon a database. As with all marketing, the potential consumer is ' defined' based upon a series of attributes and similarities.

Creative agencies work with marketers to design a highly focussed communication in the form of a mailing. The mail is sent out to the potential consumers and responses are carefully monitored. For example, if you are

marketing medical text books, you would use a database of doctors' surgeries as the basis of your mail shot.

#### 5. Trade Fairs and Exhibitions.

Such approaches are very good for making new contacts and renewing old ones. Companies will seldom sell much at such events. The purpose is to increase awareness and to encourage trial. They offer the opportunity for companies to meet with both the trade and the consumer. Expo has recently finish in Germany with the next one planned for Japan in 2005, despite a recent decline in interest in such events.

#### 6. Advertising.

Advertising is a 'paid for' communication. It is used to develop attitudes, create awareness, and transmit information in order to gain a response from the target market. There are many advertising 'media' such as newspapers (local, national, free, trade), magazines and journals, television (local, national, terrestrial, satellite) cinema, outdoor advertising (such as posters, bus sides).

#### 7. Sponsorship.

Sponsorship is where an organization pays to be associated with a particular event, cause or image. Companies will sponsor sports events such as the Olympics or Formula One. The attributes of the event are then associated with the sponsoring organization.

Coke – Product

The Coca-Cola formula is The Coca-Cola Company's secret recipe for Coca-Cola. As a publicity marketing strategy started by Robert W. Woodruff, the company presents the formula as one of the most closely held trade secrets ever and only a few employees know or have access to. This Coca-Cola formula appears to be the original formula to Coca-Cola. It is from the book "For God, Country and Coca-Cola".

The company Coca-Cola is a multinational and it is not limited to one product. Through the years they have invented and introduced many products than their main cola drinks. The list of Coca-cola brands are as follows:

Appletiser

Aquarius

BPM Energy

Barq's

Beat soda

Beverly

Cannings

Cheers

Ciel

Fanta

And up to 70 different brands !

Pepsi - Product

The Pepsi-Cola drink contains basic ingredients found in most other similar drinks including carbonated water, high fructose

corn syrup, sugar, colourings, phosphoric acid, caffeine, citric acid and natural flavours. The caffeine free Pepsi-Cola contains the same ingredients but no caffeine.

Some of the different and varied brands of Pepsi are as follows:

All Sport

Aquafina

Caffeine-Free Pepsi

Crystal Pepsi

Diet Pepsi

Gatorade

Izze

Jazz

Josta

Kas

Up to 40 different brands !

## **Coke vs. Pepsi-Product**

As seen above both the companies Coke and Pepsi have a number of products. Many of these products are innovations but there are also many products which are brought out just as a competitive product for the other companies. Some of these products that are brought in the market by both the companies to compete against each other are as follows:

### Coke Pepsi

The main dark cola drink of the company which started the rivalry between these companies.

Pepsi version of dark cola which is the major primary competitor to Coke.

Full Throttle is an energy drink brand produced by The Coca-Cola Company. It debuted in late 2004 in North America.

AMP is an energy drink produced and distributed by PepsiCo under the Mountain Dew soft drink brand.

Vault is a carbonated beverage that was released by The Coca-Cola Company in June 2005.

Mountain Dew MDX is an energy drink manufactured and distributed by PepsiCo under the Mountain Dew brand. It was introduced in 2005.

PowerAde is a sports drink by The Coca-Cola Company and currently number two in the sports drink market worldwide.

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Gatorade is a non-carbonated sports drink marketed by Quaker Oats Company, a division of PepsiCo. Originally made for athletes, it is now often consumed as a snack beverage.

Sprite is a clear, lemon-lime flavoured, non-caffeinated soft drink, produced by the Coca-Cola Company. It was introduced to the United States in 1961.

7 Up is a brand of a lemon-lime flavoured soft drink.

Minute Maid is a product line of beverages, usually associated with orange juice, but now extends to soft drinks of many kinds. The Minute Maid company is now owned by Coca-Cola, and is the world's largest marketer of fruit juices and drinks. It is headquartered in Houston, Texas.

Tropicana Products is an American company based in Bradenton, Florida, USA, which is one of the world's largest producers and marketers of orange juice. It has been owned by PepsiCo, Inc. since 1998.

Nestea is a brand of iced tea manufactured and distributed by the Nestle company's beverage department in the United

States, and by Coca-Cola in several European countries, Brazil and Venezuela.

Lipton Original Iced Tea is a ready-to-drink iced tea brand sold by Lipton through a worldwide partnership with Pepsi.

## **Coke – Price**

Coke was a company ruling the markets

before Pepsi entered. Earlier the price of coke was cost based i. e. it was decided on the cost which was spent on making the product plus the profit and other expenses.

But after the emergence of other companies especially the likes of Pepsi, Coca-cola started with a pricing strategy based on the basis of competition. Nowadays more expenses are spent on advertising my soft-drink companies rather than on manufacturing.

Coke has brought in a revolution especially in Indian markets with the Rs. 5 pricing strategy which was very famous. It was the first company to introduce the small bottle of Coke for just Re. 5. This campaign was very successful especially with the price conscious Indian consumers.

Even today most prices of Coke are decided on the basis of the competition in the market.

## **Pepsi – Price**

Pepsi again decides its price on the basis of competition. The best thing about the company Pepsi is that it is very flexible and it can come down with the price very quickly. The company is renowned to bring the price down even up to half if needed.

But this risk taking attitude has also earned Pepsi losses. Though lowering the price would attract the customers but it would not help them cover up the cost incurred in production hence causing them losses.



This was the situation earlier but now Pepsi is a full-fledged and growing company. It has covered all its losses and is now growing at a rapid rate.

## **Coke – Place**

Coke is a multinational company and it has its market around the entire world.

## **Pepsi – Place**

Pepsi again has spread worldwide. Pepsi when entering a new market does not go in alone but it looks for partners and mergers. Till now Pepsi has collaborated with companies like Quaker Oats, Frito-lays, Lipton, Starbucks, etc.

Pepsi like Coke has spread all over the world. It is because of this worldwide spread that now it is coming up with Advertisements which can be broadcasted in the different nations in the world. The recent example with would be the Pepsi advertisements having David Beckham as its brand ambassador.

## **Promotion**

Both the companies Pepsi and coke are famous for their promotions. The rivalry was first started when Pepsi started with its blind taste tests known as the Pepsi Challenge. The challenge is designed to be a direct response to critics who allege that Coca-Cola and Pepsi-Cola are identical drinks, with no meaningful differences. The challenge takes the form of a taste test. At malls, shopping centers and other public locations, a Pepsi representative sets up a table with two blank cups, one containing Pepsi and one with Coke.

Shoppers are encouraged to taste both colas, and then select which drink they prefer. Then the representative reveals the two bottles so the taster can see whether they preferred Coke or Pepsi. If Pepsi is revealed, the shopper is given a small prize. The implication is that Pepsi tastes better than Coke, and thus consumers should purchase Pepsi.

In blind taste tests,

more consumers prefer the taste of Pepsi to that of Coca-Cola. Because Coke was the historical leader, more people expected that they'd prefer and select Coke. Their surprise at picking Pepsi in the blind taste test (products were served in unmarked cups) helped change their minds about which product they prefer. Capturing this on film, Pepsi turned this into a memorable TV campaign that lasted many years.

Also ad-campaigns are put up on the television by both the players.

Mainly Pepsi is the company sponsoring most cricket telecasts happening in India and spends most of its revenue in that field.

Nowadays both Coke and Pepsi are going in for Brand Ambassadors to promote their product. These brand ambassadors are famous people who usually people idolize and people can relate to them.

A list of Celebrities that are brand ambassadors for the cola companies are as follows. These celebrities are not only asked to work in the advertisements but they also have to use the product promoted by them and they should not use the companies rivals pr

P3: explain the role of advertising agencies and the media in the development of a successful promotional campaign

## **Introduction**

In this assignment I must explain the reasons behind the choice of media in a successful promotional campaign. There are a lot of choices that need to be made before setting up an promotional campaign. And if you want to make it successful, you have to make the right choices. I'm going to find out in this assignment what the choices were for the Mercedes-Benz A-Class promotional campaign, and if they were the right choices.

Theory

## **Full service agencies**

A full-service agency offers their clients a full range of marketing, communications, promotion services including planning, creating and producing the advertising, they do the research and select the media. Full-service agencies also offer non-advertising services. For example: strategic marketing planning, production of sales promotion and sales training

## **Specialty Agencies**

A specialty agency is one that either works with a particular industry such as medical, education, financial, insurance. They also work with a particular function like the internet, research, public relations etcetera.

## **In-House Agencies**

Some companies have set up their own advertising agencies. They do this to reduce costs and maintain greater control.

### Advantages

- \* Advertising agencies do all the work for you.
- \* They have a lot of knowledge and experience.
- \* The money you will invest will pay of (if the campaign is an success)

### Disadvantages

- \* Agencies cost a lot of money.
- \* If the campaign will fail, you will lose your money.
- \* You do not have full control.

## **Evidence**

Product or Service Mercedes A-Class 180.

Jung von Matt, a German advertising agency was founded in 1991. Today, the advertising agency offers a complete repertoire of marketing communication services: brand identity, direct marketing, events, film, literature, media, music, online, public relations, planning and, as always, advertising

Characters, Theme, Focus of Appeal , Innovation

In this commercial they only use the car as a character.

The theme of the commercial is very futuristic and full of power. It's because of the dubstep song that makes it that way. In the beginning they only show specific parts of the car and play slow music, and then they show the whole car and play loud music.

This is very emotional because it gives you an adrenaline rush. That's because of the dubstep music, the speed, the dark environment and the lightning. It's so cool.

The innovation is that it's so futuristic. It's the first commercial that uses dubstep music.

Increase in sales   Brand awareness   Competitive position   Consumer perception

This car is released September 15th, 2012 so it's new. But this car is so wanted that in June 2012 they already had 50, 000 orders for this car.

Brand Awareness Mercedes-Benz is an well-known brand worldwide, but this gave the brand a more ' younger' image.

The Rivals of the car are the BMW 1 series and the Audi A3. The price of this A-Class is higher than the other cars. But according to several reviews the car is worth it's price.

This campaign created an whole new image for Mercedes-Benz. Mercedes-Benz was always known as an ' old' brand. But this car and it's campaign gave the brand an whole new younger image.

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## Conclusion

In this assignment I've learned that it takes a lot to make choices. You have to do a lot of research and you must be sure that you have made the right choices. If you do not do that there is a chance that your promotional campaign will fail and you will lose your money.

P5: explain the reasons behind the choice of media in a successful promotional campaign [http://avantisport.nl/images/wysiwyg\\_uploads/images/nike-logo.jpg](http://avantisport.nl/images/wysiwyg_uploads/images/nike-logo.jpg)

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## NIKE

"Just Do It" [http://avantisport.nl/images/wysiwyg\\_uploads/images/nike-logo.jpg](http://avantisport.nl/images/wysiwyg_uploads/images/nike-logo.jpg)

Nike is the world's Number 1 marketer of athletic footwear and the Nike swoosh logo to symbolize all Nike wear and became a symbol all known around the world. Nike is the leader in sportswear. Nike has been using the same logo ever since they established the famous swoosh.

Not only does Nike have one of the most famous logo but Nike also has one of the most recognized slogans around: "Just Do It"

I think that Nike's power to sell comes from the desire for cultural influences and athletic accomplishment. These desires come together in the hearts of consumers and give an undeniable need "they got to have it" for apparel.

Nike's makes use of top athletes promoting their products appeal to countless ages and acts as a way to identify with and emulate their athletic heroes. These works powerfully upon the individual consumer.

Nike promotes its products by sponsoring agreements with athletes, professional teams and college athletic teams. Nike is promoting itself as a brand that sells quality-designed goods. It is because of this extensive advertising and many sponsorship programs that Nike's products are priced higher than its competitor's products.

Nike's focus has always been on athletes and has always used premiere athletes to help promote its products. It started off with Steve Prefontaine in the 60's wearing Nike running shoes. In the early eighties, Nike wanted to really grow and become a player in the sport of basketball. At the time, Converse was endorsing two of the NBA's biggest stars, Magic Johnson and Larry Bird. Nike took a chance on a young rookie who eventually became the greatest on earth. Nike created a signature shoe for the Chicago Bulls rookie guard called the Air Jordan. This was the best investment Nike has and probably ever will make. Because of Michael Jordan being the most popular player in the league, the hype and demand of this shoe was unbelievable. Tinker Hatfield designed the shoe and he spurred the basketball shoe industry to new heights.

The introduction of the Air Jordan line helped to create new lines of basketball shoes, including the Air Force and Air Flight lines of basketball shoes and apparel. Also, a new innovative technology was a layer of air cushioning in their shoes; this was truly a differential factor for Nike when

placed in comparison with other shoe companies. Nike's Air Jordan shoe was the best selling and most popular basketball shoe on the market. The Air Jordan shoe reached a point in the mid-nineties. According to Donald R. Katz, when a small picture of Michael Jordan at practice wearing different shoes sparked a booming inquiry all over Chicago. One store alone received over 300 phone calls asking if they had the shoes in stock.

From the popularity of the Air Jordan, and innovative styles and colors of Nike, a sub-culture of shoe collectors was born. These people search miles and miles and often camp out for these Limited Edition shoes. Nike, knowing that this market exists, will make very limited release of some special shoes known as quick strike or hyper strike editions to cater to this group. These shoes include retro version of styles, the 360 Hybrids, Paul Rodriguez, Rejuvenations, Clerk packs, and many more. Because these shoes are released in limited quantities and the demand is so high, Nike can sell these shoes at enormous profits.

Nike CEO Phil Knight is not slowing down as he continually signs new colleges on as Nike endorsed schools, current and up in coming star athletes. Nike has reached a point where they can count on the Nike name promoting itself, Nike believes, If you have a body, you are an athlete. And as long as there are athletes, there will be a need for Nike !

P5: design a promotional campaign for a given product/service to meet the needs of a given campaign/creative brief.



## **Aims and Objectives**

Every business has aims that they want to achieve, they might be overall goals and purposes that the business was set up to fulfil.

So here below you see my aims and my objectives :

Making a profit

- Providing goods or services to the local or wider community
- Maximising sales or improving the quality of a product service
- Being environmentally friendly

## **Choice of media**

Spoken, written, or broadcast communication including television, radio, advertising, movies, newspapers, magazines, books, cell phones and the Internet is a mass media that affects our society and ourselves.

The most widespread form of this communication media is television and Internet.

As we all know advertising costs a lot of money so I will need to advertise on channels that my target group would look on. My target group are people between 18-32 years old mostly females so it would be smart to advertise especially on fashion and music channels such as: MTV and MCM..

For internet advertising I would use Google. inc and Facebook as two biggest internet advertising agencies in the world . As I already said my target group are people between 18-32 years old and mostly females. So in this case it

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would be smart to advertise on topics and sites that have something to do with music and fashion .

And of course billboards. In my opinion billboards are not the best way to advertise because you see limited variety of information and often it's not enough for the customer.. But the reason of my choice is based on next thought : if people see some billboards outside with Ice cream galore on it even with limited but interesting information on it they will get back home and search on the internet for extensive information . And that is exactly what I need.

## **Promotional plan**

Promotional tools

Advertising

Print advertising such as that in programs for events, trade journals, magazines, newspapers

Direct mail

Outdoor advertising, such as billboards and bus boards

Broadcast advertising on radio and TV (or Internet sites)

Produce and distribute materials such as:

brochures

newsletters

flyers

posters

Of course I will make sure that my package design will be informative and catchy. (For a service business, the design of my company collateral and, most importantly, the appearance of me and my staff.)

Promotional Activities

Sponsoring special events (like fun runs)

Participation in community projects and boards of directors

Trade Shows - Your product or service might be one that is suited

Trade shows are one- or two- day events that allow businesses to set show cast their products or capabilities.

Fairs (like Health Fairs, Job Fairs)

Give-aways (like caps and shirts with my logo)

Coupons and free samples

Conducting contests

A campaign is overall plan for contacting and staying in touch with targeted members of the media (reporters). I may want to develop a media relations campaign if it would benefit my company to be mentioned in newspapers or magazine that are viewed by my target group people.

## **Costs**

Hereunder some advertising costs :

Google : €500 one-off paying amount for Google Ad-words. The cost for the continuous and intensive optimization of your Google AdWords campaign from € 69 per week.(It can be more depends on the services and options you want to have.)

## **Facebook Ads Cost Models**

When advertising on Facebook you can choose between two cost models:

CPC: Cost per click

CPM: Cost per thousand impressions

CPC simply means that you pay when someone clicks on the ad while CPM means that you pay for each 1, 000 people who have seen it. Both cost models use a bidding system - an auction - and the cost depends on what other advertisers are willing to pay for clicks or impressions from the same demographic.

Again, in areas where there are a lot of advertisers competing for the same demographic, which is defined by your targeting preferences such as country, gender, age, interests etc., the costs are higher and vice versa.

As always when it comes to Facebook advertising, you'll see best results by testing both models and choose the one that meet your business objectives.

But generally CPC gives a higher click through rate (CTR) whereas CPM generates fewer but cheaper clicks.

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## **TV Advertising**

Price for TV advertising is variable between €1000 and €350. 000 for 30 seconds advertising depended of time of broadcasting.

## **Billboards advertising**

Rates

General:

Billboard ad costs are set forth below for billboard signage.

- Bulletin (Large Billboard): Range of €1, 500 – €30, 000 per ad per 4 week period

- 30 Sheet Poster (Medium Billboard): Range of €750 – €2, 000 per ad per 4 week period

- 8 Sheet Poster / Junior Poster (Small Billboard): Range of €300 – €750 per ad per 4 week period

- Digital Bulletin (Large Digital): Range of €3, 500 – €25, 000 per ad per 4 week period for an ~8 second spot in a loop of ~64 seconds

<http://www.bluelinemedia.com/billboard-advertising>

Range of rates depends on timing and market.

Materials such as:

brochures

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newsletters

flyers

posters

1. 250 pieces - € 29, 00

2. 500 pieces - € 33, 00

5. 000 pieces - € 34, 00

10. 000 pieces- € 57, 00

20. 000 pieces- € 97, 00

50. 000 pieces - € 228, 00

100. 000 pieces - € 434, 00

[http://www.drukwerkmax.nl/4daction/web\\_shop\\_page/2/article/15160/?gclid=CKvMktWXiLMCFYXLtAod\\_CkAPg](http://www.drukwerkmax.nl/4daction/web_shop_page/2/article/15160/?gclid=CKvMktWXiLMCFYXLtAod_CkAPg)

Fairs (like Health Fairs, Job Fairs)

Give-aways (like baseball caps and mugs with your logo)

Coupons and free samples

Conducting contests

Baseball caps

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Pieces 1-5 6-29 30-99 100+

Price € 6. 9 € 6. 47 € 5. 61 € 4. 74

Shirts

Pieces 1-5 6-29 30-99 100+

Price € 8. 62 € 6. 9 € 4. 31 € 3. 45

<http://www.leoworkshop.com/>

Subtotal estimate price(costs needed to make to reach 1 million people) :

Give -aways (baseball caps and shirts)

~ €45, 000

Internet advertising (1 year) ~€500 a week

€ 24. 000

Materials (brochures, flyers and so on )

~€5, 500

TV Advertising (1 year long, on Saturday and Sunday 4x a day )

3000€ - 30 sec

~€480. 000

Total: ~€554, 500 (a year)