

Chapter Review

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The Marketing Mix: Promotion

Objectives...

- 1 understand the role, purpose and aims of promotion in the marketing mix
- 2 discuss and evaluate the principal methods of promotion
- 3 explain what is meant by relationship marketing
- 4 discuss the technologies used to enable marketing

Key Terms

Customer relationship management (CRM)

The entire process of maximizing the value proposition to the customer through all interactions, both online and traditional. Effective CRM advocates one-to-one relationships and participation of customers in related business decisions.

Marketing communication

the diffusion of persuasive information about a product aimed at key stakeholders and consumers within the target market segment

Promotion

Communication with individuals, groups or organisations in order to facilitate exchanges by informing and persuading audiences to accept a company's products

Promotional mix

The combination of five key communication tools: advertising, sales promotions, public relations, direct marketing, and personal selling.

Relationship marketing

Places emphasis on the interaction between buyers and sellers, and is concerned with winning and keeping customers by maintaining links between marketing, quality and customer service

32. The primary role of promotion is to communicate with a range of stakeholders with the aim of directly or indirectly facilitating exchanges. Promotion is often referred to as marketing communications. To gain maximum benefit from promotional efforts, marketers must make every effort to plan, implement, coordinate and control (manage) communications properly. An important purpose of promotion is to influence and encourage prospects and customers to access or adopt goods and services. The major promotional methods include advertising, personal selling, public relations and sales promotion and may include sponsorship, direct marketing and the use of Internet technologies such as the World Wide Web. The basic (traditional) marketing approach is presented around the marketing mix (4Ps) concept. However, some practitioners and scholars consider this to be both an outdated and inappropriate explanation of how marketing works. Marketing may also be regarded in terms of interactions with individuals (prospects and customers). Traditional marketing places emphasis on the marketing mix and individual transactions whereas relationship marketing focuses on winning and retaining customers. Relationship marketing requires a differing philosophy within the organisation and is reliant upon database technologies to support customer acquisition, retention and continued selling activities.