

Marketing Basics

Promotion

Any communication about the value and benefits that you have to offer is a promotion. People often confuse promotion with marketing. Promotion, however, is only one part of the marketing mix. It is important to balance promotion with the other Ps. There are many different methods of promotion:

- **Advertising:** This is used to reach a mass market.
- **Selling:** This is small group or one on one communication.
- **Publicity:** This includes mentions in the press or online.
- **Word of mouth:** Customers are part of the promotion process, and word of mouth should not be ignored.

Price

The second part of the marketing mix is price. The price is what the customer pays, and it affects purchasing. A high price will discourage buying, but a low price may require a cut in product quality. Pricing is complex, but there are two basic pricing methods: value based and cost based.

Value based: This method of pricing is what the company believes the customer is willing to pay for the product. For example, parking may be based on a value based system rather than the cost of the space itself. Value based pricing is driven by supply and demand.

Cost based: Cost based pricing is based on what the product actually costs to make. The costs are added up, and the price is based on what it takes to cover the costs and make a profit.

Choosing the Right Media

It is impossible to communicate with your target audience if you do not use the correct media. For example, overlooking social media for younger customers will almost guarantee that they do not receive your communication. Choosing the right media depends on your customer and your budget.

- **Radio:** This media only reaches a small group, but you can focus exclusively on your target market.
- **Television:** The media reaches a broader group, but it is expensive and the message may be ignored with DVRs.
- **Publications:** Reach your target market in specific publications.
- **Internet:** Banner ads and SEO broaden the market.
- **Social media:** Social media allows customers to follow and share, but it requires monitoring and maintenance.