

TIME REQUIRED

One to two ninety-minute block classes for marketing students

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OBJECTIVES

At the conclusion of this lesson, students will be able to understand the concepts and strategies needed to communicate information about products, services, images, and/or ideas to achieve a desired outcome. Students will acquire a foundational knowledge of promotion to understand its nature and scope.

PERFORMANCE INDICATORS

- Explain the role of promotion as a marketing function
- Explain the types of promotion
- Identify the elements of the promotional mix

MARKETING CLUSTER CORE | INSTRUCTIONAL AREA: PROMOTION

ACTIVITIES & ASSESSMENT

BELL RINGER

How would you promote the automated kiosk?

CLASSROOM ACTIVITY

Categorizing institutional and product promotion

CLASSROOM ACTIVITY

Applying the promotional mix to promotional plan for automated retailing

QUIZ

Promotion and the automated retail kiosk

INSTRUCTIONAL CONTENT

SLIDE 1

BELL RINGER: How would you promote the automated kiosk?

At the beginning of class, ask students to work with a small group and identify several ways that they will let their potential customers know about the automated retailing kiosk. Allow 5 to 10 minutes for this activity. Have each group share their ideas with the class. Look for common themes. Tell the students to hold on to that list- it will be used again later in the class.

SLIDE 2

Promotion: a communication process to inform, persuade or remind customers about a product or service.

Promotion is one of the 5Ps of marketing and one of the marketing functions.

SLIDE 3

There are two broad categories of promotion: Institutional and Product

SLIDE 4

Institutional Promotion: the promotional objective is to create a favorable image of the business. The purpose is to build the brand of your company. It focuses on the image of the business and may not result in direct sales of a product or service but will help to develop customer loyalty and favorability towards your business.

SLIDE 5

Example of Institutional Promotion:

Starbucks advertises that they sell “fair trade” and responsibly grown coffee. They are promoting their company image or values which is to pay a fair price to the coffee growers in Third World countries and to ensure that their suppliers use fair and responsible practices in growing and harvesting the coffee beans that they supply to Starbucks.

SLIDE 6

Product Promotion: the promotional objective is to convince potential customers to buy a product; the promotional emphasis is on the product itself and its features. The goal of product promotion is to drive increased sales of a specific product or products resulting from that promotion.

SLIDE 7

Example of Product Promotion:

Every year, beginning in November, Starbucks advertises their “Christmas Blend.” They boast the product features the “liveliness of Latin American coffees with the smoothness of Asia-Pacific coffees and aged Sumatra beans.” Starbucks Christmas Blend is also available in Starbucks Via Ready Brew, decaf, K-Cup packs and Verismo pod formats. This type of promotion is leading to the direct sale of the Holiday Blend coffee.

Businesses often use a combination of these types of promotion in their promotional plan.

The role of promotion as a marketing function or part of the 5 P’s is to make sure that the right group of customers is reached.

Without promotion, there would be no communication with the customers or potential customers. You would have the right product available for the customer, and priced to make a profit, but your customer would not know about you or your product.

SLIDE 8

CLASSROOM ACTIVITY: Categorizing institutional and product promotion

Ask students to return to their small groups with the listing of ways that they would promote the automated retailing kiosk. Have students identify which ones are product promotion and which are institutional promotion. Bring the class back together to share ideas.

SLIDE 9

Promotional Mix: a combination of promotional methods or strategies.

- The four elements or methods used in the promotional mix are:
 - Advertising
 - Selling
 - Sales Promotion
 - Public Relations/Publicity

SLIDE 10

Advertising is the paid, non-personal communication to customers and potential customers about a product or business.

- Advertising is “one-way” communication that goes out from the seller or business.
- Advertising can also be either product promotional, or institutional.

SLIDE 11

Selling is the face to face, personal communication with customers and potential customers about a product or business.

- Selling has “two-way” communication in which the seller explains the product and engages the customer for feedback to lead the customer to a buying decision.

SLIDE 12

Sales Promotion: strategies used by businesses to promote their product or business and drive sales revenue that doesn't include advertising, selling and public relations.

- Use of strategies such as coupons, BOGO, games, contests, preferred customer cards, etc.

SLIDE 13

Publicity and Public Relations include promotional strategies that generate goodwill towards the business and educate the community.

- Publicity refers to obtaining media coverage about your product or business. This is often accomplished by submitting press releases to media outlets about something positive and newsworthy about your business or a new product offering.
- Public Relations focuses on activities that will generate goodwill such as community give-back programs. Engaging the customer or potential customer in “relationship building” is a key objective of public relations.

SLIDE 14

CLASSROOM ACTIVITY: Applying the promotional mix to promotional plan for automated retailing

Students work with a partner to develop a promotional plan for the school based enterprise and the automated retailing kiosk. Students must apply the promotional mix to this plan. Prepare a presentation that will be delivered to the class.

ASSESSMENT AND FOLLOW-UP

QUIZ: Promotion and the automated retail kiosk

RESOURCES AND MATERIALS

Online Resources and Trade Journal Articles:

- <http://quizlet.com/1632509/marketing-essentials-chapter-17-flash-cards/>
- www.businessdictionary.com/definition/promotion.html
- <http://yourbusiness.azcentral.com/difference-between-product-institutional-promotion-4331.html>
- www.starbucks.com/responsibility/sourcing/coffee
- www.bevindustry.com/articles/86958-starbucks-launches-holiday-promotion-products
- www.wisegeek.com/what-is-the-role-of-promotion-in-the-marketing-mix.htm
- <http://marketing.about.com/od/marketingglossary/g/promomixdef.htm>
- www.marketingteacher.com/sales-promotion/
- www.prsa.org/AboutPRSA/PublicRelationsDefined/#.U9WEpUDii4E

QUIZ

PROMOTION & THE AUTOMATED RETAIL KIOSK

True or False: Mark a T beside each statement that is TRUE and an F beside the statements that are FALSE.

- _____ 1. Promotion is defined as a communication process to inform, persuade or remind customers about a product or service.
- _____ 2. Institutional promotion aims to promote a specific product.
- _____ 3. The four elements of the promotional mix are: product, place, price, and promotion.
- _____ 4. The automated retail kiosk does not require that the school based enterprise make any promotional decisions.
- _____ 5. Without promotion, there would be no communication.

Application:

Explain how your school based enterprise applies PROMOTION decisions to the operation of your automated retail kiosk.

QUIZ ANSWER KEY

PROMOTION & THE AUTOMATED RETAIL KIOSK

True/False Key:

1. True
2. False
3. False
4. False
5. True

Short Answer Key:

Responses will vary. Students should highlight promotional decisions they made about the kiosk. Examples include: use of Instagram and other social media to promote new kiosk and products within the kiosk; use of contests, sweepstakes, or other sales promotions to drive traffic to the automated kiosk, website ads, direct mail postcards, school announcements, etc.