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The Promotional World According to Retail

A Look at Manufacturer Promotional Programs from the Retail Perspective

John L. Park
Gene A. German

Teaching • Research • Executive Education

a food industry management program publication

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executive summary

In an effort to ease communication between packaged goods manufacturers and retailers, this report investigates the preferences retailers have concerning the various promotional programs used in their stores. Through the use of a mail survey, retail executives from supermarket, drug, and mass merchandise companies shared their perceptions of 22 specific promotional programs regarding their use, effectiveness, and attractiveness for future support. Some significant findings were:

- The most commonly used promotions overall were *in-store demonstrations and sampling* and *shipper displays*.
- *Targeted direct mail* and *shipper displays* shared the highest rating of all promotions evaluated for their ability to increase product movement.
- *Targeted direct mail* received the highest rating of all promotions evaluated for their ability to increase overall store sales.
- More than any other promotional program, retail executives indicated that *in-store or in-ad coupons* would be the most likely to obtain a retailer's display support.
- When asked which programs they would negotiate to increase funding, retail executives indicated *targeted direct mail* more than any other promotional program.

Clear and consistent performers include *targeted direct mail, shipper displays, in-store coupons, in-ad coupons*, and *in-store demos and sampling*. However, it is noted that the use and perceived effectiveness of these programs may not always seem consistent. For example, retailers felt *promotions tied to local charities* are relatively ineffective at increasing product movement or overall store sales, and yet this promotional tool is used by 91% of retailers surveyed. On the other hand, frequent shopper programs received favorable marks regarding program effectiveness, and yet is not commonly used by retailers in this survey. Ultimately, the value a retailer places on any given promotion is a function of its ability to meet stated retail objectives, which may extend beyond any hard sales statistics.

acknowledgments

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foreword

As the packaged goods marketing community increases its emphasis and spending on account level co-marketing campaigns, the need for a better understanding of the marketing and promotional landscape of their retail partners has increased dramatically. Unfortunately the communication protocols and processes within many packaged goods marketing companies is not developed enough to facilitate an accurate and regular flow of this type of information from field sales organization to the drawing boards of the marketing department. As a result many account level marketing programs are designed without the input and perspective of the retailer. The result is a proliferation of marketing campaigns that receive a cool reception at retail or miss the mark completely.

The purpose of this research report is to provide marketers with a better summary understanding of the marketing and promotional preferences of retailers. The ultimate goal, of course, is to help marketers and retailers build co-marketing programs that better achieve their joint business objectives.

While some of the findings simply confirm things that most marketers assume to be true (i.e. display shippers and in-store sampling move incremental product) there are others that are truly enlightening. We invite you to read and digest the information in this report and urge you to use it and any other pertinent information you gather to develop better co-marketing efforts with your retail and packaged goods marketing partners.

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The Promotion World According to Retail

A Look at Manufacturer Promotional Programs from the Retail Perspective

introduction

According to AC Nielsen[1], manufacturers currently spend about $70 billion annually on trade promotions. Further, the trend has been for packaged goods manufacturers to spend a larger share of their advertising budget on promotional activities. Thus, it is increasingly important for them to understand what retailers perceive are effective and desirable promotional programs. This need is further exemplified by the contrasting goals manufacturers and retailers set for the same promotion. According to AC Nielsen, the top three reasons manufacturers engage in trade promotion are:

1. Increase Sales Volume

2. Maintain Volume/Share

3. Increase Market Share

And yet these motivations are in stark contrast to the most important reasons given by retailers for implementing promotions:

1. Increase Store Traffic

2. Improve Category Profitability

3. Increase Customer Loyalty

While the promotional program of a packaged goods manufacturer may readily achieve their stated goals, it may not achieve goals established by the retailer. Further, if the retailer is dissatisfied with the promotion, just how effective will the promotion be at reaching the customer as intended? In this light, a manufacturer would be greatly served by an understanding of retailer perceptions and preferences of the available promotional tactics. This study seeks to fill this lack of knowledge.

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[1] AC Nielsen. *Eighth Annual Survey of Trade Promotion Practices*, 1998.

the promotional preference survey

This report details the results of a survey conducted by the Food Industry Management Program at Cornell University for TradeZone, LLC. The survey was mailed directly to retail executives from supermarket, discount drug, and mass merchandise companies. The key executives who responded to this survey represent 48 companies and divisions whose operational coverage extend to over 19,000 retail stores operating in all 50 United States. Responses were elicited from these executives regarding 22 specific promotional programs used in retail stores. These programs were:

- Chain-wide Sweepstakes
- Co-op Radio Advertising
- Co-op Television Advertising
- Frequent Shopper Programs
- In-Ad Coupons
- In-Store Advertising
- In-Store Coupons
- In-Store Demos and Sampling
- Instant Redeemable Coupons
- Internet Programs
- Manufacturer Purchased Display Space

- Manufacturer Shelf Talkers
- National Sweepstakes
- Near Pack Offers
- Paperless Coupons
- Premium Giveaways
- Promotion Tied to a Local Organization or Charity
- Retailer Cross-Ruff
- Retailer Shelf Talkers
- Shipper Displays
- Targeted Direct Mail
- Tear Pads

Specifically, executives answered questions concerning the use, effectiveness, and support of these promotional tools. The goal of this survey, then, was threefold:

1. Identify current retail practices in terms of promotion.

2. Evaluate the various forms of promotions for their ability to affect product movement and overall store sales.

3. Identify the promotional programs that retailers would like see receive increased support.

In general, the survey could be described as an inquiry into what programs are being used, which ones work, and which ones retailers would like to see increased in the future? Surprisingly, the answers to these three questions may be quite different. A comparison of these answers then, will provide valuable insights into retail promotional preferences.

To this end, a mail survey, dubbed the Promotional Preference Survey, was conducted from January to June 1998. The survey was prefaced by personal interviews with various retail executives to develop a meaningful line of questions. After pretesting with those executives, the resulting survey was distributed to Cornell's own proprietary list of retail executives. A copy of the Promotional

Preference Survey is exhibited in **Appendix A**. Further discussions with industry executives provided additional insights and validation of the survey results. Obviously, this report owes its success to the generous time spent by these various retail executives at all stages of the survey process.

In the course of preparing this survey, it became evident that familiarity with the terminology involved with promotional use can vary from one retailer to the next. Furthermore, the meaning of some terms may be situational. Thus, executives who responded to the Promotional Preference Survey were also presented with a glossary of terms, defining the 22 promotional programs. That glossary is presented in **Appendix B**.

survey results

This section presents the general results of the Promotional Preference Survey. The interested reader is referred to **Appendix C** for more detailed results. A word of caution – by no means are these results meant to quantify the performance of one promotional tool over another, or one store format over another. Rather, these results offer trends and insights that are crucial to understanding the way retail executives value the promotional programs offered by their manufacturer partners. The results of the survey will be presented topically, with the responses from all executives presented first and any prominent differences across channels of trade presented second.

Current Status

In general, strong support was indicated for increased spending on account specific promotion and co-marketing by manufacturers. On a five-point scale (1=do not support, 5=extremely supportive), respondents across all retail formats indicated an average score of 4.4. Drug store executives seemingly led this charge with an average score of 5.0. Meanwhile wholesale grocery executives were less enthusiastic in their response with an average score of 3.8.

The top ten most commonly used promotional programs are exhibited in figure 1. The most prevalent programs used in retail stores are shipper displays and in-store demonstrations and sampling, with 94% of executives indicating their companies use these programs. These were closely followed by promotions tied to local charities, with 91% of executives indicating their companies use this program. Eighty-nine percent of respondents indicated their companies use co-op radio advertising, in-store coupons, retail generated shelf talkers, and targeted direct mail. Further, 83% indicated their
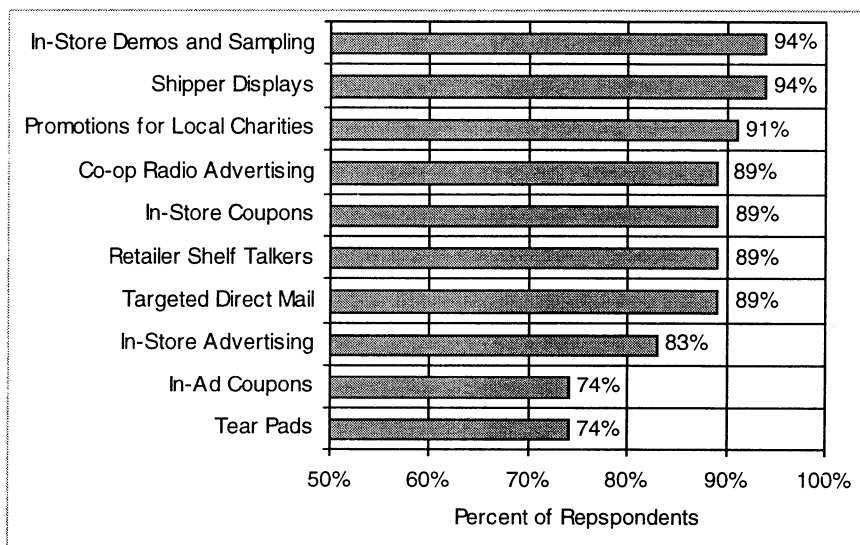
In-store demonstrations and sampling as well as shipper displays were the most commonly reported programs in use by retail stores.

Not shown here, manufacturer shelf talkers and national sweepstakes were the least commonly used programs by the group as a whole.

Figure 1. Respondents reporting program use in their company's stores.

Targeted direct mail and shipper displays topped the list of promotional programs rated for their ability to move product.

These programs are grouped in a narrow range of scores, however, when respondents were forced to choose the top three most effective programs, the use of in-ad or in-store coupons was listed far more than any other program.

Shipper displays and retailer shelf talkers followed to round out the top three.

Program	Mean Response
Targeted Direct Mail	4.1
Shipper Displays	4.1
Frequent Shopper Programs	4.0
In-Store Demos and Sampling	4.0
Paperless Coupons	3.9
Retailer Shelf Talkers	3.9
Purchased Display Space	3.7
In-Ad Coupons	3.7
In-Store Coupons	3.6
Instant Redeemable Coupons	3.5

1 Ineffective   2   3   4   5 Extremely Effective
Mean Response
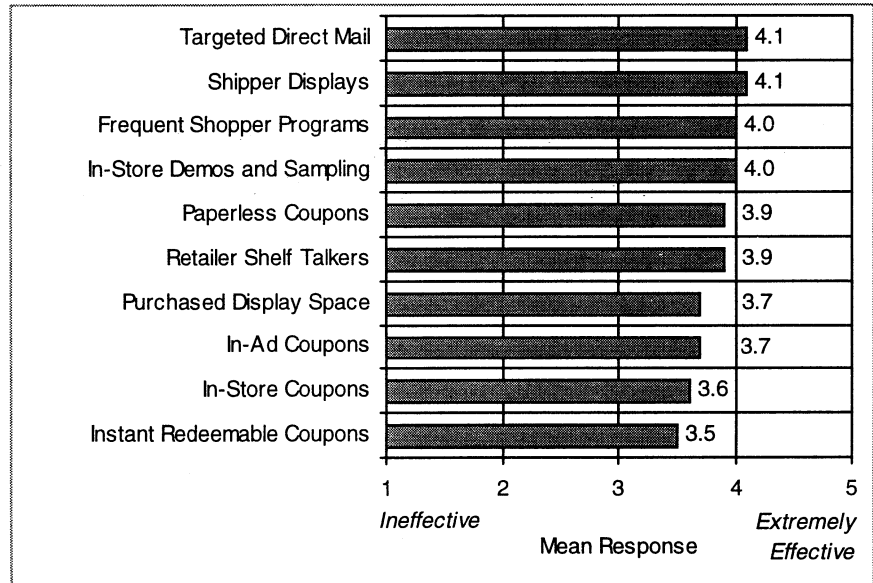
Figure 2. Rating programs for their ability to increase product movement.

companies use in-store advertising, and 74% use in-ad coupons and tear pads. Looking toward the bottom of the list, we find a discrepancy among channels of trade. Overall, national sweepstakes are little used by the retailers in this survey. However, discount drug stores did not always follow this pattern. More so than their counterparts in other channels of trade, drug store executives indicated that their stores commonly use both chain-wide and national sweepstakes.

Program Effectiveness

Product Movement

Respondents were asked to evaluate the promotional programs in terms of their ability to move product. Each promotional program was rated on a five-point scale where 1=ineffective, and 5= extremely effective. The top ten programs rated in terms of product movement are shown in figure 2. Two programs, shipper displays and targeted direct mail, tied for the top rating, each with an average score of 4.1. Frequent shopper programs and in-store demonstrations and sampling follow closely, each with an average score of 4.0. Next were paperless coupons and retail shelf talkers (each with an average score of 3.9) followed by various methods of couponing. Discount drug stores, once again, prove to be an exception. Not only were discount drug and mass merchandise executives less enthusiastic about paperless couponing, but drug store executives in particular failed to respond to this question. Drug store companies appear to lack experience with paperless couponing.

Asking respondents to indicate the top three most effective programs in terms of their ability to move product further refined these results. More than any other program, 64% of respondents placed in-ad or in-store coupons among the top three most effective programs. Shipper displays and retailer shelf talkers placed next with 38% and 34% of respondents indicating these programs respectively. In

relation to the group as a whole, mass merchandisers prized more the use of targeted direct mail, and drug store executives were more favorable toward instant redeemable coupons.

Overall Store Sales

In terms of a program's ability to increase overall store sales, the top rated programs are listed in figure 3. Executive respondents rated these programs on a five-point scale, where 1=ineffective at increasing overall store sales and 5=extremely effective at increasing overall store sales. The top rated program in this regard was targeted direct mail with an average score of 4.2. Frequent shopper programs, in-store demonstrations and sampling, and retailer shelf talkers followed with average scores of 4.0, 3.9, and 3.9 respectively. There was general agreement by executives from all channels of trade concerning the programs that comprise the top ten. However, we found that mass merchandise executives rated shipper displays (ranked fifth overall) as their top rated program. Other programs were not numbered among the top ten rated programs, and yet were given a high rating by executives in specific channels. For example, in-store advertising was rated very high by mass merchandisers (who gave it a score of 4.5) compared to the rating from all executives (a combined score of 2.8). Similar results were seen for instant redeemable coupons (given a high rating by discount drug and mass merchandise executives) and premium giveaways (given a high rating by drug store executives).

Asking executives to indicate which programs comprise the top three in terms of increasing overall store sales further refines these results. Once again, the use of in-ad or in-store coupons clearly rose to the top of the list. Frequent shopper programs and targeted direct mail followed. The responses from mass merchandise executives differed from these overall results in that they also showed strong support for co-op radio advertising.

*Once again, **targeted direct mail** topped the list of promotional programs rated for their ability to increase overall store sales.*

*As with the previous question, when respondents were forced to choose the top three most effective programs, the use of **in-ad or in-store coupons** was chosen more than any other program.*

***Frequent shopper programs** and **targeted direct mail** followed to round out the top three.*

Program	Mean Response
Targeted Direct Mail	4.2
Frequent Shopper Programs	4.0
Retailer Shelf Talkers	3.9
In-Store Demos and Sampling	3.9
Paperless Coupons	3.7
In-Ad Coupons	3.7
In-Store Coupons	3.6
Shipper Displays	3.6
Co-op Radio Advertising	3.5
Co-op TV Advertising	3.4

Scale: 1 = Ineffective ... 5 = Extremely Effective (Mean Response)
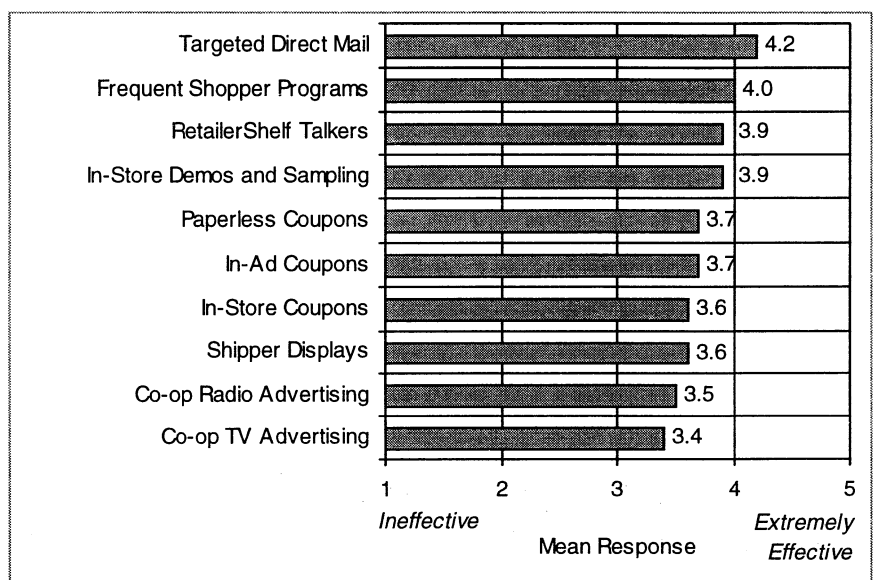
Figure 3. Rating programs for their ability to increase overall store sales.

In-Ad or In-Store Coupons	49%
Purchased Display Space	46%
Shipper Displays	35%
In-Store Demos and Sampling	33%
Co-p TV Advertising	29%
Co-op Radio Advertising	18%
Frequent Shopper Programs	18%
Targeted Direct Mail	16%
Chain-wide Sweepstakes	13%
Retailer Shelf Talkers	9%

Percent of Repspondents Placing Among Top 3

Aside from rating programs based on their effectiveness, respondents were asked to give an indication of which programs are the most likely to obtain a retailer's display support.

Each respondent listed the top three programs in this regard. For the programs presented at left, we show the percentage of respondents who placed that particular program among the top three.

***In-ad or in-store coupons** placed first followed by **manufacturer purchased display space** and **shipper displays**.*

Figure 4. Top three promotional programs most likely to obtain display support.

Retail Support

Retail executives also indicated which three programs were most likely to obtain a retailer's display support (figure 4). There was general agreement across all executives that in-ad or in-store coupons, manufacturer purchased display space, and shipper displays comprised the top three programs most likely to obtain display support. Mass merchandisers were the exception to the rule, however – these executives placed a greater emphasis on co-op radio and television advertising.

Respondents indicated the programs for which they would negotiate increased funding (figure 5). There was a general consensus on the subject with targeted direct mail receiving the most votes for

Perhaps the bottom line is – which programs would retailers like to see receive additional resources?

We asked retail executives to tell us the programs for which they would negotiate increased funding. Both the top and bottom five responses are shown here.

***Targeted direct mail** came out on top followed closely by **in-store demos and sampling**. Meanwhile, **national sweepstakes** received little attention.*

Targeted Direct Mail	89%
In-Store Demos and Sampling	87%
Co-op Radio Advertising	70%
Shipper Displays	70%
Frequent Shopper Programs	68%
Near Pack Offers	26%
Manufacturer Shelf Talkers	23%
Premium Giveaways	15%
Tear Pads	15%
National Sweepstakes	4%

Percent of Repspondents
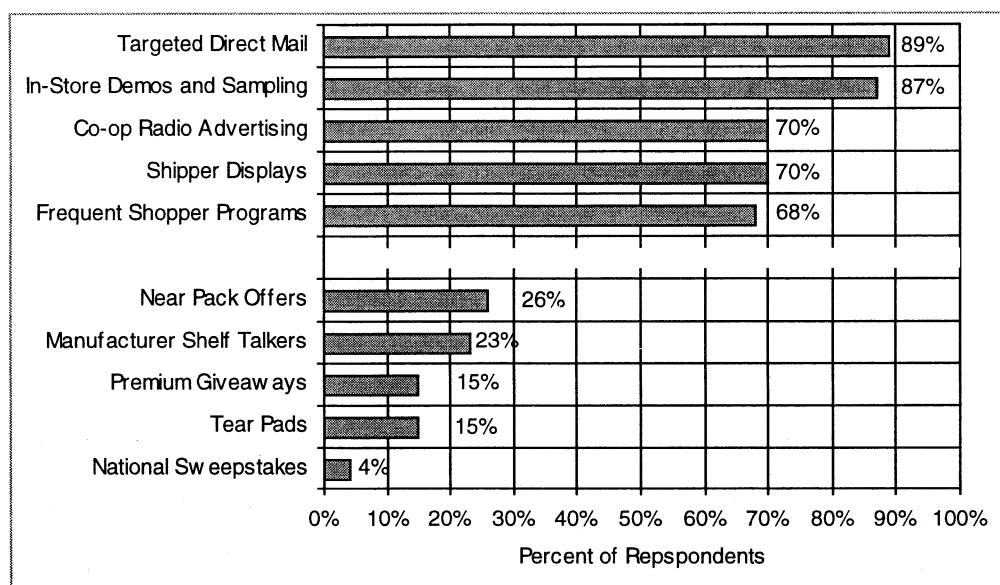
Figure 5. I would negotiate to increase this program's funding.

increased funding. Eighty-nine percent of executives indicated they would negotiate increasing funds for this program. This was followed by in-store demonstrations and sampling with 87% of executives indicating they would negotiate to increase funds for this activity. Meanwhile, 70% of executives indicated they would negotiate to increase funds for each co-op radio advertising and shipper displays. Frequent shopper programs rounded out the top five with 68% of executives voting to increase funds for this program. Once again, discount drug store executives showed slightly different priorities, as evidenced by their strong support for near pack offers and premium giveaways – both were found among the *bottom* five programs based on the average response of all retailers.

For selected activities, respondents were asked to indicate the parties responsible for performing that activity, as well as the parties who generally fund these activities (table 1). For in-store demonstrations and sampling, retailers, manufacturers, and other third parties all seem to participate in the performance of these activities, while manufacturers provide the bulk of funds. Retailers play the lead role in performing and funding in-store signage. Manufacturers play the lead role in performing and funding instant redeemable coupon stickering. Retailers and manufacturers both play a role in conducting local promotional events, with retailers taking a slightly larger role in the performance of these events and manufacturers providing slightly more funds. Finally, manufacturers play the major role in the use of manufacturer shelf talkers and tear pads, and retailers play the major role in the use of retailer shelf talkers.

Table 1. Funding and Performance of Selected Activities

Program	Who Pays?	Who Performs?
In-Store Demonstrations and Sampling		
Retailer	11%	Split between the three groups.
Manufacturer	89%	
Other	0%	
In-Store Signage		
Retailer	84%	The retailer, by far.
Manufacturer	16%	
Other	0%	
Instant Redeemable Coupon Stickering		
Retailer	6%	Primarily the manufacturer.
Manufacturer	92%	
Other	2%	
Local Promotional Events		
Retailer	44%	The retailer and manufacturer, in a 2:1 ratio.
Manufacturer	54%	
Other	1%	
Manufacturer Shelf Talkers		
Retailer	7%	Primarily the manufacturer.
Manufacturer	89%	
Other	3%	
Retailer Shelf Talkers		
Retailer	86%	Primarily the retailer.
Manufacturer	14%	
Other	0%	
Tear Pads		
Retailer	6%	Primarily the manufacturer.
Manufacturer	93%	
Other	1%	

the big picture

General Comments on Results

Now that the results of the Promotional Preference Survey have all been presented, its time to take a step back and look at the big picture. Table 2 provides a summary of the overall results. This table summarizes the rankings of the various promotions in regards to use, effectiveness, and retail support. Just a brief glance at the table is required to identify those programs that are valued by retail executives. Clearly, targeted direct mail, shipper displays, and coupon use in general stand out from other promotional programs in the minds of retail executives as valued promotional programs.

The promotions that stand out in this survey tend to build and strengthen ties between retailer and customer. Retailers want more than to sell product – they want to bring customers into their stores week after week to do their shopping. Not surprisingly, customers are a central part of the promotional philosophy expressed by retailers. In general, the programs being used and supported by the retail executives in this survey share a common theme: customer relationships. In the course of our survey a number of retailers commented to this point.

> *"We need to convert monies available to go directly to the customer in order to generate store traffic."*
>
> *"The canned programs do very little to allow a retailer to differentiate itself from all other competitors."*
>
> *"Customers are looking for value. We have to make it easy for them to achieve the value on savings."*
>
> *"Sweepstakes are nice, but most customers don't see a value. Keep the customer in mind."*

"Keep the customer in mind" seems to be an appropriate motto to retailers who don't particularly care about *what* specific products their customers buy compared to *how much* they buy. Further, they are seeking to become the primary shopping destination for their customers. They are seeking to differentiate themselves from competitors across all channels of trade. And so, retailers are increasingly seeking a customized approach to promotion from their manufacturing partners. As one retailer said, "Promotions need to be channel and chain specific." Thus, retailers report a high level of support for increased spending on account specific marketing.

Table 2. Getting the Big Picture – A Look at the Overall Results

Promotional Program	Commonly Used	Effective at Product Movement	Product Movement Top 3	Effective at Increasing Store Sales	Increasing Store Sales Top 3	Likely to Obtain Display Support	Would Negotiate to Increase Funds
Chain-wide Sweepstakes					+	+	
Co-op Radio	+ +			+	+ +	+	+ +
Co-op Television			+	+	+ +	+ +	+
Frequent Shopper Programs		+ +	+	+ +	+ +	+	+ +
In-Ad Coupons	+	+	+ + +	+ +	+ + +	+ + +	
In-Store Advertising	+						
In-Store Coupons	+ +	+	+ + +	+ +	+ + +	+ + +	
In-Store Demos/Sampling	+ + +	+ +	+ +	+ +	+		+ +
Instant Redeemable Coupon (IRC) Stickers		+	+				+
Internet Programs							+
Manufacturer Purchased Display Space		+	+			+ +	
Manufacturer Shelf Talkers							
National Sweepstakes							
Near Pack Offers							
Paperless Coupons		+ +	+	+ +	+	+	+
Premium Giveaways							
Promotion Tied to Local Charity	+ +						
Retailer Cross-Ruff							
Retailer Shelf Talkers	+ +	+ +	+ +	+ +	+	+	+
Shipper Displays	+ + +	+ + +	+ +	+ +	+	+ +	+ +
Targeted Direct Mail	+ +	+ + +	+ +	+ + +	+ +	+	+ + +
Tear Pads	+						

Program Characteristics

KEY:
 + Placed in the top 10.
 + + Placed in the top 5.
 + + + Placed first.

A Realistic Look at Effective Promotions

The Promotional Preference Survey elicited responses on the "effectiveness" of the various promotional tools. Our measure of effectiveness then, does not involve a comparison of actual sales or profitability, but the opinion of retail executives. As such, it is not meant to provide a comparative evaluation of promotional programs as much as it describes the retailers who use them. In addition, what retail executives report as "effective" may not correspond to what they use, or where they want to devote future resources.

Effectiveness vs. Use

Retailers may use various promotional programs even though the promotions do little to improve sales or traffic. There is evidence from this survey that promotions tied to local organizations and charities fall into this category. While a promotion that ties in with local charities is the third most commonly used promotion of the 22 included in this survey, retailers rate this promotion relatively low in terms of its effectiveness in either increasing either individual product movement or in increasing overall store sales. Tear pads and in-store advertising have similar characteristics – they are commonly used, but retailers are reluctant to provide in-store support for these programs.

However, the reasons retailers use these programs in spite of their lack of effectiveness differ. Retailers use charitable promotions to play the role of a good citizen and participate in the affairs of the communities in which they operate. In-store advertising is used as an additional source of revenue. Further, tear pads are often allowed as a service or convenience to customers.

It is also important to note that some programs are rated relatively high in terms of performance, and yet are not commonly used. Paperless couponing and frequent shopper programs are chief among programs of this type. It should be noted however, that retailers were relatively supportive of increasing funds for these programs. In this regard, paperless coupons and frequent shopper programs represent growing opportunities for co-marketing activities among retailers and manufacturers.

Effectiveness vs. Desired Funding

In-ad and in-store coupons were rated relatively high in terms of their performance, and yet retail executives did not show the same level of interest for increasing funds for these programs. Apparently retailers are comfortable administering these programs on their own. On the other hand, retailers showed interest in one program with seemingly sub-par performance, namely, internet programs. While this relatively new form of marketing has yet to be proven or tested, it is generating interest among retail executives who would like to explore its potential.

Comments on Specific Promotional Programs

Chain-Wide Sweepstakes

While receiving a moderate rating in terms of ability to increase overall store sales or obtaining a retailer's support, chain-wide sweepstakes were rated relatively low in all other categories. The

concern, as one retailer stated, is that the sweepstake needs to reward the shoppers in each store. In other words, a retailer with multiple stores wants a sweepstake that awards shoppers in each store.

Co-op Radio Advertising

Retailers suggested this commonly used program is effective at increasing overall store sales. Further, they showed interest in supporting this type of promotion n their stores.

Co-op Television Advertising

Similar to co-op radio advertising, retailers also indicated that this program is somewhat effective at product movement.

Frequent Shopper Programs

This program compared favorably to others in terms of its ability to increase product movement or overall store sales. Also retailers are favorable to supporting this promotion, which is reportedly used by 62% of all retailers. Frequent shopper programs, therefore, represent an attractive promotional opportunity for the future.

In-Ad and In-Store Coupons

These programs are solid performers and rate very favorably with retail executives. In retailers' eyes, they could easily be placed in the top five promotions overall.

In-Store Advertising

In-store advertising is commonly used although it rates relatively low in terms of increasing overall store sales. So why do retailers use this type of promotion? It can generate revenue from otherwise unusable store space (e.g. shopping carts or uniforms).

In-Store Demos and Sampling

This continues to be a very commonly used promotion that is also viewed as a good performer. There are no indications that use of in-store demonstrations and sampling will lessen. Often, retail excitement can be generated with such a tactic. Even so, retailers have expressed concern that the benefits to the manufacturer may exceed those to the retailer. While demonstrations and sampling may affect sales of an individual product, retailers recognize that it is not a promotion that will bring customers into the store and keep them coming back.

Instant Redeemable Coupons (IRCs)

While this promotion is somewhat effective at moving product, it was not rated high overall. Even so, retail executives indicated some interest in more funding for instant redeemable coupons. As one retailer pointed out, the use of this type of promotion is often at the discretion of the manufacturer, giving retailers little control over this promotional activity.

Internet Programs

Although retailers rated this one of the least effective performers overall, internet programs represent potentially new and innovative marketing techniques. As such, retail executives expressed some interest for increased funding of these types of promotions.

Manufacturer Purchased Display Space

Basically, retailers felt this was an effective means of moving product, but little else. And yet a manufacturer would be very likely to obtain a retailer's support when purchasing display space. Again, retailers are mindful that a profitable store takes advantage of revenue-generating activities beyond the customer.

Manufacturer Shelf Talkers,
National Sweepstakes,
Near Pack Offers,
Premium Giveaways, and
Retailer Cross-Ruff

Overall, these programs have the unfortunate distinction of being the least attractive promotional programs studied in this survey. Aside from their effectiveness (or lack thereof), they may represent awkward promotional logistics for the retailer, or fail to provide enough of a value to the retailer's immediate customers.

Paperless Coupons

Paperless coupons appear to be an up-and-coming type of promotion. Retailers gave it good ratings overall. Further, with the potential connections to internet programs or frequent shopper programs, paperless coupons could be an increasingly attractive promotional tool.

Promotion Tied to Local Organization or Charity

Although promotions for charitable organizations received low marks overall, they are a commonly used form of promotion. Retailers will continue to use this type of promotion as they seek to develop and maintain a community presence. For retailers, this is purely an investment in customer relationships.

Retailer Shelf Talkers

Retailer generated shelf talkers received solid marks overall. As opposed to manufacturer generated shelf talkers, these provide the retailer a consistent appearance throughout the store and the flexibility to adapt promotions to individual stores.

Shipper Displays

Shipper displays are an extremely high-performing promotion according to the retailers responding to this survey. Further, larger chains are likely to reap the most benefits from shipper displays as they develop the ability to cross-dock ready-made displays.

Targeted Direct Mail

Perhaps the number one promotion overall, targeted direct mail is an activity that recognizes the importance of the customer. It is a way in which the retailer may truly "keep the customer in mind."

Tear Pads

Other than being a commonly used program, retailers showed little enthusiasm for tear pads. The use of tear pads is presumably an easy way for retailers to provide service and opportunities for their customers, and yet retailers indicate that this promotion contributes little to increasing store sales.

Comments on Specific Channels of Trade

If we could develop a spectrum of retailer promotional preferences and behavior, perhaps supermarkets would be at one end, with discount drug stores at the opposite end of the spectrum. Meanwhile grocery wholesalers and mass merchandisers would fall somewhere in-between. The differences may stem from the product mix offered in each channel of trade. Thus, supermarkets, which heavily concentrate on food items benefit greatly from in-store demonstrations and sampling – it's an enjoyable sensory process that allows consumers to easily evaluate the product quality. Obviously, that would not work as well in a drug store. Furthermore differences may exist in consumer shopping habits among the various retail channels. Consumers go to drugstores with completely different objectives and expectations that when they go to the supermarket. Although consumers may shop the supermarket a few times each week, visits may be spaced differently for mass merchandisers or drug stores. Such differences only highlight the fact that manufacturers must treat each retailer differently, and tailor retail promotions to the needs and situation of the retailer.

Concluding Remarks

Of the twenty-two promotional programs that retail executives were asked to evaluate regarding use, effectiveness (to increase product movement or overall store sales), and support, ten consistently rose to the top of the list. Likewise, there were another ten that were consistently perceived as average or below average promotional programs. Each group is listed alphabetically below.

Shining Promotions

- Co-op Radio
- Co-op Television
- Frequent Shopper Programs
- In-Ad Coupons
- In-Store Coupons
- In-Store Demos and Sampling
- Paperless Coupons
- Retail Shelf Talkers
- Shipper Displays
- Targeted Direct Mail

Lackluster Promotions

- Chain-Wide Sweepstakes
- In-Store Advertising
- Internet Programs
- Manufacturer Shelf Talkers
- National Sweepstakes
- Near Pack Offers
- Premium Giveaways
- Promotions Tied to Local Charities
- Retailer Cross-Ruff
- Tear Pads

It is important to note that the frequency of use does not necessarily relate to the retailer's evaluation of the promotion's effectiveness in moving product or in increasing overall store sales. It must be assumed that these are promotions that are frequently offered, are easy to implement, and match the company's promotional strategy.

Another significant note: the promotional program that was identified as the least effective of all twenty-two promotions by executives from all three retail groups was national sweepstakes.

Perhaps the bottom line is to ask, "where should the money go?" And so, we asked retail executives "which programs would you negotiate to increase (or decrease) funding?" The following were identified as the top five promotions for which retail executives would try to negotiate a funding increase:

- Targeted Direct Mail
- In-Store Demos and Sampling
- Shipper Displays
- Co-op Radio
- Frequent Shopper Programs

Consistent with previous results, we can see that the ratings reflect the buyer's beliefs regarding the effectiveness of the promotions as well as the ease with which the promotion can be implemented. This choice is also an indication of the trends in marketing strategy now being employed by leading retail firms.

appendix a

The Promotional Preference Survey

Question 1

	PART A		PART B				
	Does your company use this program in your stores?		How effective is this program in terms of increasing **movement of product (units)**?				
	Check one.		*Circle one.*				
PROGRAM	YES	NO	INEFFECTIVE		AVERAGE		EXTREMELY EFFECTIVE
Chain-wide Sweepstakes	☐	☐	1	2	3	4	5
National Sweepstakes	☐	☐	1	2	3	4	5
In-ad Coupons	☐	☐	1	2	3	4	5
In-store Coupons	☐	☐	1	2	3	4	5
Paperless Couponing	☐	☐	1	2	3	4	5
Instant Redeemable Coupon (IRC) Stickering	☐	☐	1	2	3	4	5
Near Pack Offers	☐	☐	1	2	3	4	5
Premium Giveaways	☐	☐	1	2	3	4	5
Retailer Shelf Talkers	☐	☐	1	2	3	4	5
Manufacturer Shelf Talkers	☐	☐	1	2	3	4	5
Tear Pads	☐	☐	1	2	3	4	5
Co-op Television	☐	☐	1	2	3	4	5
Co-op Radio	☐	☐	1	2	3	4	5
Targeted Direct Mail	☐	☐	1	2	3	4	5
Internet Programs	☐	☐	1	2	3	4	5
In-store Demos/Sampling	☐	☐	1	2	3	4	5
Retailer Cross-Ruff	☐	☐	1	2	3	4	5
Frequent Shopper Programs	☐	☐	1	2	3	4	5
In-store Advertising (e.g. shopping carts, aisle markers, uniforms, etc.)	☐	☐	1	2	3	4	5
Shipper Displays	☐	☐	1	2	3	4	5
Manufacturer Purchased Display Space	☐	☐	1	2	3	4	5
Promotion Tied To Local Organization Or Charity	☐	☐	1	2	3	4	5

Question 2

Of those listed at the left, **rank** the **top 3** most effective programs in terms of increasing **movement of product (units)**.

1st : _____

2nd : _____

3rd : _____

Question 3

Consider the programs listed at the left. Next, consider the likelihood a manufacturer will obtain **display support** when using these programs. **Rank** the **top 3** programs most likely to result in a manufacturer obtaining display support.

1st : _____

2nd : _____

3rd : _____

Question 4

On the scale below, please indicate your company's general support of increased spending on account specific promotion/co-marketing by your manufacturing partners.

Do Not Support		Indifferent		Extremely Supportive
1	2	3	4	5

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Question 5

PROGRAM	PART A — Which programs would you negotiate to increase (or decrease) funding? *Circle one where appropriate.* DECREASE	INCREASE	PART B — How effective is this program in terms of increasing **overall store sales?** *Circle one.* INEFFECTIVE		AVERAGE		EXTREMELY EFFECTIVE
Chain-wide Sweepstakes	-	+	1	2	3	4	5
National Sweepstakes	-	+	1	2	3	4	5
In-ad Coupons	-	+	1	2	3	4	5
In-store Coupons	-	+	1	2	3	4	5
Paperless Couponing	-	+	1	2	3	4	5
Instant Redeemable Coupon (IRC) Stickering	-	+	1	2	3	4	5
Near Pack Offers	-	+	1	2	3	4	5
Premium Giveaways	-	+	1	2	3	4	5
Retailer Shelf Talkers	-	+	1	2	3	4	5
Manufacturer Shelf Talkers	-	+	1	2	3	4	5
Tear Pads	-	+	1	2	3	4	5
Co-op Television	-	+	1	2	3	4	5
Co-op Radio	-	+	1	2	3	4	5
Targeted Direct Mail	-	+	1	2	3	4	5
Internet Programs	-	+	1	2	3	4	5
In-store Demos/Sampling	-	+	1	2	3	4	5
Retailer Cross-Ruff	-	+	1	2	3	4	5
Frequent Shopper Programs	-	+	1	2	3	4	5
In-store Advertising (e.g. shopping carts, aisle markers, uniforms, etc.)	-	+	1	2	3	4	5
Shipper Displays	-	+	1	2	3	4	5
Manufacturer Purchased Display Space	-	+	1	2	3	4	5
Promotion Tied To Local Organization Or Charity	-	+	1	2	3	4	5

Question 6

Of those listed at the left, **rank** the **top 3** most effective programs in terms of increasing **overall store sales**.

1st : _____

2nd : _____

3rd : _____

Question 7

Please comment on any additional issues you feel are important in relation to promotional programs.

_____

_____

_____

_____

_____

_____

_____

_____

_____

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IN-HOUSE SERVICES

Question 8

For the following promotional techniques, indicate the party responsible for execution of that activity.

TECHNIQUE	Who **usually** performs this activity? *You may check more than one.*		
	RETAILER	MANUFACTURER	OTHER
In-store Demonstration/Sampling	☐	☐	☐
Local Promotional Events	☐	☐	☐
In-store Signage	☐	☐	☐
IRC Stickering	☐	☐	☐
Tear Pads	☐	☐	☐
Retailer Shelf Talkers	☐	☐	☐
Manufacturer Shelf Talkers	☐	☐	☐

Question 9

For the following promotional techniques, indicate the sources for funding that activity.

TECHNIQUE	Indicate the percentage of funds for this service coming from retailer, manufacturer, or other sources. *Total should equal %100.*			
	% RETAILER	% MANUFACTURER	% OTHER	TOTAL
In-store Demonstration/Sampling	_____ +	_____ +	_____ =	100%
Local Promotional Events	_____ +	_____ +	_____ =	100%
In-store Signage	_____ +	_____ +	_____ =	100%
IRC Stickering	_____ +	_____ +	_____ =	100%
Tear Pads	_____ +	_____ +	_____ =	100%
Retailer Shelf Talkers	_____ +	_____ +	_____ =	100%
Manufacturer Shelf Talkers	_____ +	_____ +	_____ =	100%

appendix b

A Glossary of Terms

Chain-wide sweepstakes – a sweepstakes promotion offered in all stores through a retail chain.

Co-op media – promotional advertising for a manufacturer's product that appears on a retailer's television or radio ad and is funded by the manufacturer.

Frequent shopper programs – the support by manufacturers of promotions offered by the retailer through its loyalty card program (i.e., discounts - paperless coupons, etc.)

In-ad coupons – coupons for manufacturers' products that appear in the print ad of <u>one</u> retail company and are redeemable only through that one company.

In-store advertising – point of sale advertising in the retail store; on shopping carts, aisle markers, in-store radio or TV, etc.

In-store coupons – coupons that are distributed in the retail store.

In-store demos/sampling – the sampling of products in the retail store.

Instant redeemable coupons (IRC) – coupons that are attached to products in the retail store.

Internet programs – promotional programs that are offered to consumers through the retailer's web page.

Manufacturer purchased display space – special displays that are built in the retail store in space that is paid for by the manufacturer.

National sweepstakes – a sweepstakes promotion advertised and promoted by a national organization and available through various types of retail stores throughout the country.

Near pack offers – premiums that are offered by manufacturers as an incentive for purchasing a product and are available in the store.

Paperless coupons – coupons that are made available to consumers through a frequent shopper program or some type of card marketing program.

Premium giveaways – any promotion that offers a premium to consumers as an incentive for purchase a product, often a mail-in offer. This promotion can also be one that offers a premium to a store or department manager.

Promotion tied to local organization or charity – a special promotion where the retailer and manufacturer agree to contribute a portion of the sales to a local group.

Retailer cross-ruff – promotions or coupons delivered on one product (national brand) that are good on another product (retailer brand).

Shelf talkers – point-of-sale signage designed to hang over the edge of a shelf and deliver a promotional message. They may be produced by the retailer (usually price oriented) or by the manufacturer (usually product oriented).

Shipper displays – product that arrives at the store in its own display unit.

Targeted direct mail – promotional mailings sent to specific customers or a retail store encouraging the purchase of a specific product or brand.

Tear pads – promotional information in the form of a tear pad that is posted in the store - either by the product or at a central location such as a bulletin board.

appendix c

Detailed Survey Responses

appendix c

Detailed Survey Responses

Question 1A – Does your company use this program in your stores?

	Channel of Trade						
	Supermarket						
Promotional Program	Self Distributed	Wholesale Distributed	All Supermarket	Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	% indicating "yes"						
Chain-wide Sweepstakes	64%	38%	58%	67%	100%	67%	62%
Co-op Radio	100%	78%	95%	75%	67%	67%	89%
Co-op Television	82%	44%	73%	75%	67%	33%	70%
Frequent Shopper Programs	71%	56%	68%	50%	33%	33%	62%
In-Ad Coupons	64%	89%	70%	75%	100%	100%	74%
In-Store Advertising	89%	67%	84%	75%	67%	100%	83%
In-Store Coupons	89%	88%	89%	100%	67%	100%	89%
In-Store Demos/Sampling	96%	89%	95%	75%	100%	100%	94%
Instant Redeemable Coupon (IRC) Stickers	75%	67%	73%	75%	67%	67%	72%
Internet Programs	75%	38%	67%	33%	100%	100%	69%
Manufacturer Purchased Display Space	79%	56%	73%	75%	33%	67%	70%
Manufacturer Shelf Talkers	36%	63%	42%	67%	33%	33%	42%
National Sweepstakes	43%	38%	42%	50%	100%	33%	45%
Near Pack Offers	75%	56%	70%	50%	67%	33%	66%
Paperless Coupons	61%	56%	59%	25%	0%	0%	49%
Premium Giveaways	59%	50%	57%	75%	67%	67%	60%
Promotion Tied to Local Organization or Charity	96%	78%	92%	75%	100%	100%	91%
Retailer Cross-Ruff	52%	17%	45%	33%	67%	67%	48%
Retailer Shelf Talkers	93%	89%	92%	75%	100%	67%	89%
Shipper Displays	100%	78%	95%	75%	100%	100%	94%
Targeted Direct Mail	89%	75%	86%	100%	100%	100%	89%
Tear Pads	86%	67%	81%	25%	33%	100%	74%

Question 1B – Program Effectiveness in Terms of Product Movement

	Channel of Trade						
	Supermarket						
Promotional Program	Self Distributed	Wholesale Distributed	All Supermarket	Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	Mean Response (1=Ineffective, 5=Extremely Effective)						
Chain-wide Sweepstakes	2.8	3.0	2.9	2.5	3.0	2.3	2.8
Co-op Radio	3.2	3.4	3.3	3.3	3.5	4.0	3.3
Co-op Television	3.4	3.2	3.4	3.3	3.5	4.0	3.4
Frequent Shopper Programs	4.2	3.8	4.1	4.0	3.0	3.0	4.0
In-Ad Coupons	3.4	4.1	3.6	4.0	4.7	3.7	3.7
In-Store Advertising	2.8	3.0	2.9	3.3	3.5	3.7	3.0
In-Store Coupons	3.5	3.6	3.5	3.5	5.0	3.3	3.6
In-Store Demos/Sampling	4.1	3.9	4.0	4.7	3.3	4.0	4.0
Instant Redeemable Coupon (IRC) Stickers	3.3	3.7	3.4	3.0	4.3	3.3	3.5
Internet Programs	2.2	2.7	2.2	1.0	2.3	2.7	2.2
Manufacturer Purchased Display Space	3.9	3.2	3.8	3.3	4.0	3.0	3.7
Manufacturer Shelf Talkers	2.8	2.8	2.8	5.0	3.0	3.0	2.9
National Sweepstakes	1.9	2.5	2.0	2.0	3.0	3.0	2.2
Near Pack Offers	2.8	3.0	2.9	2.0	4.0	3.0	2.9
Paperless Coupons	4.1	3.7	4.0	3.5	N/A	3.0	3.9
Premium Giveaways	2.8	2.8	2.8	2.7	4.0	2.5	2.8
Promotion Tied to Local Organization or Charity	3.1	3.3	3.1	3.7	2.7	4.0	3.2
Retailer Cross-Ruff	2.8	3.0	2.8	3.0	3.5	2.7	2.9
Retailer Shelf Talkers	3.9	3.4	3.7	4.7	4.7	3.5	3.9
Shipper Displays	4.1	4.3	4.1	4.5	4.0	4.3	4.1
Targeted Direct Mail	4.2	4.0	4.1	3.5	4.0	4.7	4.1
Tear Pads	2.6	2.4	2.6	2.0	4.0	2.7	2.6

Question 2 – Indication of Top 3 Most Effective Programs in Terms of Product Movement

Promotional Program	Channel of Trade						
	Supermarket						
	Self Distributed	Wholesale Distributed	All Supermarket	Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	% of respondents placing among the top 3						
Chain-wide Sweepstakes	11%	11%	11%	0%	33%	0%	11%
Co-op Radio	7%	0%	5%	0%	0%	33%	6%
Co-op Television	21%	11%	19%	0%	0%	33%	17%
Frequent Shopper Programs	21%	22%	22%	11%	0%	0%	19%
In-Ad Coupons or In-Store Coupons	47%	100%	60%	33%	100%	67%	64%
In-Store Advertising	0%	0%	0%	0%	0%	0%	0%
In-Store Demos/Sampling	29%	22%	27%	22%	0%	33%	28%
Instant Redeemable Coupon (IRC) Stickers	11%	11%	11%	0%	67%	0%	13%
Internet Programs	0%	0%	0%	0%	0%	0%	0%
Manufacturer Purchased Display Space	14%	11%	14%	0%	0%	0%	11%
Manufacturer Shelf Talkers	0%	0%	0%	11%	0%	0%	2%
National Sweepstakes	0%	0%	0%	0%	33%	0%	2%
Near Pack Offers	0%	0%	0%	0%	0%	0%	0%
Paperless Coupons	29%	11%	24%	0%	0%	0%	19%
Premium Giveaways	0%	0%	0%	11%	0%	0%	2%
Promotion Tied to Local Organization or Charity	0%	0%	0%	0%	0%	0%	0%
Retailer Cross-Ruff	4%	0%	3%	0%	0%	0%	2%
Retailer Shelf Talkers	36%	22%	32%	33%	33%	0%	34%
Shipper Displays	39%	44%	41%	11%	33%	33%	38%
Targeted Direct Mail	32%	22%	30%	0%	0%	100%	30%
Tear Pads	0%	0%	0%	0%	0%	0%	0%

Question 3 – Indication of Top 3 Programs Most Likely to Obtain Retailer Display Support

	Channel of Trade						
	Supermarket						
Promotional Program	Self Distributed	Wholesale Distributed	All Supermarket	Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	% of respondents placing among the top 3						
Chain-wide Sweepstakes	11%	11%	11%	0%	33%	33%	13%
Co-op Radio	14%	11%	14%	0%	0%	100%	18%
Co-op Television	36%	11%	30%	0%	0%	67%	29%
Frequent Shopper Programs	18%	22%	19%	25%	0%	0%	18%
In-Ad Coupons or In-Store Coupons	40%	33%	38%	100%	100%	33%	49%
In-Store Advertising	0%	0%	0%	0%	0%	0%	0%
In-Store Demos/Sampling	29%	33%	30%	75%	0%	33%	33%
Instant Redeemable Coupon (IRC) Stickers	0%	22%	5%	0%	0%	0%	4%
Internet Programs	0%	0%	0%	0%	0%	0%	0%
Manufacturer Purchased Display Space	54%	33%	49%	50%	33%	0%	46%
Manufacturer Shelf Talkers	0%	11%	3%	0%	33%	0%	4%
National Sweepstakes	0%	0%	0%	0%	33%	0%	2%
Near Pack Offers	7%	0%	5%	0%	0%	0%	4%
Paperless Coupons	14%	0%	11%	0%	0%	0%	9%
Premium Giveaways	4%	0%	3%	0%	0%	0%	2%
Promotion Tied to Local Organization or Charity	7%	0%	5%	0%	33%	0%	7%
Retailer Cross-Ruff	0%	0%	0%	0%	0%	0%	0%
Retailer Shelf Talkers	7%	11%	8%	25%	0%	0%	9%
Shipper Displays	36%	44%	38%	25%	33%	0%	35%
Targeted Direct Mail	11%	33%	16%	0%	0%	33%	16%
Tear Pads	0%	11%	3%	0%	0%	0%	2%

Question 4 – General Support of Increased Spending on Account Specific Marketing

Channel of Trade	Level of Support
	(1=do not support, 5=extremely supportive)
Supermarkets	
Self Distributed	4.4
Wholesale Distributed	4.1
All Supermarkets	4.4
Wholesale Grocery	3.8
Drug Stores	5.0
Mass Merchandisers	4.3
All Responses	4.4

Question 5A – Percent of Respondents Who Would Negotiate for Decreased Funding

Promotional Program	Channel of Trade						
	Supermarket						
	Self Distributed	Wholesale Distributed	All Supermarket	Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	% who indicated they would negotiate to decrease funding						
Chain-wide Sweepstakes	61%	33%	54%	50%	67%	33%	53%
Co-op Radio	14%	0%	11%	25%	33%	0%	13%
Co-op Television	21%	11%	19%	50%	33%	0%	21%
Frequent Shopper Programs	11%	0%	8%	25%	0%	33%	11%
In-Store Advertising	50%	33%	46%	25%	33%	0%	40%
In-Ad Coupons	50%	0%	38%	0%	0%	33%	32%
In-Store Coupons	39%	0%	30%	0%	33%	33%	28%
In-Store Demos/Sampling	4%	0%	3%	0%	0%	0%	2%
Instant Redeemable Coupon (IRC) Stickers	32%	0%	24%	25%	0%	0%	21%
Internet Programs	14%	0%	11%	25%	0%	0%	11%
Manufacturer Purchased Display Space	25%	11%	22%	0%	33%	67%	23%
Manufacturer Shelf Talkers	64%	22%	54%	25%	67%	33%	51%
National Sweepstakes	75%	56%	70%	75%	33%	100%	70%
Near Pack Offers	54%	44%	51%	50%	0%	33%	47%
Paperless Coupons	18%	11%	16%	25%	0%	33%	17%
Premium Giveaways	64%	33%	57%	75%	0%	100%	57%
Promotion Tied to Local Organization or Charity	25%	33%	27%	0%	33%	0%	23%
Retailer Cross-Ruff	46%	11%	38%	50%	33%	33%	38%
Retailer Shelf Talkers	14%	11%	14%	0%	33%	0%	13%
Shipper Displays	14%	0%	11%	0%	33%	0%	11%
Targeted Direct Mail	4%	0%	3%	0%	0%	0%	2%
Tear Pads	64%	22%	54%	50%	67%	33%	53%

Question 5A – Percent of Respondents Who would Negotiate for Increased Funding

	Channel of Trade						
	Supermarket						
Promotional Program	Self Distributed	Wholesale Distributed	All Supermarket	Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	% who indicated they would negotiate to increase funding						
Chain-wide Sweepstakes	21%	22%	22%	25%	33%	67%	26%
Co-op Radio	79%	56%	73%	50%	33%	100%	70%
Co-op Television	75%	56%	70%	50%	33%	67%	66%
Frequent Shopper Programs	71%	67%	70%	75%	67%	33%	68%
In-Ad Coupons	29%	78%	41%	100%	100%	67%	51%
In-Store Advertising	25%	11%	22%	50%	0%	67%	26%
In-Store Coupons	39%	67%	46%	100%	67%	33%	51%
In-Store Demos/Sampling	86%	89%	87%	100%	100%	67%	87%
Instant Redeemable Coupon (IRC) Stickers	46%	56%	49%	50%	100%	67%	53%
Internet Programs	61%	33%	54%	50%	67%	67%	55%
Manufacturer Purchased Display Space	54%	67%	57%	50%	33%	0%	51%
Manufacturer Shelf Talkers	21%	22%	22%	50%	0%	33%	23%
National Sweepstakes	4%	0%	3%	0%	33%	0%	4%
Near Pack Offers	21%	11%	19%	25%	100%	33%	26%
Paperless Coupons	68%	56%	65%	50%	67%	33%	62%
Premium Giveaways	11%	11%	11%	0%	100%	0%	15%
Promotion Tied to Local Organization or Charity	50%	22%	43%	75%	33%	100%	49%
Retailer Cross-Ruff	25%	0%	19%	0%	67%	33%	21%
Retailer Shelf Talkers	64%	33%	57%	75%	67%	67%	60%
Shipper Displays	68%	89%	73%	75%	67%	33%	70%
Targeted Direct Mail	89%	78%	87%	100%	100%	100%	89%
Tear Pads	18%	11%	16%	0%	0%	33%	15%

Question 5B – Program Effectiveness in Terms of Increasing Overall Store Sales

	Channel of Trade						
	Supermarket						
Promotional Program	Self Distributed	Wholesale Distributed	All Supermarket	Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	Mean Response (1=Ineffective, 5=Extremely Effective)						
Chain-wide Sweepstakes	2.7	3.0	2.8	2.3	3.0	3.3	2.8
Co-op Radio	3.4	3.4	3.4	3.3	3.0	4.3	3.5
Co-op Television	3.4	3.3	3.3	3.5	2.5	4.5	3.4
Frequent Shopper Programs	4.1	4.2	4.1	4.0	5.0	3.0	4.0
In-Ad Coupons	3.1	4.3	3.4	4.5	4.3	3.7	3.7
In-Store Advertising	2.6	2.3	2.6	3.0	3.0	4.5	2.8
In-Store Coupons	3.4	3.8	3.5	4.0	4.3	3.5	3.6
In-Store Demos/Sampling	3.6	4.3	3.8	4.3	4.0	4.5	3.9
Instant Redeemable Coupon (IRC) Stickers	3.0	3.8	3.2	3.0	4.0	4.5	3.3
Internet Programs	2.5	2.5	2.5	2.0	3.3	4.5	2.7
Manufacturer Purchased Display Space	3.3	3.2	3.2	3.3	3.0	1.5	3.1
Manufacturer Shelf Talkers	2.6	3.0	2.6	3.7	3.0	3.0	2.8
National Sweepstakes	1.8	2.0	1.8	1.7	3.0	2.5	2.0
Near Pack Offers	2.5	2.3	2.4	2.7	3.7	3.5	2.7
Paperless Coupons	3.9	3.8	3.9	2.7	4.0	3.5	3.7
Premium Giveaways	2.2	2.3	2.2	3.0	4.0	2.0	2.4
Promotion Tied to Local Organization or Charity	2.9	2.8	2.9	3.7	2.7	4.0	3.0
Retailer Cross-Ruff	2.5	2.0	2.5	2.3	3.5	1.5	2.5
Retailer Shelf Talkers	3.8	3.8	3.8	4.3	4.0	3.5	3.9
Shipper Displays	3.3	4.4	3.5	3.5	4.0	5.0	3.6
Targeted Direct Mail	4.2	4.5	4.2	3.8	4.0	4.3	4.2
Tear Pads	2.3	3.0	2.4	2.3	2.0	3.0	2.4

Question 6 – Indication of Top 3 Most Effective Programs at Increasing Store Sales

Promotional Program	Supermarket			Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	Self Distributed	Wholesale Distributed	All Supermarket				
			% of respondents placing among the top 3				
Chain-wide Sweepstakes	7%	11%	8%	25%	33%	0%	11%
Co-op Radio	14%	22%	16%	0%	33%	100%	22%
Co-op Television	32%	11%	27%	0%	0%	67%	26%
Frequent Shopper Programs	54%	44%	51%	75%	0%	0%	48%
In-Ad Coupons or In-Store Coupons	39%	78%	49%	75%	100%	67%	57%
In-Store Advertising	0%	0%	0%	0%	0%	0%	0%
In-Store Demos/Sampling	21%	33%	24%	0%	0%	0%	20%
Instant Redeemable Coupon (IRC) Stickers	0%	11%	3%	0%	33%	0%	4%
Internet Programs	0%	0%	0%	0%	0%	33%	2%
Manufacturer Purchased Display Space	14%	0%	11%	0%	0%	0%	9%
Manufacturer Shelf Talkers	0%	0%	0%	0%	0%	0%	0%
National Sweepstakes	0%	0%	0%	0%	33%	0%	2%
Near Pack Offers	0%	0%	0%	0%	0%	0%	0%
Paperless Coupons	21%	11%	19%	0%	0%	0%	15%
Premium Giveaways	0%	0%	0%	0%	0%	0%	0%
Promotion Tied to Local Organization or Charity	0%	0%	0%	0%	0%	0%	0%
Retailer Cross-Ruff	0%	0%	0%	0%	0%	0%	0%
Retailer Shelf Talkers	18%	11%	16%	50%	33%	0%	20%
Shipper Displays	18%	22%	19%	25%	33%	0%	20%
Targeted Direct Mail	50%	44%	49%	50%	0%	33%	46%
Tear Pads	0%	0%	0%	0%	0%	0%	0%

Question 8 – Indications of the Party Usually Responsible for Selected Activities

| | Channel of Trade | | | | | | |
| | Supermarket | | | | | | |
Activity	Self Distributed	Wholesale Distributed	All Supermarket	Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	% indicating the RETAILER performs this activity[a]						
In-Store Demos and Sampling	50%	67%	54%	75%	33%	67%	55%
In-Store Signage	100%	100%	100%	100%	100%	100%	100%
IRC Stickering	11%	0%	8%	0%	33%	33%	11%
Local Promotional Events	93%	89%	92%	100%	100%	67%	91%
Manufacturer Shelf Talkers	14%	0%	11%	50%	33%	33%	17%
Retailer Shelf Talkers	96%	89%	95%	100%	100%	67%	94%
Tear Pads	25%	0%	19%	0%	67%	33%	21%
	% indicating the MANUFACTURER performs this activity						
In-Store Demos and Sampling	36%	33%	35%	100%	67%	33%	43%
In-Store Signage	11%	11%	11%	0%	0%	33%	11%
IRC Stickering	79%	67%	76%	100%	67%	100%	79%
Local Promotional Events	46%	44%	46%	25%	33%	67%	45%
Manufacturer Shelf Talkers	57%	78%	62%	100%	67%	67%	66%
Retailer Shelf Talkers	7%	22%	11%	0%	0%	33%	11%
Tear Pads	82%	89%	84%	100%	67%	100%	85%
	% indicating A THIRD PARTY performs this activity						
In-Store Demos and Sampling	39%	11%	32%	0%	33%	33%	30%
In-Store Signage	0%	0%	0%	0%	0%	0%	0%
IRC Stickering	7%	0%	5%	0%	0%	0%	4%
Local Promotional Events	0%	22%	5%	0%	0%	33%	6%
Manufacturer Shelf Talkers	4%	0%	3%	0%	0%	0%	2%
Retailer Shelf Talkers	4%	0%	3%	0%	0%	0%	2%
Tear Pads	4%	0%	3%	0%	0%	0%	2%

a. Responses are not exclusive. Responses allow that more than one party could perform any given activity.

Question 9 – Indications of Sources for Funding Selected Activities

Activity Source for Funding	Channel of Trade						
	Supermarket						
	Self Distributed	Wholesale Distributed	All Supermarket	Wholesale Grocery	Discount Drug	Mass Merchandise	All Responses
	% of funds coming from the indicated source						
In-Store Demos and Sampling							
Retailer	13%	7%	12%	1%	0%	27%	11%
Manufacturer	87%	93%	88%	99%	100%	73%	89%
Other	0%	0%	0%	0%	0%	0%	0%
In-Store Signage							
Retailer	86%	77%	84%	94%	65%	85%	84%
Manufacturer	14%	23%	16%	6%	35%	15%	16%
Other	0%	0%	0%	0%	0%	0%	0%
IRC Stickering							
Retailer	4%	0%	4%	16%	0%	27%	6%
Manufacturer	94%	100%	95%	84%	100%	63%	92%
Other	1%	0%	1%	0%	0%	10%	2%
Local Promotional Events							
Retailer	45%	54%	47%	35%	42%	23%	44%
Manufacturer	54%	41%	51%	65%	58%	77%	54%
Other	1%	5%	2%	0%	0%	0%	1%
Manufacturer Shelf Talkers							
Retailer	9%	3%	7%	13%	0%	5%	7%
Manufacturer	87%	97%	89%	88%	100%	75%	89%
Other	0%	0%	0%	0%	0%	20%	3%
Retailer Shelf Talkers							
Retailer	87%	88%	87%	96%	58%	90%	86%
Manufacturer	13%	12%	13%	4%	42%	10%	14%
Other	0%	0%	0%	0%	0%	0%	0%
Tear Pads							
Retailer	5%	0%	4%	13%	0%	40%	6%
Manufacturer	95%	100%	96%	88%	100%	45%	93%
Other	0%	0%	0%	0%	0%	15%	1%

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