**Promotion past paper question**

Miles Guitars is solely owned by Dave Miles, who set up the business 25 years ago. The business had built an excellent reputation for making top quality acoustic guitars. The recession was taking its toll, and when he viewed the Profit and Loss Account for 2013, sales revenue had fallen worryingly. Reluctantly, Dave who had always adopted a democratic leadership style, called all 27 members of his staff together to discuss the worrying situation and the possible job losses that might be necessary.

At the meeting one of the apprentices, who had recently joined a local ukulele band, suggested that ukuleles were something that the firm might consider making. Dave was aware of the increasing popularity of the instrument and undertook some market research to assess the potential of the market. Following a great deal of discussion with his senior members of staff, Dave decided to start making ukuleles in an attempt to revive the business. He estimated that there would be a good deal of added value in the production process and this encouraged him to proceed.

Dave and his senior designer devised three models and set up a team of seven workers to manufacture the ukuleles. The seven workers were put through an intensive training programme to ensure that the quality of the Miles brand would be assured, and within six weeks production had begun.

Dave knew that they would have to generate a relatively high volume of sales if the venture was to be successful, and with this in mind, he increased his marketing expenditure by 75% compared with the previous year. He decided to place adverts in two of the UK’s leading music magazines and to contact directly all the existing customers on his database. He also decided to have the ukuleles prominently displayed on their stalls at any music trade exhibitions. If the hoped-for volume in sales was to be reached, the manufacturing team would have to work very hard and Dave decided to introduce a team bonus scheme if they attained the targets set.

After one year the success of the new ukulele venture was reflected in the 2014 Profit and Loss Account. The threat of redundancies had been overcome, and if sales continued to rise, he was even contemplating taking on two new apprentices.

**Using examples from the text, explain what is meant by ‘above and below the line promotion’. [4]**