Contents

Introduction by Professor Don E. Schultz  xv

1. HELP!  1

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

11. TIE-INS  283

12. PERFORMANCE PROGRAMS  311

13. TRADE PROGRAMS  341

Glossary  355
Index  371
1. HELP!  
   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  
   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

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
Match and Win 38
Watch and Win 38
800# Telephone, and Now the Internet 39
Caution! 39
Guidelines and Cautions 40
AMOE: Don’t Require Purchase to Claim a Prize 40
Control Your Media and Distribution 40
Advertising and Communication 41
Creative Challenge 41
Deadline Guidelines 41
Fraud and Security 42
Budgeting 44
Establish Criteria 45
Payout 45
Materials and Services List 46
Official Rules and Related Documents 47
Sweepstakes Official Rules Checklist 47
Drawing Entry Example 49
Sweepstakes Winner Forms—Major Prizes 50
Winner Announcement—Sample 50
Affidavit of Eligibility and Tax Assignment—Sample 51
Waiver of Liability—Sample 52
Consent and Release—Sample 54
Parental/Guardian Contest and Release—Sample 55
Prize Claim Form—Sample 56

3. COUPONS 57
Introduction: Consumers Love Coupons 57
Overview 61
Definition 61
Three Categories 61
Two Arenas—Packaged Goods and Retailers 62
Packaged Goods 62
Retail/Service 62
Common Coupon Objectives by Tactic 63
Itemized Tactics 64
Manufacturer Discount Coupon 64
Manufacturer Instant Redeemable Coupon (IRC) 65
Manufacturer Free Offer 66
In-Store Sampling Manufacturer Coupon 66
Manufacturer Account-Specific Coupon 67
Buy One–Get One Coupon (BOGO) 68
Retailer Product Discount Coupon 68
Retailer/Service Electronic Coupon (Verbal Request) 69
Multiple Purchase Coupon (or Cross-Purchase) 69
Cross-Ruff Coupon 70
Self-Destruct 71
Rub-off Value Coupon 71
Sweepstakes Entry 72
Bounce-Back 72
Time-Release Coupons 73
Do-It-Yourself (DIY) Coupon 73
Collector Card 74
Novel Format 75
Common Coupon Copy Requirements 75
Coupon Considerations 77
Free Product Coupons 78
Two Ways to Execute Free Product Coupons 78
Bar Codes 78
Coupon Sizes 80
Projecting Redemptions and Budgeting 80
Is Less Redemption More Effective or Vice Versa? 80
Redemption Process and Cost 82
Online Coupons 84
Presell Your Coupon Drop 85
Guidelines and Cautions 86
CONTROLLING COUPON FRAUD 88
Simplified Checklist 89

4. REBATES/REFUNDS 91
Introduction: Rewarding the Real Purchasers 91
Overview 93
Common Refund Objectives 94
Common Refund Objectives by Tactic and Delivery 95
Itemized Tactics 97

Print Delivered 97
Internet Delivered 97
Point of Sale Delivered 98
Product Delivered 99
Partner Delivered 99
Receipt Delivered 100
Multiple Purchase—Some Brand or Company Product Line 101
Cross-Buy/Tie-in 102
Continuity Purchase 102
Instant Refund 103
Sweepstakes Overlay 103
Manufacturer/Account Tie-in—Retail Fulfillment 104
Retailer Vendor Collection 105
Collector Card 105
Refunds versus Merchandise Incentives 105
How Not to Get Redeemed—Slippage 105
Gambling on Slippage 106
Rebate Shell Games—Traffic Offers versus In-Store Nonoffers 107
Shipping and Handling and Much More 108
Refund Fulfillment 109
Example of FSI Fulfillment Costs 109
Those Who Failed to Meet Refund Requirements 110
Refund Redemption Example 112

Why Some Retailers Don’t Like Refunds 112
Retailers: Make the Most of Vendor Refunds and Take Some Credit 113
The No-Win Refund Board 113
Detecting Refund Fraud 113
Common Refund Copy Requirements 114
Refund Certificate Copy Examples 116
Planning Checklist 120

5. DISCOUNTS 123
Introduction: Discounting in a Rational Way 123
Overview 126
Definition 126
Common Discount Objectives by Tactic 127
Itemized Tactics 128
Bartering 128
Trade-in 128
Storewide (Days or Hours Duration) 129
Temporary Price Reduction (TPR) 129
Voucher 130
Future Purchase Dollars 130
Member Card 131
First 200 Shoppers/Two Hours/200 Units 132
Fill This Bag 132
Value Pack 133
Twofer/Service Extra (Buy One—Get One Free = BOGO) 134
Bundling 134
Financing (0%, No Money Down, Payment Grace Period) 135
Contract Prerequisite 135
Loss Leader 136
Trade Allowance 137
Why Discount? 137
Discount Law—Sales Must Be Sales 138
Everyday Low Price (EDLP) versus High-Low Retail Philosophy 140
Shell Games and Funny Money 140
Options to Discounting 141
How to Handle Potential Problems 141
Selling in a Discount to the Retailer 143
Guidelines 144
Budgeting Guidelines 146
Track Results—Build a Learning Curve 149
Trade Deals—Promotional Allowances 149

6. CONTINUITY 151
Introduction: The Data May Be Worth More Than the Sale 151
Overview 154
Common Continuity Objectives by Tactic 154
Itemized Tactics 155
Collect and Get—Refund 155
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
Club/Contract 162
Collector Series 162
Collect and Win 163
Business-to-Business Applications 163
Budgeting 164
Materials Checklist 164
Some Budgeting Criteria 165
Budgeting Benchmarks 166
Calculating a Point 167
Close-Ended or Open-Ended 167
Rewards 168
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
Continuity Guidelines and Cautions 176
Three Hallmarks 176
Turn and Profit per Target Customer—Cost 177
Participation—How Many or Who? 177
Advertising Campaigns Don't Have Continuity 177
Do It Yourself versus Outsourcing 177
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
Review Vendors' Advantages and Disadvantages 179
Exit Plans 179

7. POINT OF SALE 181
Introduction: Promoting to the Well-Trained Consumer 181
Overview 183
Definition 184
Common Point-of-Sale Objectives by Tactic 185
Tactics Itemized 186
Promotional POS Programs 186
Loader 187
Near-Pack 188
Self-Skipper (and Set-Sells) 189
Cross-Merchandising 189
Account Specific 190
Spectacular (and Contest) 190
Merchandising Fixture 191
Merchandiser 192
Special Effects 192
Specialized Services 193
The Sheer Selling Power of Point-of-Sale Displays 193
Point-of-Sale Signage Strategies 194
Retail Zone Strategies and Attention Spans 195
Time Not on Your Side 197
Guidelines and Cautions 197
Special Effects 200
Motion 200
Sound 202
Lights 202
Lenticular 203
3D 203
Others 203
Display Loader Tips 204
Advertising Value of Point-of-Sale Signs 204
Assigning Point-of-Sale Values for Tie-in Prospects (and for You) 205
Selling In Your Display to Retailers 207
Glossary of POS Formats 208
Budgeting Considerations 211
Execution Checklist 212

8. SAMPLING 215
Introduction: Try It, You'll Like It 215
Overview 217
Definition 217
Common Sampling Objectives by Tactic and Delivery 218
Itemized Tactics 220
In-Store (or Lot)—Free Product Handout 220
In-Pack/On-Pack/Near-Pack Delivered 220
Coupon Delivered 220
Service-Delivered Offer 221
Direct Mail Delivered 222
Alternative Media-Delivered Samples 222
Door Delivered 223
Free Short-Term Trial Offer 223
Demonstrations 224
Referrals 225
Intercepts (Plus Guerrilla) 225
Venues 226
Events 227
Packaged Goods: Include Retailers 227
Guidelines and Cautions 228
Abbreviated Sample To-Do List 233
Booths 233
Budgeting 234
Evaluation 237

9. PROPERTIES AND EVENTS 239
Introduction: Making the Rent-or-Buy Decision 239
Overview 241
Definition 242
Common Licensing and Event Objectives by Tactic 242
Itemized Tactics 243
Product Placement 243
<table>
<thead>
<tr>
<th>Product Affiliation</th>
<th>243</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Premium Offer</td>
<td>244</td>
</tr>
<tr>
<td>Licensed Product Value</td>
<td>244</td>
</tr>
<tr>
<td>Event Tickets</td>
<td>245</td>
</tr>
<tr>
<td>Event Extensions</td>
<td>246</td>
</tr>
<tr>
<td>Event Events</td>
<td>246</td>
</tr>
<tr>
<td>Events</td>
<td>247</td>
</tr>
<tr>
<td>The Schmooze Factor</td>
<td>248</td>
</tr>
<tr>
<td>What Can You Do at an Event?</td>
<td>248</td>
</tr>
<tr>
<td>Define Your Definitions</td>
<td>249</td>
</tr>
<tr>
<td>Budgets and Bartering</td>
<td>250</td>
</tr>
<tr>
<td>Checklist</td>
<td>250</td>
</tr>
<tr>
<td>Event Promotion Extensions</td>
<td>254</td>
</tr>
<tr>
<td>Lower-Cost Alternatives</td>
<td>255</td>
</tr>
<tr>
<td>What Are “Results”?</td>
<td>255</td>
</tr>
<tr>
<td>Movies, Music, Celebrities, Cartoon Characters</td>
<td>256</td>
</tr>
<tr>
<td>What’s in It for Licensors?</td>
<td>256</td>
</tr>
<tr>
<td>Risky Business</td>
<td>257</td>
</tr>
<tr>
<td>Product Placement versus Product Involvement</td>
<td>257</td>
</tr>
<tr>
<td>Product Placement Companies</td>
<td>257</td>
</tr>
</tbody>
</table>

10. 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 |
Self-Liquidator  | 266 |
Leader  | 267 |
Collect and Get  | 267 |
Loyalty  | 267 |
Free with Contract/Commitment/Account  | 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 |

11. 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 |
### Extended Contents

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