

Chapter 17 Promotional Concepts and Strategies

Section 17.2 Types of Promotion

Review Key Concepts

1. Trade promotions are sales promotion activities designed to gain manufacturers', wholesalers', and retailers' support for a product. Examples include promotional allowances, cooperative advertising, slotting allowances, sales force promotions, buying allowances, trade shows and conventions. Consumer sales promotion activities are designed to encourage individual customers to buy a product. Examples include cross selling, coupons, premiums, incentives, samples, sponsorship, product placement, loyalty marketing programs, and point of purchase displays.
2. Contests and sweepstakes are different types of games. Contests require participants to demonstrate a skill; sweepstakes are games of chance. Special offers and rebates are discounts offered by manufacturers to customers who purchase a product or service during a given time period.
3. Product placement allows viewers to see the product used or hear it discussed in an actual situation in an entertainment medium potentially viewed by millions. Because technology allows viewers to skip over paid TV advertisements or leave the area when ads are playing, product placement ensures that the product will at least be seen.

Practice Academics

English Language Arts

4. Advantages: name and logo builds brand awareness; positive publicity when the name of a sponsored facility appears. Disadvantages: high initial cost of sponsorship; annual long-term payments to continue naming rights; potential conflicts.

Mathematics

5. 27% ($\$2,625 \div \$9,625 = .27$)