

Online Promotions in the Retail World



by Bill Carmody

Connecting your retail channels to your online promotions has always been important. But it now is becoming critical to the success of a campaign.

While online promotions are often more cost-effective than traditional techniques, having a retail partner will both help drive the success of your online campaign and also close the loop between your online and offline initiatives.

Presence at retail provides numerous advantages that simply cannot be duplicated in an online environment. Here are a few points to ponder when putting a plan together:

POS Materials Help Drive Traffic

POS materials will provide a constant reminder during the promotional period. Depending on the frequency of consumer visits to the store and the duration of your promotion, the POS will not only create awareness but keep the campaign fresh in shoppers' minds. This is particularly helpful when your objective is to get repeat traffic to a Web site. Including the promotion in store circulars can also drive traffic to the store, especially if the offer is exclusive.

Take-Ones are a Call to Action

While the POS will generate awareness, one step better is to provide consumers with a physical reminder they can take back home to their computers. This can be done with text messaging on a printed receipt or via traditional take-one tear pads, brochures, booklets, CD-ROMs, etc. Eventually, this kind of call to action will be accomplished via an electronic beam to PDAs or cell phones (although this technology is probably at least a year away).

The Offer Can Close the Loop

What's in it for the retailer? It's obvious why an online partner would want the tie-in, but what is the advantage to the other side? Closed-loop marketing is the answer to that question. The online partner can help support the retailer's continued efforts in numerous ways that can drive traffic into stores and increase sales. The most obvious is a coupon or discount distributed online and redeemed at retail. Another reciprocal marketing technique is a match-and-win game in which consumers go online to obtain a number (or word, or phrase) and go to the store to see if they've won anything. There are also opportunities to create integrated loyalty programs in which consumers collect points on packages that can be redeemed online.

Give Them Names

Another advantage for the retailer is increased database marketing support from the more database-driven online company. Depending on how involved the partnership gets, the retailer can utilize existing databases to enhance its own online activity. That is, new and better information can be collected through the promotion on behalf of the retail partner. Or, new marketing databases can be created to replace existing ones.

Watch for Compliance

The biggest challenge in dealing with large retail partners is still compliance. It doesn't matter how beautiful the POS materials are, if they never make it out of the box in which they were shipped, they add no benefit to the online promotion. When building a retail connection, it is critical to map out how both parties will confirm that materials are setup and taken down at the appropriate times. Mystery shoppers and store contests can help with the compliance issue, but the retail partner must be willing to lend a hand.

You can improve compliance greatly by giving careful consideration to the retailer's needs when designing and printing the POS materials. Retailers often have specific requirements for size and appearance. Working with them from the beginning will increase efficiency later on.

Don't Forget the Law

Finally, if you're considering a retail extension, read up on potential legal issues which deal with driving traffic into a store environment. The issues will vary depending on the type of promotion you're running, but undoubtedly there are some additional considerations that you should discuss with your lawyer or promotions agency. You might need to include an alternate means of entry or be required to register with the state of Rhode Island when you've never needed to before. It doesn't do much good to go to put together a retail component if you receive a cease-and-desist order two days after the launch. That would certainly ruin your day.

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