



Like milk, bread and butter in the supermarket, 'staple' products are a necessity.

BY JANE SMITH

EVERYONE'S A WINNER!

When you're in the supermarket, the brand you choose to buy generally won't matter that much, providing that the price is what you want to pay.

This analogy is useful when we talk about office products. And particularly in the office products sector, most consumers will know the approximate price for such items. Apart from loss leading (price cutting) to gain brand share and/or awareness, there is little or no point in offering promotions and incentives in this category. Only if there is a higher quality (and more profitable) alternative available would it be worth promoting and then it is called 'trading up'.

PROMOTIONS AND INCENTIVES

However, following the famous 80/20 rule, 20% of your product range has the potential to represent 80% of your margin but awareness, incentives and promotions will need to be an intrinsic part of your strategy to make this a reality. This is known as the tactical element of your marketing strategy.

Everyone's a winner! The overriding objective behind any promotional activity is to sell more and raise awareness. But there are subtleties in what you might be trying to achieve and the mechanics you might apply. Speaking to some 'gurus' in this area we've come up with an insight into what aspects need to be addressed and how to achieve success.

SO RULE 'NUMERO UNO' IS TO BE CLEAR ABOUT WHAT YOU ARE TRYING TO ACHIEVE:

- >> Awareness
(including education and brand building)
- >> Trial
- >> Switch Sell
- >> Cross Sell
- >> Trading Up
- >> Volume Increase
- >> Seasonal

TACTICAL ANTICS

The second basic rule is to address the mechanics. This is where things get a little more complex. Let's talk tactics!

Awareness/Education: Acco demonstrated a successful example of this with their 'File It Shred It' promotion. Leveraging on the high

awareness of Crystalfile filing products they promoted the shredder aspect of their product range and also talked about information lifecycle management.

Another great example has been the impressive Big campaign run by Esselte on their Dymo labelling range. The great success of it was getting the trade involved early on. Andrew Stacey, until recently director of purchasing at Spicers, says: "Everyone was talking about it and it hadn't even been launched. At Spicers we fully expected it to be a success and the results from our dealers proved that to be the case."

Nigel Mitchell, merchandise director at Kingfield Heath, comments on the campaign saying, "The financial investment was off the scale when compared with other marketing programmes. I have to admit I was personally very sceptical about the forecast growth. However when the predicated 15-fold increase came true I was the first to applaud Esselte's initiative."

Nigel Gunn, MD Esselte, adds, "As well as giving dealers instant profit, it is also providing ongoing revenue from consumable label sales. Phase 2 of the Big campaign, including more TV adverts, goes ahead through September and October, so lots more sales are possible for all involved."

Product Trial: Trial of a product can be achieved by straight-forward sampling. 'Keeping it real' as Tuli Mitra, tactical marketing manager, Acco points out, "Translating an intangible product shot from a catalogue page to the touch and feel of the product itself makes the purchasing decision easier."

ESSELTE and the Marine Connection

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MARINE CONNECTION



Clare Gibbard, marketing manager for Mitsubishi Pencil explained that they were currently organising targeted sampling campaigns with key dealers on core lines such as the Uniball eye. She says, "Dealers taking up the sampler have the opportunity to bespoke the sampler card so that any resulting sales will come to them. The samples are

and is also a good mechanism to increase volume sales.

Switch Selling: Usually this needs to be such a good value for money 'deal' that the consumer is persuaded to switch away from a tried and trusted brand to your alternative. This can be done with either money off or extra quantity such as BOGOF (buy one, get one free).

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then sent to the dealer's customer base and telesales are used to follow up a week later. In addition, the telesales teams were incentivised and rewarded with M&S vouchers on sales achieved."

Cross selling: Offer either a free or reduced priced sample of the product you want to trial with the sale of an already very successful product — buy this and get that free. In Pack/On Pack Offers can also encourage trial of a product

So what else makes a good promotion? "A good promotion hits all parts of the supply chain simultaneously to create the greatest impact," says Mitra from Acco. "That means something for the consumer, the sales person and the company who employs the sales person in the form of healthy profit margins and increasing sales. And make it easy. Bundling is a great way of making sure that the customer is satisfied NOW and feels the added value in

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PROMOTIONS AND INCENTIVES

the promotion immediately. The longer they wait the more disillusioned they will become."

Planning and Achievement: Another aspect that must not be overlooked is the planning says Nikki Leach of Xerox, "Internal briefing is essential. All staff must be fully aware of what you are doing and why. Otherwise their efforts could be inadvertently unproductive. From experience, we know that incentivising sales people is a great way of motivating action to get behind end-user campaigns. Leach goes on to say, "However, the key is to ensure that sales are clearly targeted and incentivised based upon achievement."

As part of Xerox strategy to grow sales of replacement cartridges for HP printers one of the tactical promotions being used was BOGOF and reseller incentives. This, coupled



tion. Whilst there may be cases for investment in brand building and awareness campaigns generally for all other types of promotion you would really be aiming for a break even or pay by result structure.

Other brand leaders also have great experience in the arena of

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TULI MITRA, TACTICAL MARKETING MANAGER, ACCO

with focus days where the reseller concentrates all efforts on the sales of the product range supported with Xerox literature, staff training and staff prizes on the day, has achieved amazing results of up to 148%.

Measurement: It is really important to understand when you set your objectives where your start point is and make sure you can measure the before and after. It's no good spending money promoting if you cannot understand the bottom line impact upon your business. Equally you do not want to be rewarding customers or staff without being able to qualify the contribu-

promotions. John Dickinson Stationery (JDS) is a now well established and successful in providing dealers with the tools and techniques to promote their quality stationery brands through their BMP (Brand Marketing Programme).

Mark Beaumont Thomas, JDS marketing manager, explains why he believes the success of the programme is down to sustained, regular activity rather than one off or a series of ad hoc promotions. "The result," he says, "is not only short-term increases in sales from each individual promotion but also product and brand awareness

TOP 10 TIPS

1. Ensure you're clear about your objective

2. Understand your start point and how you will target the incentive and measure the results

3. Make sure everyone is fully briefed

4. Choose the mechanics for the promotion that best suit your objectives

5. Make it as easy as possible

6. Keep it simple

7. If selecting a gift be careful to ensure it has high-perceived value

8. Make sure your customer's gratification is instant

9. Make a plan – don't go for uncoordinated ad hoc activity

10. Have fun and help your customers and staff enjoy the fun too!

among consumers as well as a sense of anticipation for the next promotion. The choice of free gift is important – it needs to have high-perceived value relative to the cost of the product it is promoting."

He's also keen to keep it simple: "For example, they buy just one box and receive a gift. Trying to get the consumer to purchase multiple packs in order to qualify for the gift tends to depress response rates. Better to get people to order little and often and keep them coming back. The instant gratification of receiving the gift with the next delivery is also very attractive."

A word about promotional gifts. The choice of gift is important and that it needs to have a high-perceived value in comparison to the item being promoted. Steve Cook, Staedtler's business gift manager, comments: "The basic criteria for a successful incentive/business gifts is to provide an appealing product that has high visibility like a pen that's on the desk all day long. It also has to be long lasting for enduring exposure. A pen satisfies all requirements."

EVERYONE LOVES A FREEBIE!

And it's not just pens that remain popular. Believe it or not the old favourites are still up there in the rankings too. Cuddly toys, sweets and chocolate as well as the more sophisticated stuff like beach towels, pampering sessions etc.

In summary, there's quite a lot of effort that's got to go into a good cohesive promotional programme but the rewards are well worth it. And, as we've said time and again, the brand manufacturers out there are only too willing to help you. ■