

Assignment: Paola's Pizzas Promotional Campaign

Paola's Pizzas is a small pizza delivery business located in Balham, London. The business has been operating for two years and now has an established customer base. A range of pizzas are cooked in a traditional wood-fired oven.

Business Name	Current Market Share
Dominoes	35%
Pizza Hut	25%
Top Hat	20%
Paolo's	10%
Pizza Crazy	10%

The Pizza market in Balham has reached the maturity stage of the product life cycle.

Most of Paola's customers are highly educated young professional people who order delivery food when they get in from work. Most work in central London, earning salaries that are above average.

Last year Paola's had a promotional budget of £5500. This was spent mainly on a weekly advertisement in the local newspaper and a one-off BOGOF promotion over the summer.

Promotional Activity	Cost
Advert in local weekly newspaper	£50 per issue.
Advert on local radio	£500 to produce and £80 per broadcast.
Internet website	£500 to set up.
Posters on buses	£300 per month
Advert in national newspaper	£2500 per issue
TV advert (London Area)	£5000 for 30 seconds off-peak (1am-6am)
Leaflet distribution to households	£100 to produce and £100 per 1000 to print
BOGOF every Wednesday evening	£1000
Set up VIP card giving 10% discount on pizzas.	£100 per month

Task

The owner has asked your team to develop a promotional strategy for the next year that will enable the business to build its brand image and increase its market share to 20%. She has allocated £7,500 for this campaign.

Your proposal should include both above-the-line and below-the-line promotional activities. Try to be imaginative in your final presentation, and do not limit yourself to the media above.

You will need to consider the following factors:

1. Cost - This should be looked at in terms of cost per target customer reached.
2. Nature of the product - fmcg's require different media to large capital goods aimed at business users.
3. Position in life cycle - At launch the main aim is to increase awareness. Later in life the focus may change to keeping existing customers and encouraging customers of rival firms to switch.
4. Legislation - Some laws prohibit certain promotional methods for some products.