

Promotional Mix Lesson 3: It's a Big Sale!

SUBMITTED BY: Leya Matthew

SUBJECT(S): Marketing

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

Sales promotions are widely used as a promotional tool. In this lesson, we analyze the usefulness of sales promotions for the promotional mix, and for marketing in general. Sales promotions are of course also linked to pricing, and the product life cycle. While the lesson begins by tapping on the experiential knowledge of the students, it later introduces them to more sophisticated and specialized sales promotional strategies. Eventually, all the elements are tied to a larger marketing perspective.

≡ NBEA STANDARD(S):

- Marketing, IV. The Marketing Mix

≡ WHARTON GLOBAL YOUTH PROGRAM ARTICLE:

- [“Zara’s ‘Fast Fashion’ Business Model”](#)

Common Core Standard(s):

1. CCR Standard for Reading: Read closely to determine what the text says explicitly and to make logical inferences from it.
2. CCR Standards for Listening: Prepare for and participate effectively in a range of conversations and collaborations with diverse partners, building on each other's ideas

and expressing their own clearly and persuasively. Evaluate a speaker's point of view, reasoning, and use of evidence and rhetoric.

3. CCR Standards for Speaking: Present information, findings and supporting evidence in such a way that listeners can follow the line of reasoning, and the organization, development and style are appropriate to the task, purpose and audience.

Objectives/Purposes: In this lesson, students will: (1) analyze the sales promotion strategies of various products, and (2) connect these strategies to the larger promotional and marketing strategy of the product.

Knowledge@Wharton Article: [“Power to the People or Just a Fad? Forecasting the Future of Group Buying Sites”](#)

Other Resources/Materials: Internet access

Activity:

1. Group activity (10-12 mins)

As students come in, the teacher asks students for their favorite brands/products and pulls up sales promotion offers on the Internet corresponding to the brand/product mentioned. For example, if a student likes Levis, the teacher pulls up the Levis Semi Annual Sale of up to 75% off. The teacher may then ask students if they are more likely to consider purchasing the product with this promotion.

The teacher continues probing: *But what if you go to the store, and you find something you like but it is not on sale? Or if you find something on sale that you like, but also something else that you like very much that is not on sale?* If students have any personal anecdotes to share, they should be encouraged to do so.

The teacher then defines sales promotions as: *Marketing communication that is employed for a pre-determined, limited time to increase consumer demand, stimulate market demand or improve product availability (from Wikipedia).*

2. Brainstorming (5 mins)

The teacher leads a brainstorming session on various kinds of sales promotions. It might be easier to ask for examples and then name the kind of promotion that the example refers to. At

least part of the handout list should be arrived at; if necessary, use prompts — for example:

- *What do airline companies usually do to stimulate demand? They may offer prizes, early bird discounts and the like.*
- *What about credit card companies? How do they make people spend more on their cards? They offer loyalty rewards and rebates.*
- *What about restaurants? What sales promotional strategies does McDonalds use? It offers Happy Meals, coupons, discounts for combinations, large/party orders.*
- *What kinds of promotions can you find in grocery stores? 25% extra, coupons, contests, etc.*

3. Look up more examples (5-8 mins) *Handout*

Students are now given the handout with a list of 14 sales promotional strategies compiled from various sources on the Internet. They are given a few minutes to look through the list and ask any clarifying questions. The teacher uses the rest of the time to pull up examples of not so popular sales promotional strategies. For example, the concept of loss leader may be explained using the example of Gillette, which sells expensive blades and inexpensive handles. Another example is that of printers which are sold at a loss, but the loss is made up by selling printer ink cartridges at a premium price. The Honey Nut cheerio example of create a comic can be accessed at <http://honeydefender.millsberry.com/honeydefender/comiccreator/FAQ.aspx> McDonalds Happy Meals can also be viewed.

4. Group Discussion (10 mins)

The teacher now connects sales promotions with the other elements of the promotional mix by asking students how the objectives of sales promotions compare with that of advertising. Advertising aims to create awareness, inform, compare and influence the customer. What does Sales Promotion aim for? From the earlier definition, students should be able to answer that sales promotions aim to *increase consumer demand, stimulate market demand or improve product availability*. Or you may ask the objective for any of the examples you have discussed earlier. For example: What is the objective of the Levis Sales Promotion? Why are they offering 75% off?

Students are also asked to integrate the other elements of the marketing mix and the promotional mix with sales promotion. For example:

- *How do companies use advertising with sales promotions?*
Sales promotions themselves are advertised.

- *How do companies alter their product for sales promotions?*
They offer more for the same price.

It may be valuable for the teacher to list the marketing mix and the promotional mix and ask students to draw as many inter-relationships as possible between sales promotions and the other elements.

5. Work with the **Knowledge@Wharton** article (10 mins)

Students are now given handouts of the article and asked to read the section titled: **Blinded by Big Discounts.**

Students are asked to work in small groups and make notes about how they think a product discussed earlier in the class could use the “deep discount” mentioned in the article. This may be used in conjunction with any of the other strategies discussed earlier, and listed in the handout. For example, the deep discount may be in the form of coupons, get 50% extra, or the like. They are also asked to identify potential slip-ups, like the ones mentioned in the article, and asked to account for such eventualities. For example, how will they ensure that only bargain hunters will not use their deep discount?

6. Presentation, Discussion and Wrap-up (12-15 mins)

The groups are asked to present their design. The examples may also lend themselves easily to the concept of product life cycles. For example, students may prefer to use deep discounts for product launches or in the decline stages.

Other groups are encouraged to provide constructive criticism — *What was insightful about the design? Do you have anything to add to this design? Was there anything about the design you felt was erroneous?*

The teacher wraps up by asking students what they learned, and how sales promotions impact their daily life.

Practice Outside of the Classroom: The next time you buy something that is on sale consider: Did you buy the product earlier than you intended to? Did you buy it only because of the offer? How do you think the company will try to sustain your buying without such offers?

What Worked and What I Would Do Differently: It might be interesting to try and conduct this lesson during a time where several sales promotional strategies are routinely used, like Christmas or Thanksgiving. For such a lesson, the Knowledge@Wharton article: [Christmas Creep: The Shopping Season Is Longer, but Is It Better?](#) could be used as supplementary material. Also, the consumerist/materialist culture could also be critiqued as part of this lesson.

Related Knowledge@Wharton Articles:

- [“Pay-for-Performance Trade Promotions Can Ease Friction Between Manufacturers and Retailers”](#) (sales promotions aimed at retailers)
- [“How the Offer of ‘Free Shipping’ Affects On-line Shopping”](#) (online sales promotions)

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