



THE TIMES 100

BUSINESS CASE STUDIES

Promotion - JD

JD (part of the JD Sports Fashion PLC Group of companies), a large and well-known retailer, manages the balance of its marketing mix around its consumers' needs in order to achieve business growth. The marketing mix is often termed the 4Ps. It is a useful way of looking at how organisations reach their consumers. Businesses need to create a mix that involves the right *products* sold in the right *place* at the right *price* using the most suitable forms of *promotion*.

The purpose of promotion is to create awareness in consumers or generate interest and desire to buy products. Promotion can also be used to create or change a brand image and maintain market share. JD wants to position itself away from competitors to give it **competitive advantage**. This means that high profile manufacturers and brands will prefer to release their products to JD rather than its competitors as they are likely to sell more products and protect the brand's positioning. JD promotional activity uses a mix of **above-the-line** and **below-the-line** promotions. Its above-the-line activities include:

- paid-for advertising in newspapers and magazines. JD advertises in high circulation titles, such as the men's lifestyle magazine FHM and the music magazine NME
- **product placements** in a range of publications are used to promote the different brands
- TV and radio advertising. Radio advertising in particular allows JD to target its key 13-20 year old audience quickly and in a way that young people find relevant.

Although these types of media reach a wide audience, they can be costly. It is also difficult to measure response rates. JD also makes significant use of other forms of paid-for advertising. Described by JD as **ambient marketing** this means using outdoor advertising such as poster sites, t-sides on public transport or around key stores in areas of high footfall. JD positions itself alongside professional football clubs such as Blackpool FC and has made kit deals under the Carbrini brand, supplying kits for the field of play and training wear. The company also advertises on television backdrops, in club shops and around the grounds. This approach helps to target the young, largely male audience which is typical of its customer profile. It also establishes the brand within local communities.



Below-the-line promotions offer opportunities to communicate directly with consumers e.g.

~ E-mail helps JD to regularly contact its database of consumers with promotions and product information. Magazines and leaflets present product and lifestyle content.

~ Sales incentives, promotions and competitions with celebrities generate excitement and interest in the brand. This reinforces its youthful appeal. For example, JD partnered with Adidas to provide VIP tickets for an exclusive N-Dubz event at the O2 Arena.

~ **Sponsorship** and product endorsement by celebrities and music artists are used to highlight new ranges and products. For example, Tinchy Stryder promoted the Star in the Hood clothing range and The View promoted the Duffer of St George range in a press campaign.

~ A JD partnership with the Manchester Evening News Arena not only puts the brand in the arena itself, but also enables the company to feature competitions and offer prizes to capture potential custom.

~ JD also uses impactful photography and high quality **point-of-sale** materials in stores and window displays to attract consumers and increase **footfall**.

Growth of social media such as Facebook and Twitter also enables the company to use consumer recommendations as part of its promotional activities. It is estimated that every person viewing a page may pass on information to another 150 people.



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Questions

1. Promotion is only one element of the marketing mix. What are the other three?

2. Describe what is meant by above-the-line promotion.

3. Explain why organisations like JD might prefer to use below-the-line promotion instead of above the line promotion.

4. Analyse the purpose of promotion for firms like JD, particularly in a difficult economic climate.

Task

Scenario – a go-karting business is just setting up in your local area. It will be opening in three weeks. In addition to an ‘arrive and drive’ option, the business is hoping to attract group bookings for parties as well as offering corporate entertainment. It will have a cafe bar as well as the track. Put together a recommendation for the owners about how they should go about promoting the opening of the new track. Justify your recommendations.

What have you learned?

Word jumbles . create anagrams from the different terms learned in today's session. Swap with a partner and try to work out what the terms are from the anagrams.