

Subject Content	What students need to learn?
2.2.3	Appropriate promotion strategies for different market segments
Promotion	The use of technology in promotion

The Use of Technology in Promotion

Targeted Advertising Online

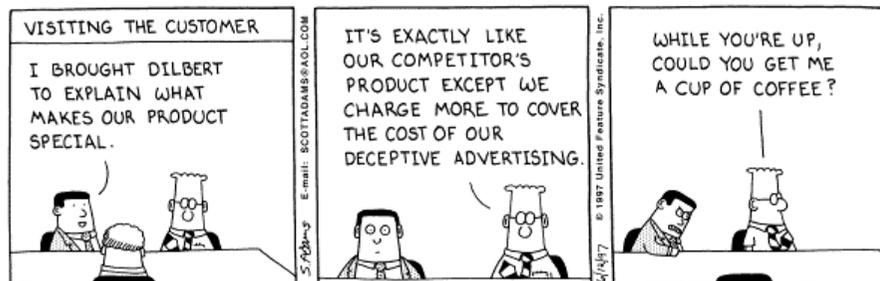
In 2015, UK spending on digital advertising far outstripped TV advertising. By 2017 more than half of all promotional spending in the UK was on digital advertising. Through the use of 'cookies' and other ways of capturing information advertisers today know much more about customers spending habits than previously. As a result advertising can be much better targeted, reducing waste and ensuring that firms are reaching their customers. For mass market products such as Coca Cola, TV advertising can still be cost effective due to the large number of customers they have. Targeting a much smaller customer range means online advertising is much more cost effective.

Viral Advertising via Social Media

It is easy to see why great video advertisements can 'go viral', in other words get passed on from person to person via Tweets and other social media. However it is difficult to get a campaign to go viral and many businesses have tried and failed. This is something that can be difficult to rely on as a form of advertising.

E-Newsletters

If you buy a cinema ticket online, you are likely to end up receiving the cinema's weekly newsletter. It will tell you about the major new films and offer discounts. From a companies point of view this form of advertising is virtually free. Some businesses will want to spend more on e-newsletters in order to make them more interactive however it is only the initial cost that is likely to increase.



Promotional Strategy for Different Market Segments

Advertising

In the mass market the role of advertising is often to achieve name recognition and little more. For example Just Eat advertises widely on TV in order to foster trust with their customers and ensure that customers are willing to use them. All mass market businesses aim to achieve a level of brand awareness like Audi who are able to sell their products at a premium because of their brand. In niche markets TV advertising is less appealing due to the cost. For example G-Star RAW aim their products at under 25s and have focused on digital advertising to improve street credibility.

Sponsorship

Sponsorship means paying to have your brand or company name attached to an activity that has credibility with your customers. Often this involves sport or music. For example Red Bull have sponsored extreme sports and Formula 1 giving it a risk taker image and help it compete with Monster and Relentless. This is an expensive form of promotion and so is unlikely to be used by niche market products.

Branding

Branding means giving your product or service a name that helps recall and recognition and gives a sense of personality. Successful branding can mean that an image stays with people years, even decades after the reality has changed. For example Heinz are still the go to product for baked beans, even though there are competitors out there.

Product Trials

A product trial means giving potential customers a free taste—or longer trial—of your new product. This approach is used when there is known to be a hurdle that is likely to prevent customers from making a purchase of their own. This is very expensive, not just due to lost products but also due to the amount of labour required to ensure it works well. Social media can help to reduce this if videos are made and posted online. E.g. Pepsi and Coca Cola taste testing.

Special Offers

Special offers should be regarded as the last resort. No company wants to 'give away' product, as with a BOGOF offer. Special offers can undermine the brand even if there will be short term gains in profit. There are occasions when special offers work best; after Christmas, a new competitor has arrived, launching a new product and so adding it into a deal with your best selling product.