

Sales Promotion

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Introduction

Sales Promotions are activities that affect how and when people buy and thus attract new audiences and increase sales. It's an all encompassing term that covers everything apart from advertising, publicity and direct marketing, although these might also be used to deliver your sales promotions. Sales Promotion offer people (consumers) incentives to buy and so close a sale already made in the consumer's mind. Its major strength is its impact and influence, in getting the consumer to make a purchase - in response to a message, advertisement, coupon, point-of-purchase device or a special demonstration at the point of sale.

For any Sales Promotion to be successful, it must be part of an overall marketing strategy and form part of your marketing mix (ask for our Information Pack on the Marketing Mix for more details).

Sales Promotion is often interfaced with price with discounts being a common ingredient as well as:



As with any marketing activity, there are many pitfalls and lack of attention to details in the design, presentation and execution of promotions can cause disappointment to consumers with resultant damage to the business or product concerned.

A single well-planned, very focussed and farreaching promotion is better than several small one-off disparate campaigns that are distant from the strategic objectives of a business.

Don't forget that the ultimate objective of Sales Promotion is to predict and modify customer purchasing behaviour – usually, to increase in sales or customer transactions. But it's not always about immediate results. When a Sales Promotion reflects a brand's image and is directed at the appropriate target market, it can achieve not only short term tactical gains, but it can also deliver on long term strategic issues.

In recent years, money spent by businesses on sales Promotion activities has exceeded monies spent on advertising and there are strong signs that this pattern of growth will continue to maintain its economic edge.

Techniques and Types of Sales Promotion

The techniques of Sales Promotion are used both to motivate people who sell to improve their performance as well as to induce consumers to purchase their goods and services.

Sales Promotion works most closely with advertising, but it's also connected with all other elements of marketing: production services, packaging, price, and distribution. At the manufacturing and wholesale levels of distribution, the methods used to motivate personnel to meet specific goals usually fall into two categories - sales incentive prizes (such as merchandise, travel, or cash awards) and sales contests. Both are based upon the salesperson reaching an objective above the normal sales budget.

Consumer promotions encompass a wide variety of techniques, including:

- Sampling of goods or services
- Redeemable "money-off" coupons to encourage the trial or testing of products
- Special price-reduced packages
- Mail-in premium merchandise offers
- Cash or coupon refunds by mail
- Special product packaging
- Loyalty incentives
- Contests
- Competitions
- Instant wins
- Sets and series of collectibles
- Third party promotions
- Prize draws

Sales Promotion Is defined as:

"All activities which help to promote sales, other than personal selling and advertising".

In very simple terms...

Advertising (which informs and provides Awareness) can lead the horse to water, whilst Sales Promotion (which provides Motivation) can make it drink.



The 3 basic elements of a Sales Promotion are:

The offer. The media used for

communicating the offer to the target audience.

The creative "hook," message or theme that moves the audience toward the desired response.





Promotional activities can be wide and varied and can include:

Advertising

Public Relations

Affinity group promotions

Exhibitions

Point-of-sale promotions

Demonstrations

Direct mail and direct marketing

Promotions targeted at channel suppliers – wholesalers and distributors rather than to customers

National Insurance on Incentives

From 6 April 2000, where a third party provides workers with awards in non-cash vouchers as part of an incentive scheme, the third party may pay the national insurance contributions (NICs) rather than employers having to report and pay NICs on incentives they do not control. In those circumstances only, the NICs liability for non-cash vouchers is changed from Class 1 (employee and employer) to Class 1A (employer only) NICs liability.

Sales Promotion Checklists

We strongly advise you to check the legal impact of any sales promotion campaign you might be planning. For example:



Banknotes are the copyright of the Bank of England whose permission should always be obtained before advertisements or promotions featuring such notes. In addition, unauthorised reproduction of bank notes can amount to a criminal offence under the Forgery and Counterfeiting Act 1981.



A printed order form in connection with a promotion is technically a company order form within the meaning of Section 351 of the Companies Act 1985 – it should contain the place of registration of the company, the registered address and the registered number. An excellent series of checklists covering all aspects of Sales Promotion can be found on the Institute of Sales Promotion website at: http://www.isp.org.uk/best/checklist.html

Sales Promotion consultants can be located via the Sales Promotion Consultants Association: SPCA 47 Margaret Street, London, W1N 7FD Tel: 0207 580 8225 Fax: 0207 580 8189

Recommended Reading

Advertising and Sales Promotion Strategy, by Gerard J. Tellis, published by Prentice Hall (School Division), 1998, ISBN: 0321407725

Analyzing Sales Promotion, 2nd Edition, by John C. Totten and Martin D. Black,

Sales Promotion Essentials : The 10 Basic Sales Promotion Techniques... and How to Use Them, by Don E. Schultz, William A. Robinson and Lisa A. Petrison, published by NTC Publishing Group, 1997, ISBN: 0844233552

Sales Promotion by Julian Cummins, published by Kogan Page, 1997, ISBN: 0749424478



The Sales Promotion Handbook, by Chris Brown, published by Kogan Page, 2000, ISBN: 0749433019

Sales Promotion: Concepts, Methods and Strategies, by Robert C. Blattberg and Scott Neslin, published by Simon & Schuster Trade, 1998, ISBN: 013442302X

Promotional Marketing: Ideas and Techniques for Success in Sales Promotion, by William A. Robinson, Christine Hauri and Anne Knudsen, published by NTC Publishing Group, 1995, ISBN: 0844231517

Another Definition:

"Sales Promotion comprises that range of techniques used to attain sales and marketing objectives in a cost effective manner, by adding value to a product or service, either by intermediaries or end-users, normally but not exclusively within a defined time period." Institute of

Institute of Sales Promotion





Sales Promotion

Useful Addresses

Advertising Standards Authority Brook House, Torrington Place, LONDON WC1E 7HN Tel: 020 7580 5555

Advertising Standards Board of Finance Ltd 74-77 Great Russell Street, LONDON WC1B 3DA Tel: 020 7580 7071

Data Protection Registrar Wycliffe House, Water Lane, Wilmslow, CHESHIRE SK9 5AF Tel: 01625 535777

Direct Mail Services Standards Board 26 Eccleston Street, LONDON SW1W 9PY Tel: 020 7824 8651

Direct Marketing Association Haymarket, 1 Oxedon Street, LONDON SW1Y 4EG Tel: 020 7630 7322

Incorporated Society of British Advertisers 44 Hertford Street, LONDON W1Y 8AE

Tel: 020 7499 7502

Independent Television Commission 70 Brompton Road, LONDON SW3 1EY Tel: 020 7636 6866

Independent Committee for the Supervision of Telephone Information Services (ICSTIS) Kings Bourne House, 229-231 High Holborn, LONDON WC1V 7DA Tel: 020 7430 2228

Independent Television Association Knighton House, 56 Mortimer Street, LONDON W1N 8AN Tel: 020 7580 7892

Institute of Practitioners in Advertising 44 Belgrave Square, LONDON SW1X 8QS Tel: 020 7235 7020

Institute of Purchasing and Supply Easton House, Church Street, Easton on the Hill, Stamford, LINCOLNSHIRE PE9 3NZ Tel: 01780 56777

Institute of Sales Promotion Arena House, 66-68 Pentonville Road, Islington, LONDON N1 9HS Tel: 020 7837 5340

Institute of Trading Standards Administration

4 and 5, Hadleigh Business Centre, 351 London Road, Hadleigh, ESSEX SS7 2BT Tel: 01702 559922

Local Authorities Co-coordinating Body on Trading Standards (LACOTS)

PO Box 6, Token House, 1A Robert Street, Croydon, SURREY CR0 1LG Tel: 020 8688 1996

Mailing Preference Service Freepost 22, LONDON W1E 7EZ

Mail Order Protection Scheme 16 Tooks Court, LONDON EC4A 1LB Tel: 020 7405 6806

Newspaper Publishers Association 34 Southwark Bridge Road, LONDON SE1 9EU Tel: 020 7928 6928

Newspaper Society Bloomsbury House, Bloomsbury Square, 74-77 Great Russell Street, LONDON WC1B 3DA Tel: 020 7636 7014

Office of Fair Trading Field House, 15-25 Breams Buildings, LONDON EC4A 1PR Tel: 020 7242 2858

Radio Authority Holbrook House, 14 Great Queen Street, LONDON WC2 5DG Tel: 020 7430 2724

Further Information

If you would like to receive further information about this subject or other publications, please call us – see our contact details on the next page.

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Aaron Wallis hopes that you have found this document useful. Aaron Wallis is a specialist sales and marketing recruitment business that is innovative, values led and aims to offer a brilliant service to employer and candidate clients.

Aaron Wallis recruitment services include:

- Database Recruitment
- Assessment Centres .
- Search and Selection
- Advanced Skills Testing

Contract and Interim

- **Response Management** •
- **Executive Research**

Aaron Wallis also offer Added Value Services that include:

- Independent CV Verification •
- **Recruitment Training**
- Coaching & Mentoring •

- Sales Training, Sales Training Needs Analysis
- **Occupational Psychologists** ٠

CANDIDATE JOBSEEKERS: Aaron Wallis offers to candidate clients a unique Career Advice Centre dedicated specifically to Sales professionals. Their Career Tools section covers CV Hints, Interview Tips, advice on interview preparation, goal setting tools and templates, presentation skills development, improving reading of body language and more. Visit the Career Tools section of www.aaronwallis.co.uk to find out more and to sign up to their Sales 'Career Success Masterclass', a unique 15 day coaching development programme designed to enhance your performance at interview. NEW FOR 2008 this also includes FREE MP3 audiobook downloads.

EMPLOYERS: For employer clients Aaron Wallis offers a unique sales recruitment services that is proven to significantly increase 'On the job performance' by incorporating competency interviewing, psychometric profiling and skills/ability testing into the process. The inclusive Aaron Wallis service is backed by a unique 12 MONTH REBATE SCHEME and their service is delivered at a FIXED Price per assignment, allowing you to remain in control of your recruitment budget.

Aaron Wallis is a committed independent recruiter that is based from their HQ in Central Milton Keynes. Aaron Wallis are members of the REC (the industry regulatory body), the AER (Association of Executive Recruiters) and various local Chambers and focus groups.

For more information call 01908 764280 or visit www.aaronwallis.co.uk

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