

# Popular promotion techniques in CPG industries

#	Promotion strategy	Opportunity	Concept	Outcome
1	<b>Rewards-based promotions (partner product)</b>	<p><b>Traffic puller</b></p> <ol style="list-style-type: none"> <li>Expensive rewards (Xbox, iPhone) in developing countries</li> <li>Premium/luxury product or service in developed country</li> </ol> <p><b>Nurturing partnership</b></p> <ol style="list-style-type: none"> <li>Presence of premium partner in the geography helps such promotions</li> <li>Unique partnership can build edge over competitors</li> </ol>	<p><b>Participation engagement variations</b></p> <ol style="list-style-type: none"> <li>Proof of purchase (receipt, code, etc.)</li> <li>Short UGC (slogan, answer to a question, poll, etc.)</li> <li>Creative entry (upload song, design, drawing, etc.)</li> </ol> <p><b>Winner selection variations</b></p> <ol style="list-style-type: none"> <li>Sweepstake or lottery—random winner</li> <li>Contest—skill-based winner</li> </ol>	<ol style="list-style-type: none"> <li>Drives purchase intent and frequency</li> <li>Improves customer engagement</li> <li>Increases new user base and remarkets to existing user</li> <li>Elevates brand image</li> <li>Improves premium partnership</li> </ol>
2	<b>Discount-based promotions</b>	<p><b>Traffic puller</b></p> <ol style="list-style-type: none"> <li>Hawk Incentives found that 97% of consumers (e-commerce and otherwise) say they look for deals as they shop—with 92% saying they are always on the lookout for promotional offers.</li> <li>PRRI found that 87–96% of consumers (based on various age groups) used a coupon or otherwise took advantage of a discount or offer in 2019.</li> </ol> <p><b>Knocking off competition</b></p> <ol style="list-style-type: none"> <li>Knock-off competitors for similar product ranges with stable and regular large user base.</li> </ol>	<p><b>Promotion variations</b></p> <ol style="list-style-type: none"> <li>Percentage discounts</li> <li>Fixed dollar discounts</li> <li>Buy one, get one offers</li> <li>Multi-buys</li> <li>Multi-save and conditional promotions</li> <li>Free shipping</li> <li>Ordering certain amount</li> <li>Ordering using specific partner credit card</li> <li>Seasonal discounts</li> <li>Subscribe and save model discount</li> </ol> <p><b>Channel variations</b></p> <p>Store coupons, online coupons, emailer, direct mail, leaflet sent with purchase, direct app message, SMS message, and various other creative strategies. Can run throughout the year.</p> <p><b>Best practices</b></p> <ul style="list-style-type: none"> <li>Targeting the right audience—it is not a great idea to target an unmarried man with a diaper coupon.</li> <li>Timing and scheduling—a grocery item should have an offer at the beginning of the month where the chance of selling such an item is much greater.</li> <li>Terms and conditions—should be very clear and not ambiguous, which could generate buyer frustration.</li> <li>Actions—it should align with the business goal to promote a certain product or to target a new user group.</li> <li>Tier-based or member only discounts, apply threshold—allow only premium consumers to use the offer, cap number of consumers who can redeem the offer, and avoid stacking up offers for a single user.</li> </ul>	<ol style="list-style-type: none"> <li>Increased sales via new user</li> <li>Charges up existing but inactive customers</li> <li>Builds strong repeat purchaser base</li> <li>Improves user experience</li> <li>Competitive edge to the brand</li> <li>Helps build partner relationships and second party customer base</li> <li>Meets sales goals for various tenures</li> </ol> <p>If the discount is too large and very frequent, it can have a negative impact. Could build a perception that quality may have been compromised or the brand itself is not great.</p>

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3	Co-creation promotions	<p><b>Traffic puller</b></p> <ol style="list-style-type: none"> <li>1. Customer always wants to share their own brand story.</li> <li>2. With their creative entry, consumers feel proud, valuable, and worthy.</li> </ol> <p><b>Generate new ideas</b></p> <p>Co-creation is one of the best ways to get out new relevant and relatable ideas.</p>	<p><b>Promotion variations/components</b></p> <ol style="list-style-type: none"> <li>1. Consumer participation in design or problem-solving ideas</li> <li>2. Crowd sourcing of various creative ideas</li> <li>3. Fan voting for most popular ideas</li> <li>4. Buy the co-created, customized product</li> </ol> <p><b>Winning variations</b></p> <ol style="list-style-type: none"> <li>1. Recognition by various mediums</li> <li>2. Recognition on packaging and marketing</li> <li>3. Earn percentage of product sales</li> <li>4. Reward for co-creation ideas</li> </ol> <p>Initial investment = High Brand = Common for top and big brands</p>	<ol style="list-style-type: none"> <li>1. Increases community loyalty base</li> <li>2. Impacts brand affinity and retention</li> <li>3. Promotes innovation and creativity, leading to brand reputation</li> <li>4. Improves sales volume through co-created product sales</li> </ol>
4	Sampling promotions	<p><b>Traffic puller</b></p> <ol style="list-style-type: none"> <li>1. Encourage user to try out brand new product</li> <li>2. Encourage consumer to try out existing product in new geography</li> </ol>	<p><b>Promotion variations</b></p> <ol style="list-style-type: none"> <li>1. Direct mail with a small sachet/packet</li> <li>2. Fulfillment of sample order on website</li> <li>3. Freebies for in-store customers or B2B distributors</li> <li>4. Free-trial period of digital products</li> <li>5. Digital try-on/fulfillment wherever possible. For example, show a painted wall with a color of the consumer's choice or engage through augmented reality to do a virtual try on of cosmetics, lenses, or apparel from consumer devices. A step further could be an automotive test drive experience through AR-VR.</li> </ol> <p>Initial investment = Moderate to high</p>	<ol style="list-style-type: none"> <li>1. Freebies or try out products helps to attract customers</li> <li>2. Builds user base for new products</li> <li>3. Drives purchase intent and frequency</li> </ol>
5	Social marketing promotions	<p><b>Traffic puller</b></p> <p>Social media (Google+, Facebook, LinkedIn, Twitter, Instagram, and many more) is now an extremely powerful platform for any kind of promotion. 97% of marketers are using social media and 78% of sales people outsell their peers by using social media for their business.</p>	<p>The idea is to reach new consumers in the easiest way and with the widest reach. With &gt;3.5 billion social media users present worldwide, this promotion keeps the consumer connected to the brand and can make them feel valued through user-generated content opportunities. They can also act as an advocate for the brand while sharing their experiences (and brand interaction) with friends, relatives, and other followers.</p> <p>By standing up for a social cause, brands can also win more fans and establish themselves as a trendsetter in this realm. This in turn can paint an elevated brand image worldwide.</p>	<ol style="list-style-type: none"> <li>1. Helps build brand awareness through powerful social media and grab attention easily</li> <li>2. Increases traffic through paid promotions</li> <li>3. Promotes products and services based on consumer interest</li> <li>4. Targets consumers based on their current mood and general sentiment as well as generates free advocacy content for brands</li> <li>5. More up-sell and cross-sell</li> <li>6. Builds brand image and awareness for long term attachment</li> </ol>

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6	Program/ Platform-based promotions	<p><b>Traffic puller</b></p> <ol style="list-style-type: none"> <li>Promote an existing platform (example: Loyalty Platform) to intrigue existing members and attract new members.</li> <li>Guide participants to enroll into existing platform to build a stable customer base.</li> </ol> <p><b>Conversion</b></p> <ol style="list-style-type: none"> <li>Convert one-time participants into long term advocates.</li> <li>Platform can grow over the years with very little additional operating cost.</li> </ol>	<p>Leveraging any kind of existing platform makes things easier for marketers, reducing time to market for promotions. It also allows for quicker promotion of brand through current loyalty platforms. These promotions attract consumers, causing them to look for such promotional offers on a repeated basis.</p> <p>Platform referral through social media or otherwise is another means that brings new users to the mix.</p> <p>Seasonal in nature, mostly.</p>	<ol style="list-style-type: none"> <li>Builds stable customer base for the platform and help it to grow</li> <li>Converts one-time visiting customer into repeat customers</li> <li>Helps build multi-level, high CLV user base</li> <li>Promotion cost is within limit</li> <li>Drives frequent purchase growth</li> </ol>
7	Sponsoring events promotions	<p><b>Traffic puller</b></p> <ol style="list-style-type: none"> <li>Arrange and sponsor cultural, sporting, and other events to pull in the crowd.</li> <li>Advertise over the event venue (physical/digital) and over media to build awareness about the brand and their products.</li> </ol> <p><b>Image building</b></p> <ol style="list-style-type: none"> <li>If the event is meant for greater social cause, this could elevate the brand image.</li> <li>Chance of improving brand awareness and identity by popularizing the brand through the influencers, trendsetters, event thought leaders, etc.</li> </ol>	<p>A huge event like NFL Super Bowl, Olympic games, TED Talk, and Adobe Summit are few examples where the sponsor could increase brand awareness through sponsorship.</p>	<ol style="list-style-type: none"> <li>Brand becomes more of a household name within large event fan base</li> <li>Reaches huge populations easily</li> <li>Can be a yearlong marketing opportunity based on the scale of the event—for example, sponsoring the Olympics</li> </ol>

## About Mindtree

Mindtree [NSE: MINDTREE] is a global technology consulting and services company, helping enterprises marry scale with agility to achieve competitive advantage. "Born digital," in 1999 and now a Larsen & Toubro Group Company, Mindtree applies its deep domain knowledge to 270 enterprise client engagements to break down silos, make sense of digital complexity and bring new initiatives to market faster. We enable IT to move at the speed of business, leveraging emerging technologies and the efficiencies of Continuous Delivery to spur business innovation. Operating in more than 24 countries across the world, we're consistently regarded as one of the best places to work, embodied every day by our winning culture made up of over 23,800 entrepreneurial, collaborative and dedicated "Mindtree Minds."