

Advertising

Chestnut Hill College



- Sales Promotions
 - Very similar to, but still different than Advertising
 - Is an effort to create a strong call-to-action
 - The gimmick to get people in/calling/clicking/purchasing
 - Short or long term, usually short term and MUST have a time frame.

- Types of promotions
 - Merchandising (retail)
 - Coupons/Couponsing
 - Promotional Ads
 - Trade Shows
 - Event Marketing
 - Entertainment Tie-ins
 - Games/Contests
 - POP (store displays, endcaps)
 - Premiums/Incentives
 - Loyalty Marketing Programs

- **Why do promotions**
 - **To affect consumer behavior-** People are smarter, more selective and less brand loyal. Changing behavior isn't easy.
 - **Pricing-** Consumers expect price reductions and sales
 - **Parity Products-** Help to push a product that's gained parity in the marketplace. It's the tie breaker.
 - **Retailer demand-** Powerful & Dominant (often big box) retailers often require some promotion in order to place a product in their stores.

- Promotions Promotions Promotions – The Triad
 - Consumer Promotions
 - Trade Promotions
 - IMC Promotions – Crossing the lines

- Consumer Promotions
 - Price Deals (i.e. Sales)
 - Coupons
 - Rebates
 - Samples/Trials
 - Contests
 - Premiums
 - Specialty/Swag/Chochkis

- Sales
 - \$ or % off of a product
 - \$5 off any in store purchase
 - Sunday only, 25% of any “Hillary Style Pantsuit”
 - Bonus Pack
 - 50% more free inside
 - Banded Pack
 - Packaging one product with another

- Coupons
 - Retailer sponsored Coupons
 - Shop Rite/Acme/Superfresh coupons
 - Only redeemable at the specific retailer
 - Manufacturer Coupons
 - Product/maker specific
 - 50 cents off the jumbo pack of baked beans with this coupon
- Distribution
 - FSI
 - Direct Mail
 - Register Receipt
 - Door-to-Door/Door hanger/door flyers
 - Et cetera

- Rebates
 - Cell Phones
 - Money back
 - Requires consumer input
- Win-win
 - Often, people will not mail out for the rebate – so you saved money
 - When they do, you have their information –and you can market them

- Samples/Trials
 - I like to call it the drug dealer approach
 - The hope is that the consumer will like it and buy it

- Sample Tables (Free Food)
 - Free trials in the mail
 - In store give-aways
 - Et cetera

- “Use it for a trial period, return at no risk”
 - In man ways, test-driving a car is a trial

- Contests/Sweepstakes
 - Potential windfall incentive to buy
 - REGULATED
 - Can help build a mailing list
- You can't require a purchase, or else it becomes gambling.

- Premiums
 - Free stuff that comes with not-free stuff
 - Toys in cereal boxes
- Direct Premiums: Immediate Gratification
 - Store/retail premiums
 - In/on pack premiums
- Mail Premiums
 - Taking “shipping and handling” to a new level

- Specialty Items/Swag/Chochkis
 - Free items given away with the logo, etc
 - T-Shirts, Pens, Calendars, Coffee Mugs, Mouse Pads, etc
 - Designed to be kept out in the open and seen
 - Acts as an endorsement of the product/brand

- How to use consumer promotions
 - Awareness
 - Trial
 - Maintain/Increase Market Share
 - Brand Reminder
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- How to use consumer promotions: Awareness
 - Create a general awareness of the brand
 - Awareness helps in consumer decision making
 - How can you chose a product you are unaware of?
 - Awareness building can be
 - Point of Purchase displays (PoP)
 - Special events
 - Taste Tests (food/beverage) or other comparison in public

- How to use consumer promotions: Trial/Samples
 - Trying the product, or seeing it demonstrated
 - Can be done with....
 - Actual free trials/samples
 - Coupons offering a discount
 - Useful with a deadline/expiration date
 - Can affect increase sales 10 fold

- How to use Consumer Promotions: Market Share
 - Use price deals to encourage loyalty
 - Coupons, other premiums, events
 - Mascots as premiums
 - Anniversary celebrations (a reason for a sale/promo)
- Remind people of your brand, etc

- How to use Consumer Promotions: Brand Reminder
 - Remind the consumer of their positive experience
 - Communicate new products inside the brand
 - “Recapture” lost customers
 - Promos to thank the customer (sales people often give away swag)

- Trade Promotions
 - Directed at wholesalers and retailers
 - NOT directed at the end consumer
- Done via
 - PoP displays: Designed to call customer's attention to the product
 - Dealer/Retailer/Sales Kits: Sales information about a product, usually B2B
 - Trade Incentives/deals: extra product, free food, gifts
 - Contests: "Sell 1000 units of our product and you get a free tire"
 - Trade Shows: Exhibits that promote products or services to potential consumers

- Promotions: At the Heart of Push/Pull Strategies
 - Create a pull strategy with coupons
 - Create a push strategy by having a contest to sell X units
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- Cross Promoting
 - Sponsorships
 - Supporting an event, **event marketing**: can be sports, concerts, festivals, school plays, buildings
 - Alternative
 - Blimps, balloons, skywriting, those airplanes at the beach/shore, inflatables
 - Loyalty Programs
 - Frequent Flyer programs, supermarket cards, auto incentives
 - Partnership Programs
 - Co-branding (American Airlines Visa), licensing (NBA license its logos for t-shirts), tie-ins (McDonalds Star Wars promos)

- Promotional Strategy
 - Identify the goals of the promotion
 - Identify the costs of the promotion
 - Identify the breakeven point (if any)
 - Setup the objectives, strategies and tactics of the program.
 - Identify who's responsible for what (company, retailers, wholesalers, sales team, etc)
 - Remember promotion is short term

- Brand vs. Promotion
 - The issue of brand building is sometimes in conflict with promotions
 - Promotions can push the emphasis from the brand and its strengths to the price
 - Do you see the issue?
 - McDonalds, who's brand is about value, decides to discount something on its menu. Well, if it's already at a value, why are they discounting it further. Is it not worth the regular price? Is it going bad?

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