

# Step Five

Module Three  
Mini Lesson Guide

the  
marketing  
Democracy™

# Welcome!



One of the biggest mistakes that you can make is to constantly run sales promotions that discount the price of your goods and services. What does this say about your prices in the first place if you train your customers not to pay full-price? You need to avoid the vicious cycle of discounts. Instead, you can use sales promotions in a more thoughtful way. Promotions can add to your bottom-line and also add value to your brand if they are thoughtfully designed and if they are used at special times. This module will introduce you to five different types of promotions that you can schedule across a promotional calendar to build your business and your brand.

- Judy

## Module Overview

In this module, we are going to focus on four key ideas:

- In [Lesson One](#), you will learn the difference between promotions that build brand equity and price discounting that has the potential to damage that equity.
- In [Lesson Two](#), you will learn that discounting is a vicious cycle with an endless appetite for bigger incentives. It's a no win.
- In [Lesson Three](#), you will learn the difference between promotions that are tailored for new customers and those designed for your most loyal customers.
- In [Lesson Four](#), you will learn to take inspiration from culture to make your promotions resonate with your customers.

To help you build and organize a brand-building promotional strategy, you can purchase a "Promotional Worksheet and Calendar." This downloadable PDF is fully functional if you open it in Adobe Acrobat Reader. Be sure to click on the "listen" icon in the lower right-hand corner to learn more about this helpful tool. And, for additional inspiration, you can watch the real-world example video to see this lesson in practice.

Congratulations on taking this important step in your journey to developing world-class marketing for your business.



# Lesson One

## The Key Difference Between Promotions that Build Brand Equity and "Sales"

### Why This Matters

As you build your marketing game plan, you will need to plan promotional activity into the mix. If you constantly offer your products and services “on sale” you run the risk of damaging your business in the long run. Instead, you can develop a sales promotion strategy that builds equity in your brand while still providing customers with incentives to buy. In doing so, you will gain both short-term sales and long-term value for your business. This lesson explains the key differences between sales and promotions so that you can build a strategy that offers value to the customer and a value return for your business.

### 5 Key Takeaways

- When you constantly put your products and services "on sale" you send a signal that either your prices are too high to begin with and/or your offerings aren't worth paying full-price.
- Value is more than a low price. There are many ways to promote value. Price is only one element of a much bigger idea.
- The best promotions add rather than take away. Promotions can feature additional products and services. More is more.
- Promotions can help you to tell your brand story and to differentiate your products and services from your competitors.
- Price wars are a slippery slope. Don't fall into the trap of claiming, "We won't be undersold." It's a no win strategy.



## Ask Yourself

**Before moving on to Lesson Two, take the time to reflect on this lesson.**

Do you understand the five key takeaways that were presented at the beginning of the lesson?

Is there a high degree of price discounting in your product category? How do you currently respond? Do you join in? What can you do to break the cycle?

Have you ever combined items and/or services together into a promotion? If you haven't, can you think of items and/or services that could be combined to create value for both you and your customers?

How often do you run sales promotions? If your answer is "all the time" you have some work to do!






# Lesson Two

## Bigger, Louder, Bolder Will Lead You to Crash and Burn

### Why This Matters

You've heard the expression, "Go big, or go home." When it comes to your marketing strategy, a "go big" approach is a recipe for failure. You can't shout your way into the hearts and minds of your customers. And, you can't throw big discounts at them, either. There's neuro science that explains why bigger and louder creates a vicious loop that you cannot sustain or win. This lesson will help you to walk away from "big" as a strategy and instead focus on strategies and tactics that create special moments that can break through all the marketing clutter.

### Key Takeaways

-  Bigger, louder, bolder will ultimately lead to crash and burn. Trying to one-up your competition is not sustainable.
-  Big brands know about Weber's Law and you should, too! Our brains are trained to notice big differences and ignore the rest.
-  Once you "Super Size" your offers, it's hard to go back. You set a new high bar and you're stuck with it.
-  There's a time and a place to go "big." It's just not every time or every place. Make your "splash" special. Make it count.
-  Replace "share-of-voice" with share of hearts, minds and wallets instead.



## Ask Yourself

**Before moving on to Lesson Three, take the time to reflect on this lesson.**

Do you understand the five key takeaways that were presented at the beginning of the lesson?

Have you ever found yourself in a battle with a competitor? What happened? Did anyone "win"? Or, did you spend a lot of time, effort and resources trying to come out on top?

If you had only one promotion per year, what would that promotion be? What would make this promotion special?

Can you think of ways to win your share of hearts, minds and wallets that focuses squarely on your customers and doesn't mention your competitors at all?

# Lesson Three

Make Both New Customers and Loyal Customers Feel Special

## Why This Matters

Your promotional strategy is a delicate balancing act between welcoming new customers into the fold and thanking your loyal customers for their loyalty. Both customers should feel welcome, and one should not feel prioritized over the other. Imagine this (true) scenario: a loyal customer to a local hair salon receives a postcard in the mail offering a price discount for first-time customers. How would that make the loyal customer feel? Taken advantage of! This lesson will help you set a customer relationship management strategy that creates separate but equal programs for different customers in your portfolio.

## Key Takeaways

- 📍 Make both your new customers and your most loyal customers feel special. Don't prioritize one customer segment over the other when planning your promotional strategy.
- 📍 While your sales promotions should be few and far between, customer relationship management is a 24/7/365 proposition.
- 📍 New customer promotions should remove barriers to trial and provide the assurance that new customers have made the right choice.
- 📍 Loyal customer promotions should deliver exclusive offers and benefits that make their loyalty work for them (and for you).
- 📍 Take advantage of the tools in today's digital business landscape to build and manage your CRM systems. There's plenty out there (at all levels of price/sophistication) to help you.



## Ask Yourself

**Before moving on to Lesson Four, take the time to reflect on this lesson.**

Do you understand the five key takeaways that were presented at the beginning of this lesson?

Do you have separate promotions for new customers and for loyal customers? Or do all customers receive the same offers?

Do you practice customer appreciation every day of the year? Or do you show your appreciation with promotions at certain times of the year?

Do you have a CRM system in place? If you don't, check out all the resources out in the marketplace. It's a wise investment that will pay off in customer lifetime value.



# Lesson Four

## Inspiration from Culture

### Why This Matters

Throughout the Five Step System, we've discussed how broader cultural themes can help you market your business. This certainly holds true when it comes to designing your promotional strategy. Culture provides a perfect backdrop for promotions and incentives that are meaningful and memorable in your customers' lives. Whether it's something timely that's taking place right now, or something more timeless that you can count on for years to come, if you can enhance the cultural experience, you should join in. This lesson will help you to think about culture as a backdrop for your promotional strategy.

### Key Takeaways

- 📍 Make your promotions memorable by tying them to broader cultural themes. Let culture do the promoting for you.
- 📍 Some cultural rituals are timeless. If you can establish yourself as part of a cultural ritual, you will gain long-term benefits.
- 📍 Other cultural experiences are timely. It's crucial that you are on the right side of this timing. Don't be late to the party.
- 📍 Your products and services need to enhance the cultural experience. Don't jump on the bandwagon unless you belong.
- 📍 Take advantage of cultural diversity. Promotions that celebrate sub-cultures can create deeper bonds with specific customer communities.



## Ask Yourself

**Before moving on to the action plan, take the time to reflect on this lesson.**

Do you understand the five key takeaways that were presented at the beginning of the lesson?

Can you think of ways that your products and/or services can become part of a ritual? Rituals are great for creating repeat business over long periods of time.

Sometimes cultural trends work in your favor, and sometimes they work against you. Is your business category currently on the right or the wrong side of these trends?

Do your promotions celebrate the diversity of your customer base?