

How Promotional Marketing Effects the Path to Purchase

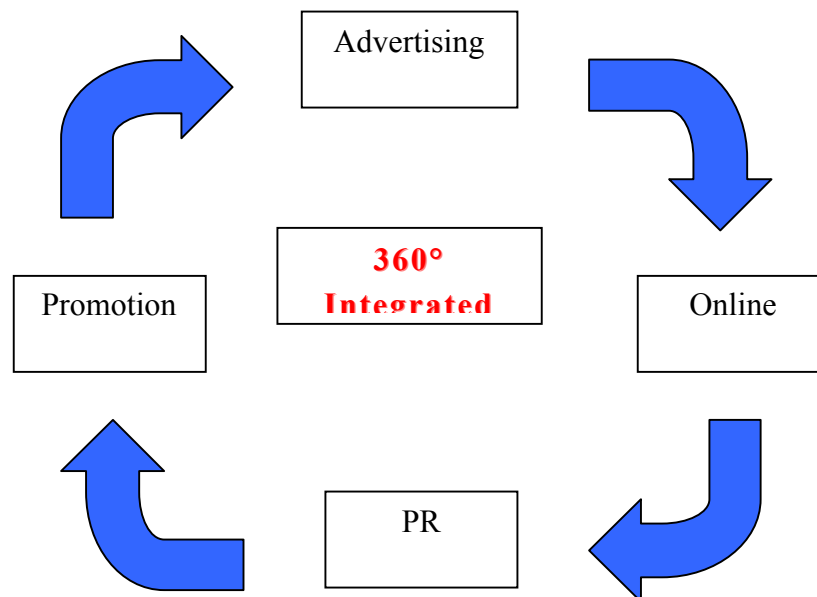
In an ideal world, a customer's attitude toward a product will result in his/her action to purchase that product. In the competitive market of products/brands, your brand needs to stand out above and beyond other competing brands in order for it to not blend into the noise of the market. This is where the importance of promotion comes in to gain and retain the attention and loyalty of customers.

Up to 70% of purchase decisions are made in-store, at-shelf regardless of what the consumer is originally intending to buy.

- The Wharton School of Business

360° Integrated Campaigns

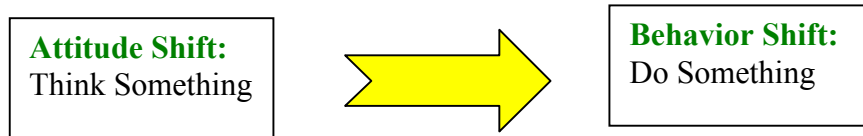
An approach that focuses on delivering a message to a target consumer group by using every angle of marketing incorporated into various media along the consumer decision-to-buy path.



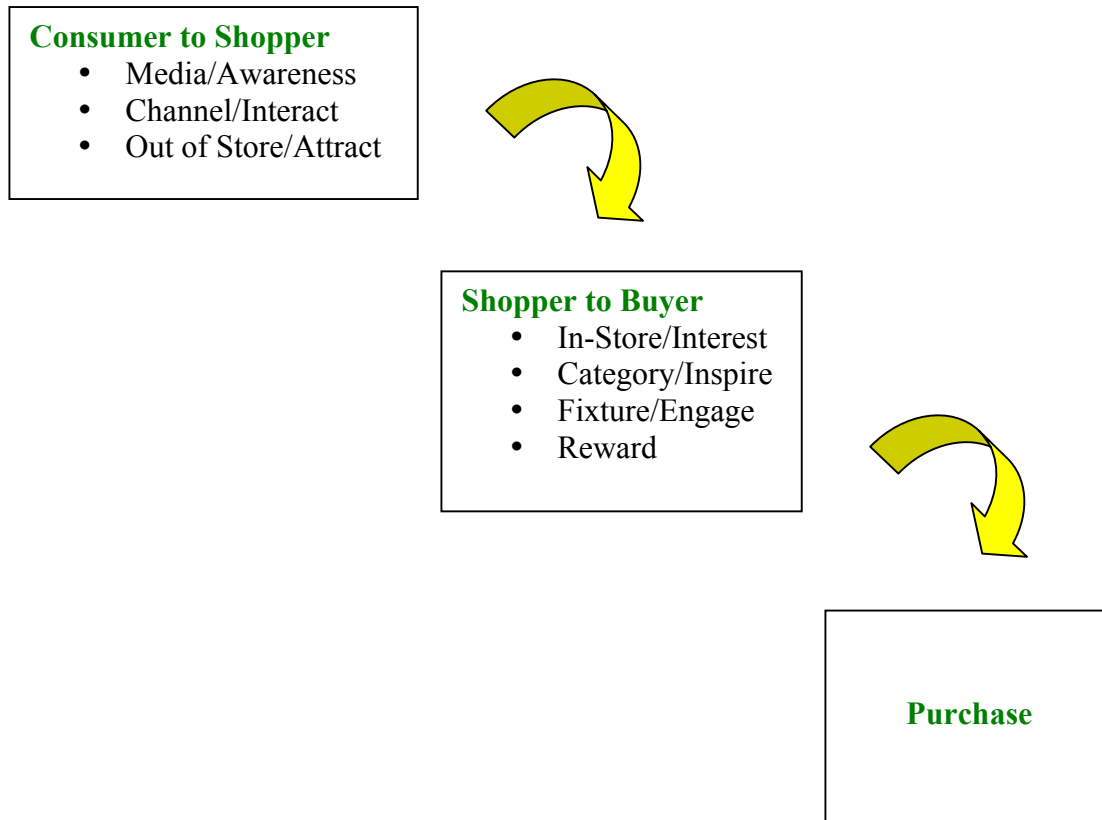
What is Promotional Marketing & How Can It Affect the Path to Purchase?

Activation:

- Promotion *builds upon the premise* established through advertising.
- Pulls people further along the path to purchase.
- Guides from awareness through consideration and, ultimately, conversion.



Path-to-Purchase:



The Three A's of Promotion: Awareness, Activation, Advocacy

Awareness:

Promotion does not replace advertising, but *supplements* the overall effort.

Harder and harder to reach audiences through mass media	Promotion can reach targeted audiences in <i>relevant lifestyle contexts</i> – where people live, work, and play	Provides a lasting impression through an active, participatory brand <i>experience</i>
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Awareness Tactics:

Sponsorships

- A financial or in-kind support of an activity or event, primarily done to reach specified business goals and target groups.

Experiential Marketing

- A marketer's understanding about a target consumer group involving how to entice them, using various senses, to direct their attention to a product appealing to their rational and impulsive buying desire.

Guerilla Marketing

- Coined by Jay Conrad Levinson, it is an unconventional marketing strategy that is intended to use minimum resources to achieve maximum results.

Sampling Programs

- A sample of the product that trying to promote, such as flyers and brochures.

PR Leverage

- A form of communication management that seeks to publicize promotion information through a low or no cost strategy in order to influence consumer feelings and opinions about a particular product.

Webcasts

- Broadcasting a single content media file through the Internet using streaming media technology to allow multiple viewers simultaneously.

Examples:

- Motorola "Studio Moto"
- Ocean Spray "Bogs Across America"
- CBS "Egg-vertising"

- Fisher Price “Top Secret Launch”

Activation;

This is where promotion becomes the dominant discipline.

Move consumer closer to and through the point of sale <i>From “Try it” to “Buy it”</i>	Use the traditional tactics to motivate predictable and measure behavior	Assure that all concepts, offers and incentives grow organically from the brand point
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Activation Tactics:

Sweepstakes

- A lottery in which a winner is chosen randomly from a pool of entries that can be used as a marketing strategy by generating enthusiasm and providing an incentive to purchase a particular product.

Contests

- A competition between consumers that they enter for a chance to win a promotion prize.

Trial Programs

- A short-term period in which consumers are given the opportunity to test or try out a product before a purchase transaction.

Sales Force Incentives

- A strategy used by companies to motivate their sales team in order to boost sales by offering reward incentives for top earning employees.

Internet Promotions

- Communicating via the Internet to raise awareness about a promotion and to direct consumer traffic to the promotion’s website usually through links from other websites, targeted e-mail listings, and banner advertisements.

Value-Added Offers

- The revenue a company receives from the sale of goods or services minus the amount the company paid for the goods or services.

Examples:

- Master Card “500 Flights”
- Schick “Power of 4”
- USPS “Ship it, Win it”
- Volvo “Pirates of the Caribbean”

Advocacy:

The “next frontier” of marketing.

Beyond loyalty – programs that cultivate your best customers into <i>active promoters</i>	Leveraging word-of-mouth as the most powerful one-to-one tool ever invented	Personal recommendation still stands as the <i>most effective source for consumers to try new products</i>
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Examples:

- American Express “Members Lounge”
- Charmin “Times Square Restroom”
- Pedigree “Pet Adoption Drive”

What Makes a Strong Promotion? --- SLAMM

Surprising

Loud

Active

Motivating

Measurable



Surprising

- Promotion is an invasive activity (versus more pervasive advertising)
- It must capture attention despite busy, stressed lives
- Goal is to generate a “that’s cool” reaction from the target audience

Loud

- Don’t throw a party then not invite anyone!
- Use all available media to let consumers know about the event or offer
- Work the concept throughout the marketing mix
- Leverage PR to gain additional bang before, during, and after the fact

Active

- The activity should require an involved participation on the part of consumers
- The activity should be an accurate reflection of the brand premise
- Opportunity is to create a meaningful and memorable impression through an intense brand experience

Motivating

- Promotions must affect consumer behavior as well as attitude
- A successful promotion requires the consumer to take some further action
- The result must move the consumer further along the path from awareness through consideration to purchase

Measurable

- Return-on-investment (ROI) is of paramount concern to all clients
- Define only measurable objectives in the brief
- Agree on measurement tools prior to the promotion and use them
- Measure against all objectives – hard and soft
- Provide detailed and honest post analysis

Checklist of Promotional Opportunities

- Supporting product introductions
- Repositioning a brand
- Aiding distribution drives
- Extending product usage
- Enhancing loyalty
- Gaining incremental volume
- Generating retail display
- Driving customer traffic
- Turning loyalists to advocates
- Encouraging purchase continuity
- Targeting lifestyle audiences
- Gaining trial
- Sampling new products
- Fighting competitive threats

When should you consider adding promotion to your plan?

ALWAYS!!!