



50%

**SALES PROMOTION** 0%

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1

**WHAT** is sales promotion?

2

**WHY** to use sales promotion?

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**WHEN** to use sales promotion?

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**DRAWBACKS** of sales promotion

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**HOW** to make sales promotion work?

6

**Q&A**



**WHAT is  
sales promotion?**

# Definition

*“Sales promotion is used principally as a means to accelerate sales.”*

– Fill (2009, p. 538)

**Value-increasing**  
sales promotions

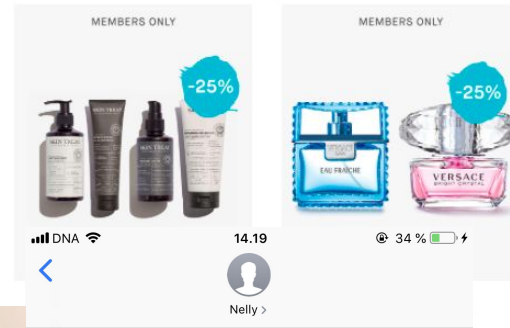
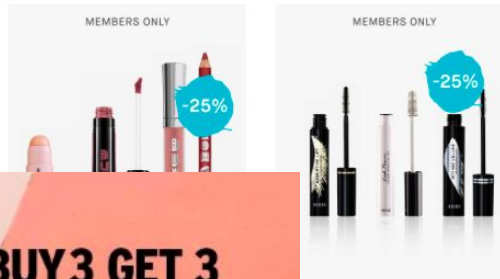
*Alters price/quantity or price/quality equation.*

**Value-adding**  
sales promotions

*Offers 'something extra' while leaving core product and price unchanged.*

# Value-increasing sales promotions

Alters price/quantity or price/quality equation.



Text Message  
28 Nov 2016, 12:54

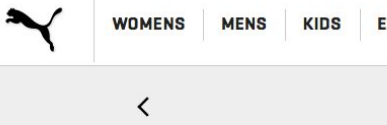
Missasitko Black Fridayn? No probs! Nyt on Cyber Monday ja saat jopa -25% kaikesta\* koodilla CMDEAL [to.nelly.com/SH1Y](http://to.nelly.com/SH1Y) Peru viestit? Lähetä NLYSTOP nroon [18333](http://18333)

Fri, 23 Nov, 10:07

It's on! Tänään 20% ale KAIKESTA ja yksi unelmadiili joka tunti. You snooze, you lose! [to.nelly.com/SH1NC](http://to.nelly.com/SH1NC) Pois? Tekstaa NLY OPTOUT nroon [18211](http://18211)

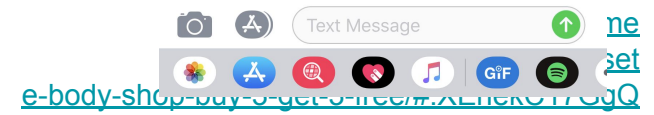
Thu, 6 Dec, 10:15

Happy B-day Finland! Juhlimme 20% alennuksella kaikesta koko päivän! Käytä koodi SUOMI kassalla. [to.nelly.com/SH1Ps](http://to.nelly.com/SH1Ps) Pois? Tekstaa NLY OPTOUT nroon [18211](http://18211)



# SALE

SHOP OUR SALE SELECTION



# Value-adding sales promotions

Offers 'something extra' while leaving core product and price unchanged.

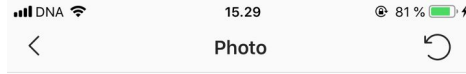
**HBO**  
NORDIC



Subscribe to HBO Nordic and get access to more than 5000 episodes of the best series, together with kids content and hundreds of handpicked movies on all your devices.

✓ 1 month free trial.

After only 9,95 EUR per month. The free trial period only applies to new customers.



<http://rougedeluxe.blogspot.com/20>  
<https://www.theoc>



[tml  
mer](http://www.theoc)

A close-up photograph of a person's hand holding a blue credit card over a payment terminal. The card is being processed. In the background, there are stacks of folded white and light-colored clothing. The scene is set in what appears to be a retail or service environment. The text 'WHY to use sales promotion?' is overlaid on the image in a white box with a black border.

**WHY to use  
sales promotion?**

1. Reach New Customers

2. Encourage Repeat Purchase Behavior

3. Induce Action

 **YouTube Premium**

YouTube and YouTube Music ad-free.  
Plus access to all YouTube Originals.



1.99/month

<https://hotcanadadeals.ca>

<https://www.aurinkomatkat.fi>

<https://www.dansdeals.com/more/free-stuff/free-3-month-new-customer-trial-new-youtube-premium>





# WHEN to use sales promotion?

# Objectives of sales promotion

**SALES  
PROMOTION**

	HIGH INVOLVEMENT	LOW INVOLVEMENT
NEW PRODUCT OR MARKET	Withhold	Use to stimulate trial
ESTABLISHED PRODUCT OR MARKET	<i>Non-loyals:</i> Use for switching <i>Loyals:</i> Use carefully	<i>Non-loyals:</i> Attract for trial <i>Loyals:</i> Use to reward for increased usage

# Withholding promotion

**SALES  
PROMOTION**

	HIGH INVOLVEMENT	LOW INVOLVEMENT
NEW PRODUCT OR MARKET	<b>Withhold</b>	Use to stimulate trial
ESTABLISHED PRODUCT OR MARKET	<i>Non-loyals:</i> Use for switching  <i>Loyals:</i> Use carefully	<i>Non-loyals:</i> Attract for trial  <i>Loyals:</i> Use to reward for increased usage

- Focus on creating awareness through PR or advertising



# Inducing switching or repurchasing

SALES  
PROMOTION

HIGH INVOLVEMENT    LOW INVOLVEMENT

NEW  
PRODUCT OR  
MARKET

Withhold

Use to stimulate  
trial

ESTABLISHED  
PRODUCT OR  
MARKET

*Non-loyals: Use  
for switching*

*Loyals: Use  
carefully*

*Non-loyals:  
Attract for trial*

*Loyals: Use to  
reward for  
increased usage*

- May cause company to lose profitability



# Stimulating trial

SALES  
PROMOTION

HIGH INVOLVEMENT    LOW INVOLVEMENT

NEW  
PRODUCT OR  
MARKET

Withhold

Use to stimulate  
trial

ESTABLISHED  
PRODUCT OR  
MARKET

*Non-loyals:* Use  
for switching

*Non-loyals:*  
Attract for trial

*Loyals:* Use  
carefully

*Loyals:* Use to  
reward for  
increased usage

- May lead to recurring purchases
- Low risk for producer



# Attracting or rewarding users

SALES  
PROMOTION

	HIGH INVOLVEMENT	LOW INVOLVEMENT
NEW PRODUCT OR MARKET	Withhold	Use to stimulate trial
ESTABLISHED PRODUCT OR MARKET	<i>Non-loyals:</i> Use for switching  <i>Loyals:</i> Use carefully	<b><i>Non-loyals:</i> Attract for trial</b>  <b><i>Loyals:</i> Use to reward for increased usage</b>

- Incentivizing consumption can help in keeping your customers loyal



A photograph of a broken ceramic plate with blue and white sections, scattered on a grey surface. The plate is shattered into numerous irregular pieces of varying sizes. The background is a plain, light-colored floor. The text is overlaid on the lower half of the image.

# **Drawbacks of sales promotion**

- Short-termism
- Role of loyalty
- Discount seeking
- Marketing mix



A woman with curly hair, wearing a white blazer over a teal top, stands in a meeting room. She is pointing at an orange sticky note on a dark grey board. The board is covered with numerous colorful sticky notes (yellow, blue, orange, pink, green) arranged in various patterns. To her left, a man with glasses is looking towards the board. To her right, a woman with blonde hair is also looking towards the board. The scene is framed by a white dotted border.

**HOW to make sales  
promotion work?**

*Encouraging brand-switching behavior when the markets are at a level of **stagnation** and **mature**  
->price & promotion.*

# Why spending is focused on sales promotion today?

- Short-termism
- Managerial accountability
  - Brand performance
    - Brand expansion
- Competition for shelf-space

# *Summary:*

## **SALES PROMOTION**

1. **WHAT?** Value-increasing & Value-adding
2. **WHY?**
  - a. Repeat purchase
  - b. New customers
  - c. Stimulate action
3. **WHEN?** Involvement-Newness-axis
4. **HOW?** Make it work through:
  - a. Coordination with other IMC tools
  - b. Plan properly for the target customer group

A woman with brown hair, wearing a red coat, a light pink turtleneck, and black sunglasses, is holding several shopping bags. She is looking to the right. The background is a bright, slightly blurred outdoor setting. The entire image is framed by a white dotted border.

**SALES  
PROMOTION**

**THANK YOU!**

Questions?

Extra example of:  
Value-**adding**  
sales promotions

Technique:  
**Competition**

*(Offers 'something extra' while leaving core product and price unchanged.)*



**GRAB A COKE**  
WITH A HOLIDAY DESTINATION  
ON ITS LABEL



**GO TO THE WEBSITE**  
WRITTEN ON THE LABEL



**TYPE IN THE CODE**  
UNDER THE CAP  
AND IN MULTIPACKS

# References

- Fill, C. (2009). Sales promotion: principles and techniques (Ch. 18). In: *Marketing Communications: interactivity, communities and content*, 5th Ed. Pearson Education, pp. 537-563.
- Fill, C. & Turnbull, S. (2016). Sales promotion: field marketing and brand experience (Ch. 15). In: *Marketing Communications: discovery, creation and conversations.*, 6th Ed. Pearson Education, pp. 485-516.
- Pictures:
  - <https://eu.puma.com/fi/en/home>
  - <https://www.kicks.fi/tarjoukset>
  - <http://faithfulsaver.com/the-body-shop-buy-3-get-3-free/#XEhekC17GgQ>
  - <http://rougedeluxe.blogspot.com/2012/03/uk-magazine-freebies-clinique-soap.html>
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  - <https://www.dansdeals.com/more/free-stuff/free-3-month-new-customer-trial-new-youtube-premium/>
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  - <https://www.aurinkomatkat.fi>
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  - <https://unsplash.com>