

# What is Sales Promotion?

Sales promotion describes promotional methods using special short-term techniques to persuade members of a target market to respond or undertake certain activity. As a reward, marketers offer something of value to those responding generally in the form of lower cost of ownership for a purchased product (e.g., lower purchase price, money back) or the inclusion of additional value-added material (e.g., something more for the same price).

Sales promotions are often confused with advertising. For instance, a television advertisement mentioning a contest awarding winners with a free trip to a Caribbean island may give the contest the appearance of advertising. While the delivery of the marketer's message through television media is certainly labeled as advertising, what is contained in the message, namely the contest, is considered a sales promotion. The factors that distinguish between the two promotional approaches are:

1. whether the promotion involves a short-term value proposition (e.g., the contest is only offered for a limited period of time), and
2. the customer must perform some activity in order to be eligible to receive the value proposition (e.g., customer must enter contest).

The inclusion of a timing constraint and an activity requirement are hallmarks of sales promotion.

Sales promotions are used by a wide range of organizations in both the consumer and business markets, though the frequency and spending levels are much greater for consumer products marketers. One estimate by the Promotion Marketing Association suggests that in the US alone spending on sales promotion exceeds that of advertising.