
UNIT 15 PROMOTION STRATEGIES

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15.0 OBJECTIVES

After reading this Unit, you will be able to:

- learn the basic purpose of communication in promotion,
- understand the major elements of promotional mix,
- identify the various types of promotional strategies,
- learn how marketers budget for promotion, and
- have an understanding about promotional campaigns.

15.1 INTRODUCTION

Once you have designed and developed a product or service and priced it attractively as per the requirements of your target market, what do you do now? Well you have to not only make it available to your target customers but also promote it among them. Remember that there is intense competition among the suppliers of tourism products or services and success of tourism business depends largely on the use of an appropriate promotion **strategy**. The idea is to stimulate or motivate the target customer into purchasing your product. And it is through different communication activities that you attempt to influence your target market. In tourism it is not only the customers but also retail agents, suppliers, opinion makers (like journalists, travel writers, politicians) and important professional groups that need to be influenced. There are a range of promotional methods and you have to identify the required method which is most suitable for your objective. This Unit defines promotion along with the different elements of promotional mix. It also takes into account the aspects that are considered while deciding your promotion strategy.

15.2 PROMOTION AS COMMUNICATION

There is need to create awareness and to persuade tourists to step out of their homes and visit a destination that attracts or interests them. There are many motivators which stimulate their interest in taking a trip or tour to a place of attraction. However, these motivators may remain dormant and therefore, there is always a need to arouse them. In tourism, the Promotion-Mix are the communication efforts made by a destination or service organisation to **create awareness, arouse interest, develop desire and persuade tourists** to act and take a journey to places of attractions. All segments of the tourism industry use communication to inform and persuade customers. For example, airlines or Road transport organisations inform about routes, schedules and fares; Hotels create awareness about accommodation **and** other related facilities available with them; **Destination/attractions** inform customer

Promotion mix is also known as Communication mix.

about leisure, pleasure and relaxation activities offered at a given place etc. Hence, every **destination/principal** supplier/producer of tourism product or service, to use the words of Philip Kotler, "is inevitably cast into the role of communicator and promoter." This communication is aimed at not only creating awareness about the product/service but also at persuading the customer to use and experience it. In other words the product/service promotion is carried through communication and certain tools are adopted for this :

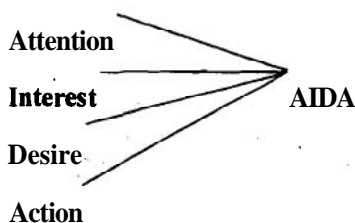
- Advertising
- Direct Marketing
- Sales Promotion
- Public Relations and Publicity, and
- Personal Selling.

Kotler has listed certain specific tools within these categories (see Table-1).

Table - 1

Advertising	Sales Promotion	Public Relations	Personal Selling	Direct Marketing
Printing and Broadcast ads	Contests, games, sweepstakes, lotteries	Press kits	Sales Presentations	Catalogues
Packaging outer	Premiums and Gifts	Speeches	Sales Meetings	Mailings
Packaging inserts	Sampling	Seminars	Incentive Programmes	Telemarketing
Motion Pictures	Fairs and Trade shows	Annual Reports	Samples	Electronic Shopping
Brochures and Booklets	Exhibits	Charitable donations	Fairs and trade shows	TV Shopping
Posters and Leaflets	Demonstrations	Sponsorships		
Directories	Couponing	Publications		
Reprints of ads	Rebates	Community relations		
Bill boards	Low-interest financing	Lobbying		
Display signs	Entertainment	Identity media		
Point-of-purchase displays	Trade-in allowances	Company Magazine		
Audiovisual material	Trading stamps	Events		
Symbols and Logos	Tie-ins			

Here it must be **noted** that any form of communication is required to **catch attention of the receiver (customer)**. Once the attention is caught, there must be something in communication to **arouse interest in customer** about the product/service. This interest should be **turned into desire** for the product/service. Ultimately it should make the customer to **buy/experience the idea/product/service**. The objectives of communication mix or the purpose of any communication is summed in AIDA formula which is:



An important aspect in promotional communication is **building of brand and product awareness**. A promotion campaign should provide necessary information of the product and should try to develop a favourable image of the product in the market. Promotion campaign has to be designed in such a way that the customer finds something special and credible in your product. In order to develop effective communications or promotion programmes, Philip Kotler has identified certain aspects that have to be accounted for stepwise. These are equally applicable in the case of tourism products.

- 1) The **target markets (customers) have to be clearly identified**. For example the destination wants to attract up-budget tourists who are high spenders or budget tourists.
- 2) Communication **objectives must be determined**. This means that the marketer must have clarity as regards to what has to be put into the **tourists** mind to influence the **tourist's** decision making process. The objectives may vary as per the levels of the tourists **state**

of readiness to buy. For example:

- **If** the tourists are unaware of your product the objective will be to **create awareness**,
- The tourists may be aware of the product but may not be having any further knowledge. Hence, in such a situation **the** objective would be to provide **knowledge**,

This is India!

Visit India!

India awaits You!

Why not India!

The tourists may have the knowledge but **they may** not have a liking for the product. Here **the** objective will be to adopt such measures that may help in developing a **liking**,

- **The** tourists may like the product but **may not prefer** it to the others available. The **objective** in this case may be to develop preferences amongst the customers,
 - **The** destination (product) may be preferred by the tourists but they may not have the conviction to go there (buy it). The objective **of the** communication in this case would be to build conviction.
 - **Lastly there** would be a situation where the tourists in spite of having a conviction, **may** still not make the purchase. The objective in this case would be to lead the tourists towards making the purchase.
- 3) An effective message has to **be developed** for communication keeping in view the target audience response **levels**. The message has to be effective in terms of **gaining attention, holding** interest, arousing desire and eliciting action (AIDA model). For this:
- the contents **of the** message have to be figured out,
 - the structure of the message has to be decided **e.g. whether** it should be conclusion drawing or one which raises questions and **leaves it to** the target audience to draw its own conclusions,
 - the message must have a strong format **e.g.** attractive headlines in print or voice qualities in audio etc.,
 - the message should be delivered through an attractive source, **e.g.** use of models, celebrities etc. by advertisers.
- 4) The communication channels have to be selected with care to deliver the message. These may be **personal i.e.** direct communication with customers which include :
- 'face to face communication,
 - telephonic communication,
 - person to audiences, or
 - direct mailing.

On the other hand there are non-personal communication channels which include :

- media,
- promotional events, or
- atmospheres or packaged environments.

Besides these aspects **Kotler** has laid stress on managing and coordinating **'the** total marketing communication process" and measuring **"the** promotion's results". Deciding on a promotion budget and the promotion **mix to** be adopted are other aspects in this regard. Each of the promotion tools mentioned earlier have their own features and in the subsequent Sections we shall discuss them individually.

15.3 ADVERTISING

Advertising is one of **the** most important and visible elements of a promotional strategy. Advertising is a **communication** that appears through non personal media to inform and **persuade** customers to **try or buy** an **idea**, product or service. It is paid form of communication as against **publicity** which is **received because** of being news worthy. **Advertising** is always associated by an identified sponsor. Thus, according to Kotler Advertising is **"any** paid form

form of non personal presentation and promotion of ideas, goods or services by an identified sponsor. Advertising is done to inform or persuade the customers to try or buy a product/service or an idea!

Advertising Process

Advertising Process like any other communication **involves**, four elements. These are:

- Sender,
- Message,
- Channel,
- Receiver.

i) **Sender**: Sender is the organisation or party which wants to communicate some message related to its product or service to its customers. Sender of course is advertiser but in advertisement, the spokesperson is sender. Spokeperson can be a model, character or celebrity.

Advertising, to be effective, needs right **spokeperson**. **There** are three requirements of any sender / spoke person:

- Trust worthyness
- Attractiveness, and
- Expertise.

ii) **Message**: Message in print media advertisements is copy. It involves Headline, sub-headline and copytext. The message is supported by visuals in case of print media, by audio visual in case of TV media.

iii) **Channel: Channel** is the media that is used for transmitting the message. The channel / media used for advertising are as follows.

Print Media • Newspaper, Magazines, Hand bills.

Broadcast Media • TV, Radio, Cinema Slides

• Outdoor Media • Hoarding, Bill boards, **Wall**/ Roof Paintings.

• **Transit** Media • Bus / Rail Panel, Sky writing, balloons.

• Point of Purchase (POP) • Posters, Cut-outs, **dummys**, shop signs, Window display.

iv) **Receiver**: Receiver is target customer who is to be informed or to be persuaded to buy the product / service.

Advertisements are classified on various basis. Some of the classification are given below.

Brand Advertisement	: Advertisement focused on product/brand .
Corporate Advertisement:	Advertisement focused on building image of the company and not any specific product/brand .
Social Service	Advertisement focused on Advertisement creating awareness about social cause like anti smoking, Cancer care; safe driving etc.

The advertising manager has to take certain decisions:

- **Objective/s** of advertising are decided. These can be creating awareness, increase in sales by given percent, to combat competitors, information about a new service, etc.
- **Appropriation i.e.**, how much money shall be allocated for advertising budget.
- What is the **message** for communication?

- Media Mix: What **medium / media** to be used. The timing or scheduling of advertisement is also to be decided. Besides the reach, **frequency** and impact of the medium are to be considered.
- Creative Strategy: What appeal to be used, Rational Appeal or Emotional Appeal.
- Evaluation Technique: Whether to use one **of the** pretesting and /or post testing methods to find ad effectiveness.

In small organisations advertising is looked after by sales or marketing people whereas big organisations have their own advertising departments. Today there are professional advertising agencies who offer their services for a price.

15.4 PUBLIC RELATIONS

Public Relations (PR) is a broader (Publicity) concept which includes publicity. Earlier marketers were using the term publicity which is now being replaced by Public Relations. We can define Public Relations as deliberate, planned and sustained activities of an organisation to develop and maintain good **relations with** publics of the Organisation.

Every organisation has various internal and external groups which have an actual **or** potential interest in the organisation. These groups are known as publics. It is necessary to develop good relation with these public. We give below examples of the publics of two segments of the tourism industry

I) Publics of Travel Agency

Internal

Employees, Share Holders, Managers, Trade Union.

External

Airline, Touoperators, Corporate Clients, Individual Customers, **Destination/Events** Managers, Transportors, Government (DOT) Media, Hoteliers etc.

ii) Publics of Airlines

Internal

Air Crews, Ground Crews, Managers, Share holders.

External

Travel Agencies, Tour Operators, Suppliers (Fuel, Food etc.), Government, Media, Competitors, Hoteliers, Destination Organisations, Corporate Clients, Individual Customers etc.

The Public Relations include:

- 1) Research (R)
- 2) Action (A)
- 3) Communication (C)
- 4) Evaluation (E)

This process we explain through a case example of

- 1) Research: A research was conducted among Indian Airlines travelers to **findout** their opinion about its service quality. One of the important findings of this research was related to opinion of travelers regarding "Empty Seats". They felt that even though there are empty seats Airlines does not offer seats.
- 2) Action: The opinion was developed because of lack of understanding about operations **of an** airline particularly related to flight requirements. The total load an aircraft can take depends upon various conditions **like** type of aircraft, length of runway, air density, temperature, etc. Therefore, at times because of these **factors** load to be carried by aircraft is to be limited. This makes it compulsory to keep few seats vacant to reduce load. Lack of this technical information made people to believe that airlines is inefficient regarding filling the empty seats.

- 3) Communication: Indian Air Lines designed an Advertising Campaign to make public aware about this critical information. Even every issue of **Swagat** (In-flight magazine of Indian Airlines) carries the message explaining why the seats may be empty..
- 4) Evaluation: A research was conducted to find out the opinion of travellers. It proved that the opinion of travellers has become favourable and their perception has **changed**.

Public relations is important not only in obtaining editorial coverage but also in suppressing bad coverage.

A typical opportunistic use of PR can be illustrated by the following example. Let us think that you are planning to open a holiday resort in **Andaman**. In the inauguration you should **try to** invite a **leading personality**, either politician or who matters to the press. At the opening ceremony, journalists and other guests would typically be invited to a reception and information booklets would be given to them. Press releases with major highlights **of the** resort would be available for the busy journalists. All the details of the opening should be pre-planned with precision using every opportunity to secure good media coverage.

15.5 PERSONAL SELLING

Personal selling is one to one / group presentation of service or product for the purpose of making sales. Travel agents / tour operators may explain clients about various destinations, packages, choices of hotels, cost, etc, so as to make a sale of travel / tour.

Personal selling becomes an art in this service industry as what is sold is a dream or a **future** performance.

There are **Three** Cs for good Personal Selling:

- Know **your** Customer's **need/desire**,
- Know **your** Company and its Services, and
- Know your Competitors.

The tourists are either vaguely aware about their needs or they may not be able to verbalise them. It is very important for tourism professional to understand the needs / wants and limitation of their customers. Similarly they should have complete knowledge about the destination, accommodation, transportation choice, cost, time and also facilities available. The procedure involved in performing the services should be clearly known and communicated to the clients. This becomes more important for international outbound tourists. The clients have to be told about the Visa, passport, health, currency regulations, social and legal practices etc. Finally, the sales force should be aware about the competitors and their offerings. For example, an airline sales executive should know what are the services and costs of these services that are being offered by its competitors. To make Personal selling be effective. There should be coordination between the efforts of suppliers and customers.

15.6 SALES PROMOTION

Sales Promotion is short term incentive provided by any organisation to customers so as to make them decide in favour **of the** organisation. Stress given in sales promotion is for a short term and on incentives. One night free stay for three **days** booking children under 12 no charges or a free ticket on every ten seats sold are the examples of sales promotion schemes.

There are three types of sales promotion:

- Customer Sales Promotion (Incentives are offered to customers)
- Trade Promotion (Incentives are offered to middlemen)
- **Sales** Force Promotion. (Incentives are offered to sales people)

SOME EXAMPLES OF SALES PROMOTION IN TRAVEL AND TOURISM INDUSTRY ARE

- Frequent Flyers Programmes of **Airlines**.
- Incentive scheme for group travel by Airlines.
- Welcome Group Hotel and Indian Airlines have jointly started a scheme "We fly your spouse to you for week-end" for business executives.
- Incentive tours to **Singapore/Hongkong** to travel agents and tour operators for achieving a given targeted business., etc.

Check Your Progress-1

1) How does communication occur?

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2) List some **advantages** of **communication** through advertising.

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3) What is sales promotion?

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15.7 PROMOTIONAL STRATEGY

The broader goal of promotion is to communicate between **organisation** and customer. Generally, communication is meant to create a favourable impression of a **company**, to raise consciousness for an idea or to influence legislation that may favourably **affect** an **industry**. Whatever be the objective the promotion should be planned. Plan involves setting goals **and** then designing strategies **to achieve** those goals. Strategies used by marketer to promote

product are as follows:

- **Push Strategy**
- **Pull Strategy**

Push strategy is whereby a supplier promotes a product to marketing intermediaries with the aim of pushing the product through the channel of distribution. For example, airlines give special incentives to travel agents for promoting their product (seats).

Pull strategy is whereby a supplier promotes a product to the ultimate customer with the aim of creating demand and thus pulling the product through the channel of distribution. For instance special discount coupons given by some hotels for promoting product. Customers are most familiar with the pull strategy.

Effective marketing plans generally make use of both push and pull strategy. The choice of strategy is generally determined by:

- type of product,
- customer's type, and
- the strategy of competitors.

15.8 PROMOTIONAL BUDGET

At the time of developing a workable strategy for the promotion of a product, due consideration should be given to budgeting. Whatever the amount an organisation can afford for promotional campaign by careful budgeting and selection of appropriate messages, media and schedule, one can effectively transmit the desired message. Various methods have been suggested for setting promotional budget. These are as follows:

i) The Objective and Task Method

Under the objective and task method, the budget is based on an estimate **of the** amount needed to accomplish established objectives. Consider a promotion for a **fast-food** restaurant. Assume that your objective is to establish its brand image through advertising within a **year**. The tasks to accomplish this and their costs may be like this:

Advertising through television	Rs.2,00,000/-
Advertisement in Newspapers and Magazines	Rs. 1,00,000/-
Publicity	Rs.1,00,000/-
Sales Promotion	Rs.1,00,000/-
Total	<u>Rs.5,00,000/-</u>

ii) Percent of Sales Approach

In this approach, the amount to be spent for promotion is **fixed** as a standard percentage of sales. Thus if a hotel desires to spend 5 percent of sales revenues on promotion and it **expects** to sell 100 crore, it will allocate 5 crore for promotion.

iii) The Competitive Comparison Method

Under this method, the amount is fixed based on what the competitors spend.

iv) The Fixed-Sum-Per-Unit Method

A specific amount is fixed for the promotional purpose.

These are some of the standard approaches to decide a promotion budget. However, by having proper market information about your product and reading the market position carefully, you can **devise** your own method of **fixing** the **budget** for promotion.

15.9 KEY ASPECTS OF PROMOTIONAL CAMPAIGNS

So far we have discussed various elements of promotional mix and its budgeting mechanism. In this Section, we will explain how to develop promotional campaign. Promotional campaign is a part of a company's promotional mix. Promotional campaign includes services or activities to achieve the desired objective. Different products need different approaches to convey messages to the customers. A new product may require a promotional campaign which is entirely different from an established product. The four major approaches, suggested by market experts, to develop a promotional campaign are as follows :

- i) **Image Building:** Under this approach, emphasis is given to communicate an image and generate customer preference for a particular brand or company.
- ii) **Product Differentiation:** In this promotional approach, the marketer stresses those aspects of a product or brand that set it apart from its competitors.
- iii) **Positioning:** A positioning approach promotes a brand in relation to other competitive brands in the market.
- iv) **Direct Response Campaign:** It expects a direct measurable response from the market. Personal selling activity falls in this category.

Check Your Progress-2

1) How does push strategy differ from pull strategy?

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2) What are the different approaches in making budget for promotion?

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3) Explain product differentiation approach.

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15.10 LET US SUM UP

Promotion is communication designed to inform, persuade and remind buyers about your product. The four key elements of promotion are advertising, public relations, personal selling and sales promotion. Promotional strategies include a push strategy and a pull strategy. Proper budgeting of promotional activities and selecting a **useful** method of promotional campaign are essential components in promotion. We hope in the light of **this** discussion, you would be in a position to decide appropriate strategy to promote your product.

15.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress-1

- 1) See **Sec.15.2.**
- 2) See **Sec. 15.3.**
- 3) See **Sec. 15.6.**

Check Your Progress - 2

- 1) See **Sec. 15.7.**
- 2) See **Sec. 15.8.**
- 3) See **Sec. 15.9.**