

# Promotion



# Types of Promotion

What you'll learn

- The characteristics of sales promotion
- The concept of trade promotions
- The different kinds of consumer sales promotions

The background of the slide features a blue-tinted image of US dollar bills falling from the top. A large, detailed view of a 100-dollar bill is visible in the lower-left corner, showing the portrait of Benjamin Franklin. Other bills of various denominations are scattered throughout the scene, creating a sense of motion and value.

# Sales Promotion

Incentives that encourage  
customers to buy products or  
services

# Trade Promotions –

Designed to gain manufacturers', wholesalers', and retailers' support for a product



# Types of Trade Promotions

- **Promotional Allowances** – a cash payment or discounts given by manufacturers to wholesalers or retailers for performing activities to encourage sales.



# Types of Trade Promotions

- Cooperative Advertising – A manufacturer supports the retailer by helping to pay for the cost of advertising its product locally.

# Types of Trade Promotions

- **Slotting Allowances** – a cash premium paid for placing a product on a retailer's shelves



# Types of Trade Promotions

- Sales Force Promotions  
awards given to managers and employees who successfully meet or exceed a sales quota.



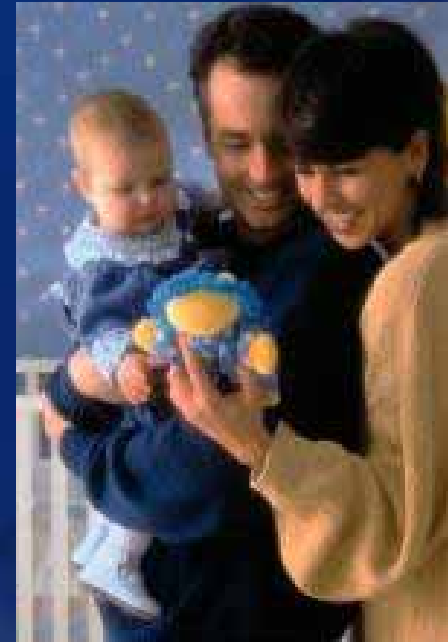
# Types of Trade Promotions

- Trade Shows and Conventions



The Consumer Electronics Show is held annually in Las Vegas.

# Consumer Sales Promotions – designed to encourage customers to buy a product



# Types of Consumer Promotion

- Coupons – certificates that entitle customers to cash discounts on goods or services.

<p><b>TRANSFER FROMITO AIRPORT</b></p> <p><b>ADVANCE RESERVATION REQUIRED</b> <b>WELCOME</b> Conventioneers</p> <p>Price Guaranteed with or without coupon.</p> <p> PSC# 11415/10811</p> <p><b>\$2.00 OFF</b> Per person</p> <p><b>PRIME TIME</b> SHUTTLE</p> <p><b>(800) RED-VANS</b></p> <p><b>FROM AIRPORT</b> LAX - Dial 56737 from courtesy phone in baggage claim. Go to concrete strip across first roadway. Look for coordinator with RED shirt/jacket.</p> <p>John Wayne/Burbank/Ontario/Long Beach Airports - Call 1(800) RED-VANS. Identify yourself and receive instructions.</p> <p><b>BOOK ONLINE</b> <a href="http://www.primetimeshuttle.com">http://www.primetimeshuttle.com</a></p>	<p><b>TRANSFER FROMITO AIRPORT</b></p> <p><b>ADVANCE RESERVATION REQUIRED</b> <b>WELCOME</b> Conventioneers</p> <p>Price Guaranteed with or without coupon.</p> <p> PSC# 11415/10811</p> <p><b>\$2.00 OFF</b> Per person</p> <p><b>PRIME TIME</b> SHUTTLE</p> <p><b>(800) RED-VANS</b></p> <p><b>TO AIRPORT</b> Make or confirm reservation at least one day before departure. Call 1 (800) RED-VANS and press "1" for reservations.</p> <p><b>PRIME TIME</b> SHUTTLE</p> <p><b>BOOK ONLINE</b> <a href="http://www.primetimeshuttle.com">http://www.primetimeshuttle.com</a></p>
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# Types of Consumer Promotion

- Premiums – low-cost items given to consumers at a discount or for free –  
Should:
  - be low-cost
  - provide added value
  - negate the target audience's price issue
  - effectively differentiate the product from the competition
  - create an immediate need to buy



# Types of Premiums

- Traffic builders – pen, calendar, key-chain given free for visiting or attending event

A catalog of pens with prices and descriptions. The pens are arranged in three columns. The first column shows three pens: PEN28S (Silver) for \$2.90, PEN12BU (Blue) for \$1.50, and PEN11BU (Blue) for \$1.50. The second column shows three pens: PEN28BK (Black), PEN28BU (Blue), and PEN28RD (Red). The third column shows three pens: PEN12RD (Red), PEN12GN (Green), and PEN12BK (Black). The fourth column shows six pens: PEN11RD (Red), PEN11GN (Green), PEN11BK (Black), PEN11MBU (Marble Blue), PEN11MGI (Marble Green), and PEN11MRD (Marble Red).

**PEN28 Brass Soft Grip Pen**  
PEN28BK (Black)  
PEN28BU (Blue)  
PEN28RD (Red)

**PEN12 Mirago Metal Ballpoint Pen**  
PEN12RD (Red)  
PEN12GN (Green)  
PEN12BK (Black)

**PEN11 Brass Ballpoint Pen**  
PEN11RD (Red)  
PEN11GN (Green)  
PEN11BK (Black)  
PEN11MBU (Marble Blue)  
PEN11MGI (Marble Green)  
PEN11MRD (Marble Red)

Above prices include one location laser engraving.  
Setup \$45 for new order \$25 for repeat order.  
Imprint Area: 1-1/2" x 1/4" for all pens  
pens are packaged in velvet boxes.  
**Minimum 50 pieces per style**

# Types of Premiums

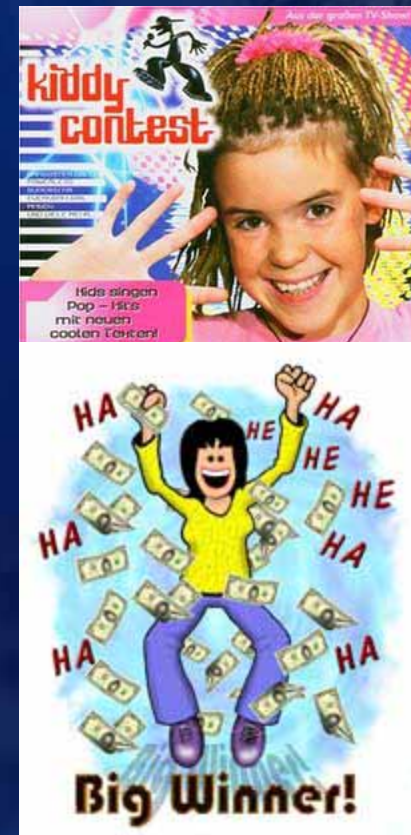
- Coupon plans – ongoing program offering a premium in exchange for labels, coupons or other tokens from one or more purchases.



# Incentives –

generally higher-priced products earned and given through contests, sweepstakes, and rebates

- Contests – activities that require demonstration of a skill
- Sweepstakes – game of chance



# Incentives

- Rebates – discounts offered to customers who purchase



**\$30 rebate**

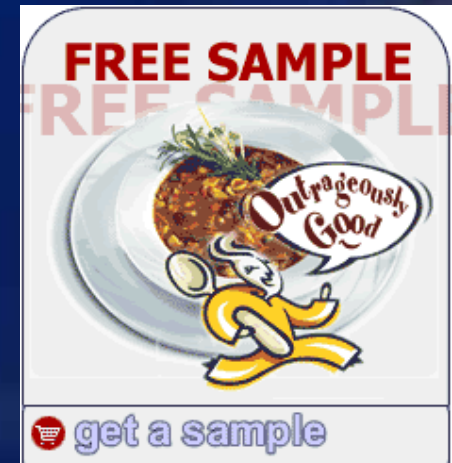
Receive, by mail, a \$30 rebate with the purchase of a select **Panasonic cordless phone**. Offer valid for purchase made between 11/28/04 and 3/26/05. See back for details.

**Panasonic**  
ideas for life

A promotional graphic for a Panasonic cordless phone. It features a red and black cordless phone on its charging base. The background is dark green with white text. The text includes a "\$30 rebate" in large white letters, followed by a paragraph of smaller white text describing the offer. At the bottom, the Panasonic logo and slogan "ideas for life" are displayed in blue and white.

# Product Samples

- Free, trial-size sample
- Distributed through mail, door-to-door, or at a retail or trade show
- Especially important with new products



# Sponsorship

- The sponsoring company pays a fee for the right to promote itself and its products or services at or on a set location
- May negotiate the right to use logos and names on retail products



# Promotional Tie-In

- Involves arrangements between one or more retailers or manufacturers.

Ex: McDonald's and Fisher-Price Toys



# Product Placement

- Featuring a product at a special event, on television, or in the movies

# E.T.

THE EXTRA-TERRESTRIAL  
THE 20<sup>TH</sup> ANNIVERSARY



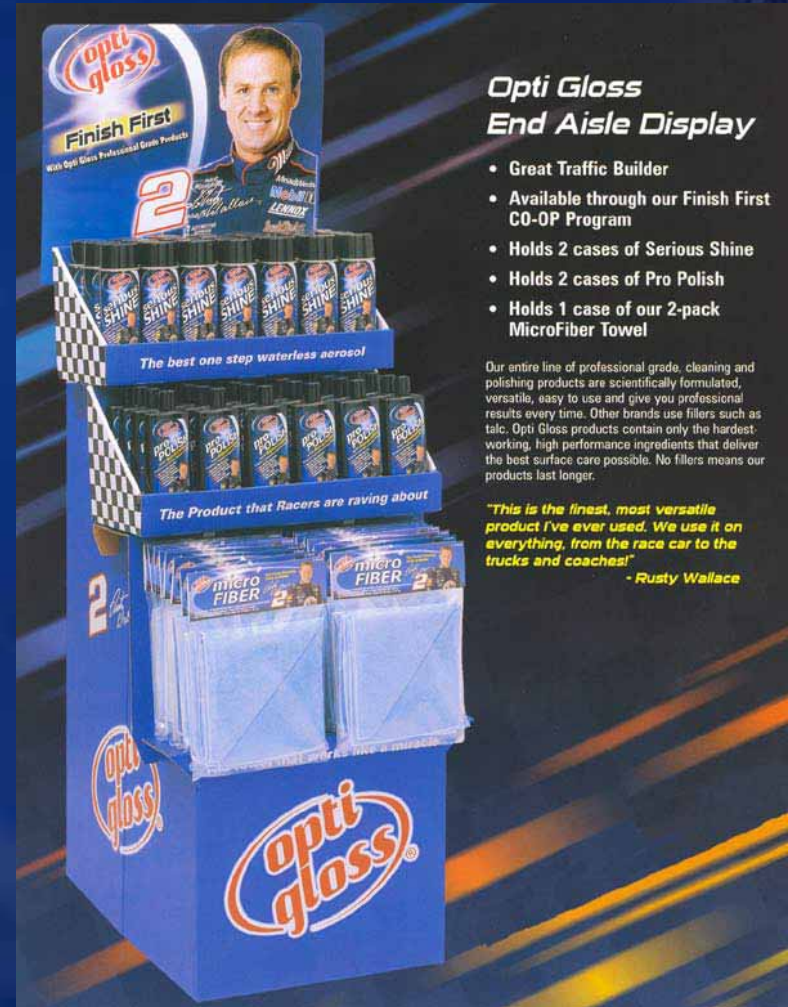
# Loyalty Marketing Programs

- Frequent buyer programs
- Reward customers for making multiple purchases



# Point-of-Purchase Displays

- Placed in high-traffic areas and promote impulse purchases.



The image shows a blue point-of-purchase display for Opti Gloss products. The display is a three-tiered stand. The top tier features a sign with the Opti Gloss logo, the text "Finish First With Opti Gloss Professional Grade Products", a photo of Rusty Wallace, and the number "2". Below the sign are two rows of aerosol cans: the top row contains "Serious Shine" cans and the bottom row contains "Pro Polish" cans. The middle tier is a row of "Pro Polish" cans. The bottom tier is a row of "micro FIBER" towels. The display has a checkered flag graphic on the left side. The Opti Gloss logo is prominently displayed on the front of the base.

**Opti Gloss  
End Aisle Display**

- Great Traffic Builder
- Available through our Finish First CO-OP Program
- Holds 2 cases of Serious Shine
- Holds 2 cases of Pro Polish
- Holds 1 case of our 2-pack MicroFiber Towel

Our entire line of professional grade, cleaning and polishing products are scientifically formulated, versatile, easy to use and give you professional results every time. Other brands use fillers such as talc. Opti Gloss products contain only the hardest-working, high performance ingredients that deliver the best surface care possible. No fillers means our products last longer.

*"This is the finest, most versatile product I've ever used. We use it on everything, from the race car to the trucks and coaches!"*  
- Rusty Wallace