

The potential of added value promotions

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31 Jan 2011

LONDON, UK: Brands and retailers are benefiting from added value promotions, but for marketers looking for a longer-term gain and less of a tactical quick win, there has been a resurgence of the more traditional promotional methods.



When Tesco created its Every Day Low Price back in 2002 it, probably rightly, claimed that all anyone wanted was to get their shopping at the cheapest possible price. As initiatives like this have developed throughout the industry so the awareness from consumers to search out the lowest possible price has increased, making it more and more difficult for brands to gain differentiation in the market place.

Brands and retailers are fighting back and huge advances have been made in the past decade to develop differentiation beyond just price. Indeed, the sophistication of shopper marketing has helped to make the whole shopping experience more engaging and more interesting.

In reality, however, many brands are still too reliant on price-based promotions to deliver against their volume targets and this reliance is driven by both retailer and internal pressures.

Does this reliance on price-based activity, which allows for short term trial generation and competitor blocking, damage the ability to enhance brand loyalty in the long term and how are brands now looking to reverse this trend?

Back to the traditional

For marketers looking for a longer-term gain and less of a tactical quick win, there has been a resurgence of the more traditional promotional methods, albeit with up-to-date technology and regulations applied. Instant Win, Free Prize Draw and Collector promotions can all add real value to the brand while also driving sales. Collectables in particular are a very efficient way of retaining customers and it appears that the UK consumer still has a huge propensity to collect.

Take Kingsmill's recent partnership with Wallace and Gromit, which was designed to change the behaviour of its medium

and heavyweight buyers. The main offer saw consumers collecting special tokens for a unique Wallace and Gromit toast rack as well as a number of other items. The items were not in original in their standard form, but all had been updated with a typical Wallace and Gromit touch to make them stand out and create a must-have factor. The end result was a promotion that achieved its commercial objectives sufficiently well to convince Allied Bakeries that there is a strong role for added value promotional activity on their brands.

Of course, not just any collectable will achieve the desired result. It used to be the case that the value of the reward was everything, now what makes the real difference for consumers is that they are being offered a relevant and interesting reward, hence brands increasing involvement with third parties and licensed properties.

Creating a point of difference

Promotions such as Patak's recent Free Karahi offer are proof that you don't have to be extreme to drive sales. The promotion required up to four lids from special jars of Patak's Cook in Sauce to obtain the traditional Indian cooking dish for free, with the offer also being available for a reduced number of lids plus a monetary contribution. The perception here is that you are getting a good value and relevant reward that is worth having, for very little effort.

Twenty years ago, promotional marketing was all about this, but because these types of offers have not been seen across the marketing landscape for some time, people see it as something new and that creates a point of difference in itself. Now these promotions, coupled with better than ever shopper marketing opportunities (from the inclusion of scented shelf strips with coupons to the use of in store media channels, such as radio) can allow brands plenty of opportunity to look at innovative ways of adding value and interest to their promotions.

Times are changing for brands and retailers. While price will always be important we need to create promotional campaigns that make the experience more interesting and add value for all parties concerned.

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