

Promotional tools include:

TV, billboards, advertisements, magazines and newspapers, video, flyers, radio, public relations, giveaways, and product placement in TV and video, and social media.

Various types of *coupons* encourage consumers to try and retry a product.

- Coupons- instant, shelf-delivered, cell phone ➡ Instantaneous receipt
- Coupons- Scanner, media and mail (FSI*), online, group, mail-in and online premiums, and **Delayed** back (i.e., requested via internet and phone) } free with purchase, receipt bounce-

**FSI-Free standing inserts in magazines and newspapers are the most often used because they are inexpensive.*

Other promotional tools strengthen the brand:

- Self-liquidating premium offers (SLOs):
 - *Consumer sends proofs of purchase along with paying costs of premium*
- Sweepstakes and contests- What's the difference?

They are very similar in that they both provide the consumer an opportunity to win cash, merchandise or goods, or prizes. However, because the winner of a sweepstakes is determined purely by chance, they cannot require the consumer to provide them with any proof of purchase.

Contests on the other hand can require proof of purchase but usually require at least some effort or submission of some sort on the part of the consumer in order to be eligible to win the contest.

Still other promotional tools encourage customer purchase:

Price-off, bonus packs, games

- * **In and on-pack premiums-** *free item within or on the package*
- * **Rebates and refunds** – Rebates encourage repetitive purchase since the value is delayed as some form of proof of purchase of a durable good is required. Refunds

provide cash discounts or a reimbursement to consumers sending in a proof of purchase.

- **Continuity programs-** *points leading to reduced price of product*

Now take the challenge:

1. If a tool company wants to promote purchase of a new home tool as well as their other tools to consumers, which promotional tool are they likely to use?

In-pack coupon

Contest

Sweepstakes

Rebate

See the next slide for the correct response.

Feedback:

If you answered rebate, that's right! You selected the correct response.

If you did not select the correct response. Remember, this company is promoting a durable good which usually indicates using a rebate offer to encourage repeat purchases.