



## Promotion Objectives

What do you want to accomplish with promotion? Your promotion objectives need to be clearly stated and measurable. They must be compatible with the mission and objectives of the company, as well as the competitive and marketing strategies of the business. Objectives vary for different products and different situations. For example, you must promote differently to brokers than to wholesalers. When promoting to a broker, you must promote what you want the broker to present to the wholesaler. When promoting to a wholesaler, you simply want the wholesaler to purchase the product.

There are five general promotional objectives to choose from. The five types of objectives for promotional activities are:

- to provide information
- to increase demand
- to differentiate the product
- to accentuate the value of the product
- to stabilize sales

## Promotional Strategy

A promotional strategy or plan will help you select the tools and processes needed to reach your promotional objectives. Once you have reviewed all the possible promotional tools, you must devise a promotional strategy. A promotional strategy should address the following issues:

- What is the objective of the promotion? It is possible to have more than one objective, but it is recommended that a company target its audience or run the risk of losing focus.
- What do you want to say and who will say it?
- What types of promotion should be used?
- What effect should the promotion have on the customer?
- What are the criteria for measuring success?
- Which promotion is working?
- Which promotion is not working?
- What are the costs of the promotion compared to the benefits?

## Setting Promotional Expenditures

Establishing the amount to spend on promotion is difficult. Factors to consider in setting the size of your promotional budget include:

- **Market share** - A company that has a higher market share generally has to spend more on advertising to maintain its share.
- **Sales from new products** - If a company has a high percentage of its sales from new products, it has to spend more on advertising compared to companies with established products.
- **Market growth** - Companies competing in fast-growing markets should spend comparatively more on advertising.
- **Plant capacity** - If a company has a lot of unused plant capacity, it should spend more on advertising to stimulate sales of product.
- **Product price** - Both very high-priced (or premium) products and very low-priced (or discount) products require higher ad expenditures because, in both cases, price is an important factor in the buying decision. The buyer has to be convinced (through advertising) that the product is a good value.
- **Product quality** - Higher quality products require greater advertising effort because of the need to convince the consumer that the product is unique.
- **Breadth of product line** - Companies with a broad line of products have to spend more on advertising compared to companies with specialized lines.

### Selecting Media Outlets

Once you have determined the amount to spend on promotion you must allocate the money among various media and promotional outlets. But don't just select outlets based on low cost. Before looking at the dollar costs of different promotional media, it should be decided:

- Which media are most likely to reach the target audience?
- Which media suit the product image?
- If any product-specific features make one medium more appropriate than another (i.e., is a visual demonstration necessary?)?
- What is the promotional budget?

Common errors to avoid are:

- Trying to focus efforts on too broad a market.
- Allowing the quality of a promotional piece to lapse in order to afford more distribution, or lack of planning and coordination.
- No measurement of effectiveness.
- Relying on one source of media.

### Inexpensive Promotion Suggestions

If your promotion budget is small, below are some inexpensive, appropriate and effective methods of promotion:

- Personal selling
- Product demonstrations
- Direct mail
- Social media posts
- Business cards
- Yellow Page listing
- Seminars
- Newsletters
- Contests
- Flyers
- Statement stuffers
- Window banners
- Sports team sponsor
- Home parties
- Ethnic services - languages spoken

Of course, one of the best free methods of promotion is good "word of mouth."

*Based on information from the Food Processing Center, Kansas State University.*