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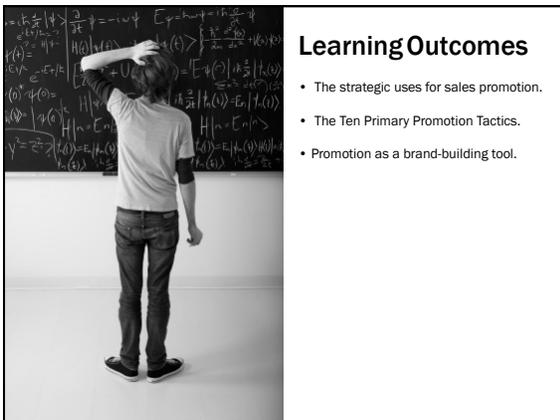
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### WHAT IS SALES PROMOTION?



- ✦ Marketing activities that stimulate consumer purchasing and dealer effectiveness through a combination of personal selling, advertising, and all supplementary selling activities.
- ✦ Short-term incentives to encourage the purchase or sale of a product or service.
- ✦ Efforts intended to provide incentives for customers to take an action over a specified time period, such as to visit a sales booth or to consider a product or sales proposal.
- ✦ Sales promotions generally offer short-term incentives to encourage the purchase of specific product over a specific time period.

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### CONSUMER SALES PROMOTION

- ✦ Motivating the consumer to buy NOW.
- ✦ Providing the consumer with a positive brand experience.
- ✦ Balance short-term objectives with long-term brand image.
- ✦ Tactical, yet strategic.

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### ADDING VALUE AND POSITIVE BRAND IMPRESSIONS



- ✘ Offering consumers additional value in the form of premium merchandise to motivate them to
  - + Buy now
  - + Buy more
  - + Buy again and again

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### STRATEGIC USES OF SALES PROMOTION #1 TRIAL



- ✘ Generating Trial.
- ✘ Getting the target audience to try a product or service for the first time.
- ✘ There has to be a First Time.

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### STRATEGIC USES - CONTINUITY



- ✘ Building Continuity.
- ✘ Okay, they tried it. Now get them to buy it again.
- ✘ Establish brand preference, develop loyalty, habit.

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### STRATEGIC USES - LOADING



BUY 3 GET ONE FREE

- ✘ Persuading the customer to "stock up" or buy more than immediately needed.
- ✘ This can be very strategic. It takes the consumer out of the market for a period of time and makes them immune to competitive inducements.
- ✘ Example: Store Brand Canned Goods Days.

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### STRATEGIC USES - DISPLAY



- ✘ Display: Generating trade support with special off-shelf, end aisle or extra product placement and features.
- ✘ Incremental volume due to impulse sales.

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### 10 PRIMARY PROMOTION TACTICS



1. Sampling:
  - ✘ Getting the consumer to try a product for the first time.
  - ✘ The purpose is for the consumer to experience the unique advantages of the sponsoring product over its competitors.

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### PROMOTION TACTIC #2. COUPONING



- ✘ A specific amount is discounted from a product when the consumer presents the offer at the time of purchase.
- ✘ Usually stated in cents-off or dollar-off increments, sometimes is a percentage offering.

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### PROMOTION TACTIC #3. PRICE PACKS



Quite simply, a specially marked package which announces a specific and temporary price reduction for that product. Typically 10% - 15% versus established retail price.

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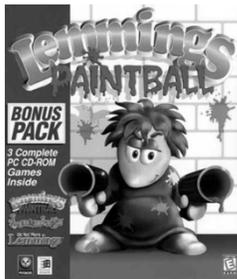
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### PROMOTION TACTIC #4. BONUS PACKS



- ✘ A special package offering extra product at no increase in price. Typically 20% or more extra product is offered.
- ✘ Sometimes multiple units are packed together and sold for the single unit price.

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**PROMOTION TACTIC  
#8. SELF-LIQUIDATING PREMIUMS**



This promotion offers consumers the opportunity to obtain, via mail, a specific premium item in return for one or more proofs of purchase together with sufficient cash to cover the cost of the premium. Because of the cost efficiencies or large purchases or unique, limited edition quality of the premium, the consumer often gets great savings or an item that is not available anywhere else.

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**PROMOTION TACTIC #9. SWEEPSTAKES**



A promotion that offers a **chance** to win a **prize** with absolutely **no consideration**. No purchase necessary separates this from an illegal lottery and is why this tactic requires careful development.

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**PROMOTION TACTIC #10. CONTESTS**



A contest offers a consumer a chance to win a **Prize** through the demonstration of superior **Skill**. Chance is **NOT** a factor in the awarding of the prize.

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### MOTIVATION FACTORS

- ✘ There are really only two **things** you can do for a product or service to motivate immediate action...
  - + Add Value to the Product or Service (Value-Added Strategy)
  - + Cut the price (Discount Strategy)
- ✘ There are only two **times** you can deliver the motivation factors...
  - + Now. Immediate Gratification
  - + Later. Delayed Gratification

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### PROMOTION TECHNIQUES

Promotion Technique	Primary Strategic Use	Motivation Factors
1. Sampling	Trial	Value-Added Immediate or Delayed
2. Couponing	Trial / Continuity/ Loading	Price Cut Immediate
3. Price Packs	Loading / Trial	Price Cut Immediate
4. Bonus Packs	Loading	Value-Added Immediate
5. Merchandise Packs	Trial / Loading	Value-Added Immediate

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### PROMOTION TECHNIQUES

Promotion Technique	Primary Strategic Use	Motivation Factors
6. Refunds	Loading/ Continuity / Trial	Price Cut Delayed
7. Free-in-the-Mail	Loading / Continuity/Trial	Value Added Delayed
8. Self-Liquidating Premiums	Display	Value-Added Delayed
9. Sweepstakes	Display	Value-Added Immediate or Delayed
10. Contests	Display / Loading / Trial	Value-Added Delayed

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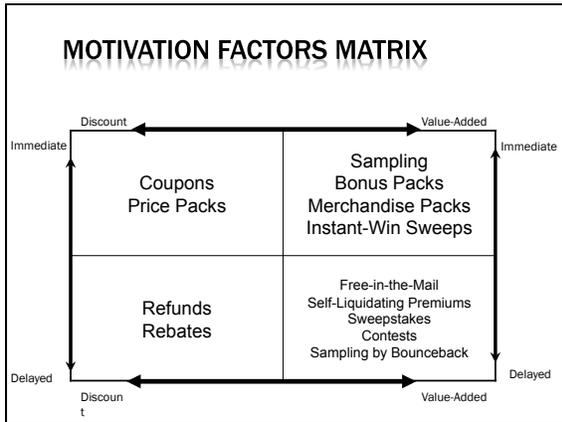
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### HOW CAN PROMOTIONAL PRODUCTS OR PREMIUMS FIT IN?



- × Sampling
  - Container Premiums
    - × Glassware
    - × Tins
    - × Special Edition Boxes
  - Bags
  - Sample Cases
  - Aprons
  - Table Covers
  - Apparel for sampling personnel
  - Door hangers

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### USING 3 DIMENSIONAL MEDIA TO GET RESULTS



**Coupons:** Using premiums such as bags, bumper sticker backers, temporary tattoo backers, iron-on transfer backers as a value-added couponing device.

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### MEDIUM OF ENGAGEMENT



- ✘ Free-in-the-Mail: creative, design, sourcing of premiums to reinforce the brand message and add value to the consumer's perception of the brand.
- ✘ Offer a free premium to add value instead of a rebate or refund which is a discount strategy. A well-chosen premium will have a much higher perceived value than a cash rebate for the cost of the premium.

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### MERCHANDISE PACKS



- ✘ Merchandise Packs
  - Packed in the product
  - Packed on the product
  - Product packed in the premium
  - Packed on multiple product
  - Offered next to or near the product
- ✘ Toys, stickers, tattoos, coloring books, sets of stuff, games, recipes books, measuring tools, items related to the product's attributes or usage.

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### LOW OR NO RISK - WIN/WIN PROMOTION



- ✘ Self-liquidating premiums.
- ✘ Consumer pays for the premium. Client's promotion carries the offer.
- ✘ You make the sale. Item must have high perceived value or be hard to find in other channels.

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### **SWEEPSTAKES**



- ✘ You can recommend and source prizes.
- ✘ **DO NOT ATTEMPT TO PRODUCE A CONSUMER SWEEPSTAKES WITHOUT COMPETENT LEGAL ASSISTANCE!**

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### **YOU MAY ALREADY BE A WIENER!**



- ✘ **Prize Promotions include:**
- ✘ Sweepstakes,
- ✘ Contests,
- ✘ Games of Chance.
- ✘ They can be directed to consumers, the trade and to employees.
- ✘ Rules, Laws and enforcement varies depending upon to whom the promotion is directed.

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### **PRIZE PROMOTIONS**



- ✘ Prize Promotions are used for motivating Employees, Sales Forces, the Trade and Consumers.
- ✘ When a promotion includes these three elements: PRIZE, CONSIDERATION AND CHANCE - it becomes an illegal lottery.
- ✘ Generally, only consumer promotions have enforcement of lottery rules.

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### SWEEPSTAKES



- ✗ The most common prize promotion.
- ✗ **Sweepstakes:** A promotion that offers the **CHANCE** to win a **PRIZE**.
- ✗ Several creative ways to deliver a sweeps - but first some **LAW**.

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### WHAT'S THE DIFFERENCE BETWEEN A PROMOTION AND THE NUMBERS RACKET?



- ✗ How to Violate 50 State Laws, Federal Law, Mail Regulations, RICO Statutes, FTC, FCC and just about everything in between.
- ✗ How to get your client's boss fined or jailed.
- ✗ Run an illegal Prize Promotion!

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### PRIZE - CONSIDERATION - CHANCE AN OFFER YOU SHOULD REFUSE!



- ✗ Your promotion is illegal if it contains these three elements:
  - ✗ - Prize
  - ✗ - Consideration
  - ✗ - Chance
- ✗ Prize: Something of value that the consumer want to get.
- ✗ Consideration: Payment or significant effort required to participate.
- ✗ Chance: Winning is determined by some random method.

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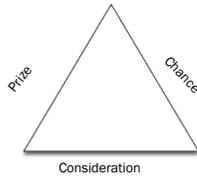
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**TO MAKE IT LEGAL - REMOVE ONE OF THE THREE ELEMENTS THAT MAKE IT ILLEGAL.**



- ✘ Remove Prize and you don't have much of a promotion. "\$5.00 gives you a chance to win NOTHING!"
- ✘ Remove Chance. You need to redefine how the prize will be awarded if not by chance. Skill? Measured performance? Good Looks?
- ✘ Remove Consideration. "NO PURCHASE NECESSARY"

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**CHANCE PROMOTIONS**



A chance promotion that offers a prize but does not require purchase (consideration) to enter, participate or win.

- ✘ Random drawing - most common type.
- ✘ Instant-win - preselected winning game pieces randomly distributed among universe of common game pieces.
- ✘ Match 'n Win - match game piece to packaging element, display graphic, in-store sign, UPC code, website, etc.
- ✘ Programmed Learning - consumer must answer product-related questions to enter
- ✘ Multiple Entry Sweepstakes - multiple prize structures for the consumer to choose from and enter to win.
- ✘ Automatic Entry - coupon or other promotion participation becomes automatic entry into a sweepstakes.

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**SKILL PROMOTIONS - CONTESTS**



- ✘ Replace the element of chance with skill and you now have a Contest.
- ✘ In most states, you can require purchase, but most attorneys advise against it. The tie the skill to the product to get around this (i.e. Pillsbury bake-off).
- ✘ Contests are also an effective trade promotion tactic for generating creative in-store displays.

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### CONTESTS CAN INCREASE PRODUCT USAGE / USE-UP.



- ✘ Baking contests
- ✘ Cooking contests
- ✘ Photo contests
- ✘ Craft contests
- ✘ Coloring contests
- ✘ Essay contests
- ✘ Athletic contests
- ✘ Beauty contests

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### CONTESTS ARE COOL



- ✘ Great way to involve the family.
- ✘ Great way to discover new uses for a product
- ✘ Contest entries can become part of a custom calendar or deck of cards
- ✘ Rules must clearly define how winners will be selected AND must eliminate chance from the equation completely!

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### TRADE PROMOTIONS



- ✘ Display is an important promotion strategy.
- ✘ Over 68% of retail sales are the result of an unplanned (impulse) purchase.
- ✘ Items that can be used as retail displays.

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### DEALER LOADERS



- ✘ A gift to a retailer or dealer who purchases a specified quantity of merchandise.
- ✘ An incentive given to wholesaler or retailer in return for quantity purchase. Often, a premium is attached to point-of-sale display, to make sure that the display is noticed by a retail manager.
- ✘ A gift given to a retailer who purchases a specified quantity of a product during a trade sales promotion. See Trade Sales Promotion.

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### DISPLAY LOADERS



- ✘ Picnic tables
- ✘ BBQ Grills
- ✘ Chairs
- ✘ Coolers
- ✘ Inflatable Items
- ✘ Tents
- ✘ Anything that will make an impact in-store.
- ✘ Retailer may also use the item as an in-store giveaway drawing item.

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### DEALER LOADERS



- ✘ Premium Incentives are often used to motivate a larger order size or to build displays.
- ✘ The promotion pays for itself through the incremental sales that the client experiences.
- ✘ Choice is a HUGE motivator.

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### INTEGRATING THE CONSUMER AND THE DEALER OFFER



- ✘ The consumer offer was offered to the dealer for setting up a display.
- ✘ The offer reinforced brand attributes - personalization
- ✘ The offer suggested product use-up – Soup mug

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### Moving Promotions Online

Engaging consumers in an online world to integrate with their in-store behaviors.



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### Planning, Tracking, Earning



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### The 4 P's of Marketing Strategy

Product

- Container Premiums
- Special Packs
- Limited or commemorative packaging



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### 4 P's of Marketing

Product

- Container Premiums
- Special Packs
- Limited or commemorative packaging



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### 4 P's of Marketing Strategy

Price

- List Price, discounts, financing, leasing options, allowances.



Value-Add vs. Discount becomes a strategic incentive promotion decision.

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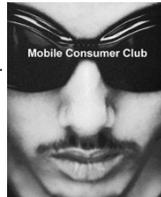
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### 4 P's of Marketing Strategy

Place  
Locations, logistics, channel members,  
Channel motivation, market coverage  
Service levels, internet, mobile.  
Incentives can be found in any place  
And can help move a brand to a new place.



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### 4 P's of Marketing Strategy

PLACE  
The rise of "Experience" Marketing, of taking promotions to the audience, of moving the "place" of the 4-P's to where the brand can be acted upon, interacted with and totally engaged!



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### 4 P's of Marketing Strategy

Promotion  
How the target groups are informed about the brand. This includes advertising, selling, sales promotion, public relations and all the tools of the modern marketer. This is the most important "P" to focus on and the one with the most applications of Incentive Strategy.



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## People: the 5th P

All people directly or indirectly involved in the consumption of a product or service are an important part of the extended marketing mix. Knowledge workers, employees, management and even other consumers often add significant value to the total product or service offering and brand experience.



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## What is Internal Branding?

Process of motivating audiences to deliver the quality and productivity promised in advertising and sales.



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## A 21st Century Marketplace-Brand Calculus

Basic Premise:



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