Generous support for DECA’s School-based Enterprise Program is provided by

SCHOOL-BASED ENTERPRISE INSTRUCTIONAL UNITS

PROMOTION

EMERGING LEADERS AND ENTREPRENEURS IN MARKETING, FINANCE, HOSPITALITY AND MANAGEMENT
Chances are, your school-based enterprise has a built-in customer base—students and faculty at your school! Even so, all successful businesses should develop a promotional plan to keep customers aware of their product offerings and coming in to purchase those products. The concept of “promotion,” while at first seemingly simple, is actually rather broad. There are several kinds of promotion. Businesses employ product promotion when they use unique product features and benefits as selling points. Institutional promotion refers to promotional efforts that say something positive about a business.

Sales promotion—both trade promotion and consumer promotion—is the collective group of strategies aimed at consumers to increase sales. Your school-based enterprise is probably the most familiar with product promotion and consumer promotion, though you most likely see institutional and trade promotion at work as well.

Let’s illustrate all of these kinds of promotion with an example. Perhaps your school-based enterprise sells sandwiches at lunchtime. You most likely have a sign or display promoting the sandwiches. You may include information on the sign about the variety of sandwiches offered, the price of the sandwiches, the hours during which they are available, etc. This is product promotion, for you are informing your customer base about your product (and hopefully encouraging those customers to purchase the product).

You also conduct institutional promotion of your SBE through selling sandwiches. While you may not be as aware of your implementation of institutional promotion as you are of product promotion, you are nonetheless carrying it out every day. The very fact that you sell sandwiches during lunch creates an impression of your SBE in the minds of its customers. Perhaps some students see your SBE as a convenient alternative to going off campus for lunch. This “image” of your SBE is created not through selling but through the positioning of your business as you would like it to be received—as a convenient lunchtime snack bar, a healthy alternative to fast food, etc.

Now think about the sandwiches in terms of trade promotion. Just as you promote the sandwiches to students and teachers at your school, the vendor from whom you purchased the sandwiches or sandwich ingredients probably promoted their offerings to your SBE in some way. Maybe you saw the vendor’s booth at a trade show and decided to offer their line of sandwiches in your school-based enterprise. Trade promotion occurs when a manufacturer (the sandwich vendor) markets its products (sandwiches) to a wholesale or retail business (your school-based enterprise). Your SBE is not the end consumer of the products you offer, but it is still the target of vendors’ promotional efforts.

Consumer promotion is the easiest to understand, as the strategies comprising this type of promotion are probably the most familiar to you. Maybe you issue coupons offering sandwiches for fifty cents below the normal price for the first week of school, or you give customers purchasing sandwiches free bottled water on a certain day of the week. Both are examples of incentives meant to encourage sales.
CONSIDER THE LIST OF THE FOLLOWING CONSUMER PROMOTIONS

DISPLAYS
Displays are visual exhibits or arrangements. Businesses use both exterior displays, such as large signs outside a store or an awning printed with the business’s name and logo, and interior displays, which are assemblages of merchandise strategically designed to encourage people to purchase the arranged products.

PREMIUMS
A premium is a free item given to a customer who has purchased another product—a gift of sorts. Examples include a free athletic bag with the purchase of a gym membership or a free protective case with the purchase of a cellular phone.

REBATES
Rebates refer to money that the customer can receive off their purchase after they have bought the product. Unlike coupons, these discounts are not taken at the point of sale. Because of this, they are very often not redeemed.

SAMPLES
These allow customers to “try out” a product before they purchase it. Samples are often very small versions of the original product (as in trial-sized cosmetics or miniature tubes of toothpaste) that the potential customer can use to determine how they like the product and if they want to buy it. Quick-serve restaurants and food stores often feature bite-size samples of their products.

SWEEPSTAKES AND CONTESTS
These are activities that require the customer to perform a certain action or provide certain information. Many businesses offer all-expenses paid trips to exotic destinations to those individuals who enter their sweepstakes or contest. The value to the business in holding the sweepstakes or contest is both positive PR and potential new customers.

CUSTOMER LOYALTY MARKETING
This is becoming an increasingly popular form of promotion. Many businesses with customers who frequently shop with them create programs that reward those customers’ loyal patronage. Customers are given a card or identifying number to use whenever they make a purchase. After a certain number of purchases or accumulation of enough points, customers are eligible for “rewards” in the form of free products, gift certificates, or discounts.

POINT-OF-PURCHASE PROMOTION
These are promotional strategies carried out at the time of a customer’s purchase. A retailer will often display small, colorful, and inexpensive items right next to the cash register to encourage buyers to add on to the purchase they are already making. Other businesses’ salespeople ask customers about opening a credit card or encourage them to spend a certain amount of money in order to take advantage of a discount.

SPECIAL PROMOTIONS
These include promotional strategies that are not routine. Fashion shows, guest appearances, book signings, and other events are effective promotional tools because they seem exclusive and don’t happen frequently.

KEY TERMS
Product promotion
Institutional promotion
Sales promotion
Trade promotion
Consumer promotion
• Displays
• Premiums
• Rebates
• Samples
• Sweepstakes and contests
• Customer loyalty marketing
• Point-of-purchase promotion
• Special promotions

REFERENCES


CLASSROOM ACTIVITY

Choose one of the types of sales promotion activities listed in this pamphlet to implement in your SBE. Run the promotion and evaluate its effectiveness. Consider the following things when creating your promotional plan:

- Make a schedule. Your promotion, even if it is a one-day sale, will be successful only if it is planned well in advance. Create a timeline and specify when certain tasks should be completed so that the event happens on time.
- Come up with a budget for your promotion. Without one, you run the risk of overspending on supplies and materials.
- Prepare your SBE for the promotional event. Consider visual merchandising of products, decorations, and logistics.
- Create “hype” for the promotion with strategically placed signage around your school, fliers, or postcards mailed to potential customers.

After running your promotional event, you should be equipped to answer the following questions:

- Did the promotion increase daily sales?
- How did your customer base react to the promotion?
- What are some challenges you faced during the development and execution of your promotional plan?

CASE STUDY

Holidays and other special times of year provide fun and exciting opportunities for businesses to run promotional campaigns. Large bags of candy at Halloween, store discounts at Christmastime, and two-for-one deals on fireworks at the Fourth of July have become ubiquitous in American society. One of the biggest retailing “seasons” though, is not even focused on a holiday. The back-to-school season is a lucrative time for businesses, as manufacturers and retailers alike try to fulfill parent and student needs. Parents want items that will help their children be healthy and successful in school—eyeglasses, computers, backpacks with supportive straps, etc. Students want those same things to a certain degree, but they also want to follow trends and fit in. Students want the newest colors in school supplies, fashionable clothes and shoes, and the latest electronic gadgets.

Target’s 2012 online back-to-school campaign* appealed to both parents and students. Its “School and Office Supplies” section featured a “back-to-school” link at the top of the page. When the link was clicked, school-related merchandise of all types and prices appeared onscreen. A shopper could customize their search by category or by price. The school supplies available ranged from the practical and routine (black pens, yellow highlighters, and copy paper) to the fun and trendy (notebooks emblazoned with sports team logos, neon-colored composition books, and patterned book covers). Many of the items were eligible for discounts or free shipping if a high enough quantity was purchased.

If a shopper searched for “back to school” in the search bar, a unique back-to-school homepage appeared. Here a shopper could click various links for kids’ clothes, backpacks and lunch boxes, laptops, and more. The homepage was colorful and aesthetically pleasing, and therefore encouraged customers to further explore it. One section explained how kids could accessorize school uniforms. Another featured printable coupons. Yet another linked to a PDF of Target’s back-to-school catalogue. All of these features worked together to convince shoppers that their experience or their children’s experience at school would be positively impacted by the various products displayed—and that they should therefore purchase these products.

* Website has since been taken down.