

# Take the headache out of running promotions

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- Setting your own promotional goals.
- What to include in your promotional plan.
- Track and evaluate your promotion once it is finished.



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Customers are increasingly value conscious. While many value health advice and services above price, they're still on the lookout for a discount. This makes promotions a must for your business. Here, I discuss a number of powerful promotional techniques that you can implement to help you drive sales.

### Determine your goal

In life, we've learned that one size doesn't actually fit all. The same applies to running a successful promotion. For every promotion you run, ask yourself, 'What do I want to accomplish?' The table above shows examples of goals you may like to set and the promotional strategies and tactics that go along with them.

### Plan your promotion

Once you've selected your promotional goal, consider the following when planning your promotion:

#### 1. Product

Decide which products to include in the promotion.

#### 2. Timing

- **Frequency:** Is this a one-off or will it run regularly? How often and for how long?
- **Seasonality:** Does it relate to a particular time of year – eg, Christmas gift packs?
- **Scheduling:** When are you busiest? If more customers tend to come in at the end of the month, start the promotion then.

#### 3. Margins

Look before you promote.

- **Acceptable:** Set an acceptable margin range for each product or group.
- **Review:** Check your margin when adding products to the promotion to ensure they fall within an acceptable range.

#### 4. Price

Set promotional prices based on your acceptable margin.

- **Psychology:** There's power in the word 'free' and prices that end in 98 cents.
- **Promotion:** Let customers know they're getting

Goal	Promotional strategy	Tactic
Bring in new customers	Set sales price (dollar or percentage discount)	Position discounted products in dump bins at the store front to encourage customers to walk through the door
Increase buying frequency	Loyalty program	Spend \$200 and get a \$15 voucher
Increase basket size	<ul style="list-style-type: none"> <li>• Multibuy (dollar or percentage)</li> <li>• Tiered multibuy (dollar or percentage)</li> </ul>	<ul style="list-style-type: none"> <li>• Buy three items and get 10 per cent off the third item</li> <li>• Buy five for \$12, 10 for \$15 and 20 for \$20</li> </ul>
Keep customers coming back	Consistently review your competition	Be price competitive, particularly for known/key value items (KVIs)
Encourage dispensary patients to buy retail products	Set a discounted sales price	Discount companion products, eg, tissues, during cold and flu season
Get rid of excess stock or stock that's approaching its use-by date	<ul style="list-style-type: none"> <li>• Set a discounted sales price</li> <li>• Multibuy set sales</li> </ul>	<ul style="list-style-type: none"> <li>• Red sticker items</li> <li>• Buy three toothbrushes for \$10 (usual selling price \$3.95 each)</li> </ul>
Sell bulk or special buys	Set a discounted sales price	Use key locations in the store or gondola ends to attract customers
Bundle	<ul style="list-style-type: none"> <li>• Set a discounted sales price</li> <li>• Multibuy</li> </ul>	Discount a group of related products

a bargain – eg, mark discounted products with yellow stickers.

- **Competition:** Check your competitor's KVIs and promotional product prices and ensure you stay competitive.
- #### 5. Promotional types
- **Set sales price:** Eye drops discounted to \$14.99 when your usual selling price is \$16.55.
  - **Dollars off retail price:** \$2 off your usual selling price for vitamins.
  - **Percentage off retail price:** 10 per cent off your usual selling price for selected perfumes.
  - **Multibuy for dollar amount:** Promote a range:
    - 1) Buy three items and get the cheapest for \$5.
    - 2) Buy one item and get another product in that range for \$10.
    - 3) Buy three products from the range and get the cheapest free.
  - **Multibuy for percentage amount:** Promote a vitamin range:
    - 1) Buy three items and take 25 per cent off the cheapest.
    - 2) Buy one and get one 50 per cent off.
    - 3) Buy two items for \$10 and get a hand cream at 75 per cent off.
  - **Tiered multibuy for percentage off:** Buy two items and get five per cent off, four items and get 25 per cent off, or six items and get 35 per cent off.
  - **Tiered multibuy for dollars off:** Buy two items for \$20, four for \$32, or five for \$35.
- #### 6. Displays
- Make it visible!
- **Positioning:** Popular options are dump bins and gondola ends strategically placed in areas that generate high foot traffic.
  - **Perception:** What customers think about your display influences the value they associate with the sale items.
- #### 7. Repeat sales

Reward and loyalty programs can encourage repeat sales. Analysing your inventory and sales figures will help you identify slow-moving items and plan for future promotions.

#### 8. Stock management

- **Reports:** Set your stock reports to run automatically.
- **KVIs:** Customers expect these to be stocked at all times – so make sure they are.
- **Companion products:** If you have a good selection of companion products, customers might buy other items within the range.

#### 9. Training

Yes, price is important, but it's advice and service that keep customers coming back.

#### 10. Walk around

Spot check your products to ensure they're correctly priced and well stocked – both during and after a promotion.

#### Track it

Understand how your promotion has performed by running three simple reports – run a report before, during and after the promotion. This will help you identify trends and see what works and how you can improve things for next time. <sup>RP</sup>

**Andrew Hall** is General Manager Pharmacy Technology, EBOS Group. Andrew has been actively overseeing Minfos for the past five years. With 25 years in product development and business leadership, Andrew brings substantial experience in helping customers get the most out of their technology solutions. Before joining Symbion/EBOS, Andrew worked with a number of major multinational technology organisations before co-founding two successful technology businesses. He holds a Bachelor of Computer Science and Information Systems from Monash University and is completing an Executive MBA with the Australian Graduate School of Management at the University of NSW.