Introduction by Professor Don E. Schultz xv

- I. HELP! |
- 2. SWEEPSTAKES AND CONTESTS 13
- **3. COUPONS** 57
- 4. REBATES/REFUNDS 91
- 5. DISCOUNTS 123
- 6. CONTINUITY 151
- 7. POINT OF SALE 181
- **8. SAMPLING** 215
- 9. PROPERTIES AND EVENTS 239
- 10. PREMIUM PROGRAMS 261
- II. TIE-INS 283
- 12. PERFORMANCE PROGRAMS 311
- 13. TRADE PROGRAMS 341

Glossary 355 Index 371

## Introduction by Professor Don E. Schultz xv

#### I. HELP! I

## What Is Promotional Marketing? 2

Advertising versus Promotion 3

Sales Promotion Is Executed through a Chain of Links 4

Objectives, Strategies, and Tactics 4

How Should You Plan Your Promotion? 5

Step One—Identify Yourself 7

Brand Background Document 7

## 2. SWEEPSTAKES AND CONTESTS 13

Introduction: Making Sweepstakes Consumer Relevant | 13

Overview 16

**Definition** 16

Objectives by Category 17

Packaged Goods 17

Retail 17

Performance Incentive—Sales, Service, Distribution 18

#### Common Sweepstakes Objectives by Tactic 19

#### **Itemized Tactics** 20

Drawing—Entry Form 20

Program Learning/Data Entry 20

In-Pack Instant Win (Also, On-Pack) 21

Coupon/Refund Entry (Drawing) 22

Match and Win 23

Watch/Listen and Win 23

Scratch and Win (or Other Reveal Device) 24

Collect and Win 25

Game 26

In-Store (On-Premise) 27

Prize Board 28

Mystery Shopper (Spotter) 28

Broadcast Call-Out/Call-In 29

800/900 Number 30

Internet Code Number (and Other Internet Tactics) 30

Contest 31

Long Shot (Also Hole-in-One) 32

## "Instant Win" Doesn't Mean Instant Win (but Often Means Instant Sales) 33

## Have a Second Chance Sweepstakes at Minimal Cost 33

#### Prizes 34

Two Philosophies: Lots of Prizes versus a Hero

Prize 34

Partner Prizes 35

Taxes 35

Cash Alternatives 35

Unclaimed Prizes 36

Other Prize Considerations 36

## The Winners 36

Notification 36

Publicity 37

Restrictions 37

Affidavits 37

#### Participation and Results 37

A Few Dynamics at Work 37

In-Pack Announcements 38

~	
0	
~	
~	
=	
-	
ಶ	
< ₹.	
~	
r-s	•
ш	
- 7	
2	- 2
-	
$\circ$	-
~	-
$\Gamma$	0
~	
	0
N 2	$^{\circ}$
2.7	_
-2	4
2	~
_	$\sim$
$\circ$	
1	$\sim$
- 1	
$\sim$	
∽.	_>
_	7
F-0	-
-	~
$\sim$	~
2	2
~	~
·C	~
`	-
$\sim$	0
_	r 5
~	_
-,	-
7	2
$\alpha$	9
~	2
0	~
~	- 0
~	
	-
-	7.2
$\alpha$	
~	.0
-2	+
	.~
	_
$\circ$	$\Box$
~~`	
~	
•	~
1	~
0)	0
٧.2	
×	2
~	
	.0
<u>_</u> 2	'n
10	$\kappa^{a}$
$\mathcal{I}_{a}$	Ka
Ma	Ka
l Ma	A Ka
$^{l}Ma$	A Ka
al Ma	. A Ka
nal Ma	e. A Ka
nal Ma	te. A Ka
onal Ma	de. A Ka
ional Ma	ide. A Ka
tional Ma	ade. A Ka
otional Ma	rade. A Ka
ıotional Ma	Frade. A Ka
notional Ma	Trade. A Ka
motional Ma	Trade. A Ka
omotional Ma	n Trade. A Ka
omotional Ma	rn Trade. A Ka
romotional Ma	nrn Trade. A Ka
Promotional Ma	orn Trade. A Ka
Promotional Ma	born Trade. A Ka
Promotional Ma	born Trade. A Ka
: Promotional Ma	rborn Trade. A Ka
f: Promotional Ma	ırborn Trade. A Ka
$\mathcal{F}\colon Promotional Ma$	arborn Trade. A Ka
iff : Promotional Ma	earborn Trade. A Ka
$\mathit{uff}: Promotional\ Ma$	earborn Trade. A Ka
$tuff: Promotional\ Ma$	Dearborn Trade. A Ka
$Stuff: Promotional\ Ma$	Dearborn Trade. A Ka
Stuff: Promotional Ma	· Dearborn Trade. A Ka
? Stuff: Promotional Ma	: Dearborn Trade. A Ka
e Stuff: Promotional Ma	4: Dearborn Trade. A Ka
re Stuff : Promotional Ma	A: Dearborn Trade. A Ka
ore Stuff: Promotional Ma	SA: Dearborn Trade. A Ka
ore Stuff: Promotional Ma	ISA: Dearborn Trade. A Ka
Iore Stuff : Promotional Ma	USA: Dearborn Trade. A Ka
More Stuff: Promotional Ma	USA: Dearborn Trade. A Ka
More Stuff: Promotional Ma	USA: Dearborn Trade. A Ka
l More Stuff : Promotional Ma	USA: Dearborn Trade. A Ka
ll More Stuff: Promotional Ma	L. USA: Dearborn Trade. A Ka
ell More Stuff : Promotional Ma	IL. USA: Dearborn Trade. A Ka
ell More Stuff: Promotional Ma	II. USA: Dearborn Trade. A Ka
Sell More Stuff : Promotional Ma	. IL. USA: Dearborn Trade. A Ka
Sell More Stuff: Promotional Ma	o. IL. USA: Dearborn Trade. A Ka
o Sell More Stuff: Promotional Ma	20. IL. USA: Dearborn Trade. A Ka
to Sell More Stuff: Promotional Ma	180. IL. USA: Dearborn Trade. A Ka
to Sell More Stuff: Promotional Ma	ago. IL. USA: Dearborn Trade. A Ka
ı to Sell More Stuff : Promotional Ma	ggo. IL. USA: Dearborn Trade. A Ka
v to Sell More Stuff : Promotional Ma	cago, IL. USA: Dearborn Trade. A Ka
w to Sell More Stuff: Promotional Ma	icago. IL. USA: Dearborn Trade. A Ka
ow to Sell More Stuff: Promotional Ma	hicago. IL. USA: Dearborn Trade. A Ka
low to Sell More Stuff: Promotional Ma	Thicago. II. USA: Dearborn Trade. A Ka
How to Sell More Stuff: Promotional Ma	Chicago, IL. USA: Dearborn Trade. A Ka
How to Sell More Stuff: Promotional Ma	Chicago. IL. USA: Dearborn Trade. A Ka
How to Sell More Stuff: Promotional Ma	Chicago. IL. USA: Dearborn Trade. A Ka
How to Sell More Stuff: Promotional Marketing That Really Works by Schultz, Don E.(Author)	Chicago. IL. USA: Dearborn Trade. A Ka

3.

Match and Win 38 Watch and Win 38	Common Coupon Objectives by Tactic 63
800# Telephone, and Now the Internet 39	Itemized Tactics 64
Caution! 39	Manufacturer Discount Coupon 64
Guidelines and Cautions 40	Manufacturer Instant Redeemable Coupon (IRC) 65
AMOE: Don't Require Purchase to Claim a Prize 40	Manufacturer Free Offer 66
Control Your Media and Distribution 40	In-Store Sampling Manufacturer Coupon 6
Advertising and Communication 41	Manufacturer Account-Specific Coupon 67
Creative Challenge 41	Buy One-Get One Coupon (BOGO) 68
Deadline Guidelines 41	Retailer Product Discount Coupon 68
Fraud and Security 42	Retailer/Service Electronic Coupon (Verbal Request) <b>69</b>
Budgeting 44 Establish Criteria 45	Multiple Purchase Coupon (or Cross- Purchase) 69
Payout 45	Cross-Ruff Coupon 70
Materials and Services List 46	Self-Destruct 71
Official Rules and Related Documents 47	Rub-off Value Coupon 71
Sweepstakes Official Rules Checklist 47	Sweepstakes Entry 72
Drawing Entry Example 49	Bounce-Back 72
Sweepstakes Winner Forms—Major	Time-Release Coupons 73
Prizes 50	Do-It-Yourself (DIY) Coupon 73
Winner Announcement—Sample 50	Collector Card 74
Affidavit of Eligibility and Tax Assignment—	Novel Format 75
Sample 51 Waiver of Liability—Sample 52	Common Coupon Copy Requirements 75
Consent and Release—Sample 54	Coupon Considerations 77
Parental/Guardian Contest and Release—	Free Product Coupons 78
Sample 55 Prize Claim Form—Sample 56	Two Ways to Execute Free Product Coupons 78
COUPONS 57	Bar Codes 78
	Coupon Sizes 80
Introduction: Consumers Love Coupons 57	Projecting Redemptions and
Overview 61	Budgeting 80
Definition 61	Is Less Redemption More Effective or Vice Versa? 80
Three Categories 61	Redemption Process and Cost 82
Two Arenas—Packaged Goods and Retailers 62	Online Coupons 84
Packaged Goods 62	Presell Your Coupon Drop 85
Retail/Service 62	Guidelines and Cautions 86

**Extended Contents** ix

Controlling Coupon Fraud 88	Why Some Retailers Don't Like
Simplified Checklist 89	Refunds 112
REBATES/REFUNDS 91	Retailers: Make the Most of Vendor Refunds and Take Some Credit 113
Introduction: Rewarding the Real	The No-Win Refund Board 113
Purchasers 91	Detecting Refund Fraud 113
Overview 93	Common Refund Copy
Common Refund Objectives 94	Requirements    4
Common Refund Objectives by Tactic	Refund Certificate Copy Examples 116
and Delivery 95	Planning Checklist 120
Itemized Tactics 97	F DISCOUNTS 103
Print Delivered 97	5. DISCOUNTS 123
Internet Delivered 97	Introduction: Discounting in a Rational Way 123
Point of Sale Delivered 98	Overview   26
Product Delivered 99	Definition   126
Partner Delivered 99	Common Discount Objectives by
Receipt Delivered 100	Tactic   27
Multiple Purchase—Same Brand or Company Product Line 101	Itemized Tactics   128
Cross-Purchase/Tie-in 102	Bartering 128
Continuity Purchase 102	Trade-in 128
Instant Refund 103	Storewide (Days or Hours Duration) 129
Sweepstakes Overlay 103	Temporary Price Reduction (TPR) 129
Manufacturer/Account Tie-in—Retail	Voucher 130
Fulfillment 104	Future Purchase Dollars 130
Retailer Vendor Collection 105	Member Card 131
Collector Card 105	First 200 Shoppers/Two Hours/200
Refunds versus Merchandise	Units 132
Incentives 105	Fill This Bag 132
How Not to Get Redeemed—	Value Pack 133
Slippage 105 Gambling on Slippage 106	Twofers/Service Extra (Buy One–Get One Free = BOGO) 134
Rebate Shell Games—Traffic Offers versus	Bundling 134
In-Store Nonoffers 107	Financing (0%, No Money Down, Payment
Shipping and Handling and Much	Grace Period) 135
More 108	Contract Prerequisite 135
Refund Fulfillment 109	Loss Leader 136
Example of FSI Fulfillment Costs 109	Trade Allowance 137
Those Who Failed to Meet Refund	Why Discount?   137
Requirements     10	Discount Law—Sales Must Be

**Sales** 138

Refund Redemption Example | 112

4.

**Budgeting** 164

Materials Checklist 164

Some Budgeting Criteria 165

Budgeting Benchmarks 166

	Everyday Low Price (EDLP) versus	Calculating a Point 167
	High-Low Retail Philosophy 140  Shell Games and Funny Money 140	Close-Ended or Open-Ended 167
		Rewards   168
	Options to Discounting   4   How to Handle Potential Problems   4   Selling In a Discount to the Retailer   43 Guidelines   44 Budgeting Guidelines   46 Track Results!—Build a Learning Curve   49 Trade Deals—Promotional Allowances   49	Don't Use the Free Word Too Freely   169
		•
		Loyalty, Continuity, Relationship, One- to-One, Permission—Which? 170
		Relationship Marketing 170
		Four Relationship Program Phases 170
		What Data to Track 171
		Profiling and Modeling 171
		Direct Survey 173
		Relationship Program Cost and Execution Considerations 175
6.	CONTINUITY 151	Continuity Guidelines and Cautions 176
	Introduction: The Data May Be Worth More Than the Sale    5	Three Hallmarks 176
	Overview 154 Common Continuity Objectives by Tactic 154 Itemized Tactics 155	Turn and Profit per Target Customer— Cost 177
		Participation—How Many or Who? 177
		Advertising Campaigns Don't Have Continuity 177
	Collect and Get—Refund 155	Do It Yourself versus Outsourcing 177
	Collect and Get—Merchandise/Service 156  Collect and Get—Free/Discounted Product 157  Collect and Get—Escalated Plan 157  Loyalty—Frequent Buyer 158  Loyalty—Electronic Card 159  Loyalty—Premium Catalog Program 160  Relationship (Database) 161	Program Duration—Increased
		Consumption 177
		Get Personal 178
		Overstocked/Understocked 178
		Questions and Complaints 178
		Have a Return Policy 178
		Encourage Participation While Reducing Reward and Fulfillment Costs 179
	Club/Contract 162	Review Vendors' Advantages and
	Collector Series 162	Disadvantages 179
	Collect and Win 163	Exit Plans 179
	Business-to-Business Applications 163	

# 7. POINT OF SALE 181

Introduction: Promoting to the Well-Trained Consumer | |8|

Overview 183 Definition 184

8. SAMPLING 215

Objectives by Tactic 242

Itemized Tactics 243

Product Placement 243

**Common Point-of-Sale Objectives** 

Glossary of POS Formats 208

**Budgeting Considerations** 211

Execution Checklist 212

by Tactic 185

by lactic 185	Introduction: Try It, You'll Like It 215
Tactics Itemized   186	Overview 217
Promotional POS Programs 186	Definition 217
Loader 187	Common Sampling Objectives by
Near-Pack 188	Tactic and Delivery 218
Self-Shipper (and Set-Sells) 189	Itemized Tactics 220
Cross-Merchandising 189	In-Store (or Lot)—Free Product Handout 220
Account Specific 190	In-Pack/On-Pack/Near-Pack Delivered 220
Spectacular (and Contest) 190	Coupon Delivered 220
Merchandising Fixture 191	Service-Delivered Offer 221
Merchandiser 192	Direct Mail Delivered 222
Special Effects 192	Alternative Media-Delivered Samples 222
Specialized Services 193	Door Delivered 223
The Sheer Selling Power of Point-of-	Free Short-Term Trial Offer 223
Sale Displays 193	Demonstrations 224
Point-of-Sale Signage Strategies 194	Referrals 225
Retail Zone Strategies and Attention	Intercepts (Plus Guerrilla) 225
Spans 195 Time Not on Your Side 197	Venues 226
Time Trace on Tour Grad Tra	Events 227
Guidelines and Cautions 197  Special Effects 200	Packaged Goods: Include
Motion 200	Retailers 227
	Guidelines and Cautions 228
Sound 202	Abbreviated Sample To-Do List 233
Lights 202	Booths 233
Lenticular 203	Budgeting 234
3D 203	Evaluation 237
Others 203	
	9. PROPERTIES AND
Advertising Value of Point-of-Sale Signs 204	EVENTS 239
Assigning Point-of-Sale Values for	Introduction: Making the Rent-or-Buy
Tie-in Prospects (and for You) 205	Decision 239
Selling In Your Display to	Overview 241
Retailers 207	Definition 242
Classes of BOC Farments 200	Common Licensing and Event

10.

#### Extended Contents

Product Affiliation 243		
Licensed Premium Offer 244		
Licensed Product Value 244		
Event Tickets 245		
Event Extensions 246		
Event Events 246		
Events 247		
The Schmooze Factor 248		
What Can You Do at an Event? 248		
Define Your Definitions 249		
Budgets and Bartering 250		
Checklist 250		
<b>Event Promotion Extensions</b> 254		
Lower-Cost Alternatives 255		
What Are "Results"? 255		
Movies, Music, Celebrities, Cartoon		
Characters 256		
What's in It for Licensors? 256		
Risky Business 257		
Product Placement versus Product Involvement 257		
Product Placement Companies 257		
PREMIUM PROGRAMS 261		
Introduction: Adding Relevant Value to		
a Product or Service Offer 261		
Overview 264		
Definition 264		
Common Premium Objectives by Tactic 264		
Tactics Itemized 265		
On-Pack/In-Pack 265		
Premium Pack 266		
Near-Pack 266		
110a7 1 ach 200		
Self-Liquidator 266		
Self-Liquidator 266		
Self-Liquidator 266 Loader 267		

Collectibles 267 Licensed Properties 268 Catalog 269 Tie-in 269 Sales Incentive 270 Premiums or Cash? 270 Shhh! Don't Say Loader with Liquor 271 Three Merchandise Types: Premiums, Ad Specialties, and Licensed Merchandise 271 Breakage and Slippage 272 Perceived versus Actual Value 272 Points versus Money 273 Order Forms 273 **Budgeting** 277 What Should a Profit Margin Be? 277 You Get What You Pay For 277 Shipping and Handling 277 Spoilage 278 Overseas versus Domestic Manufacturing 278 Employee Pilferage 278 Guidelines and Cautions 279 Checklist for Purchasing Premiums 280 **Checklist for Sourcing** Warehouses 281 Checklist for Fulfillment of Premiums 281 Finally, a Word on Behalf of Your Vendor 282

## II. TIE-INS 283

Introduction: Tie-ins: It's a Matching Process 283 Overview 286 Definition 286 Common Tie-in Objectives by Tactic and Delivery 286 Tactics Itemized 288

	Cousage 288	Overview 314
	Coupons—Joint Drop 289	Definition 314
	Co-refunds 289	Common Performance Objectives by
	Coupons/Refunds—On-Pack/In-Pack 290	Tactic 314
	Bundling 291	Tactics Itemized 315
	On-Pack 291	Quota 315
	Near-Pack 291	Contest—Greatest Volume 316
	Cross-Merchandising—Cross-Store 292	Contest—Volume and Percentage
	Vendor/Retailer Tie-in 292	Increase 316
	Comarketing 293	Qualifying Sweepstakes 317
	Cobranding 294	Strategic Performance 317
	Trade-Outs 294	"Casino Night" 318
	Sponsorships 295	Customer Submission = Sales Entry 319
	Co-op Programs 295	Group Competitions 320
	Finding and Negotiating with	Mystery Spotter (or Shopper) 320
	Partners 296	Recognition 321
	Can You Two Even Tie In? 296	Considerations 322
	Negotiating Advertising for Prizes or	Common Performance Objectives 322
	Rewards 296	Setting Up 322
	Who's Bringing What to the Table? 298	The Feeding Chain 323 Winning Ways 324
	Tie-in Partner Criteria and	Motivating Everyone 325
	Checklist 299	How Will You Verify
	The Basic Steps to a Tie-in 301	Performance? 326
	Partner Prospect Letter—Example 1 (Brief Intro) 302	Rewarding Practices 327
		Budgeting 329
	Partner Prospect Letter—Example 2 (Harder Sell Than #1) 303	Ballpark Allocations 329
	Partner Prospect Letter—Example 3 304	Open-Ended and Close-Ended Budgets 330
	Guidelines and Cautions 305	Sweepstakes Add Topspin at Low Cost 331
	Co-op Programs 306	Points Pay for Programs 331
	Co-op Program Development	Breakage 332
	Checklist 307	Tax Status 333
	Co-op Glossary 308	Safety, Tenure, Punctuality, and the
12	PERFORMANCE	Like 333
12.	PROGRAMS 311	Scams and Flaws 333
	Introduction: Basic Principles of	Communication 334
	Measuring Sales Promotion	Top-Line Communication Points 334
	Performance 311	Complete Rules 335

Sell-in and Communication Process 336 Reports 337 Evaluation 338

Checklist 338

## 13. TRADE PROGRAMS 341

Introduction: Wheeling and Trade

Dealing 341 Overview 344 Definition 344

**Common Trade Objectives by** 

Tactic 344

**Itemized Tactics** 345

Slotting Program 345
Allowance Program 346

Account-Generated Program 346
Account-Specific Program 347
Comarketing Program 347
Co-op Program 347

Performance Incentive Program 348

Spending More Money or Spending More Wisely 348

Sample Trade Promotion Budgets 350

Allowances and Other Funds 350 Retailer Display Packages 352

Tricks of the Trade 353

Category Management 353

Glossary 355 Index 371