Sales Promotion Effectiveness Can Be Measured

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John H. Weber argued in a recent issue of the JOURNAL OF MARKETING that the role of sales promotion in making sales cannot be measured quantitatively, because there are too many unknowns in the marketplace. He contended that general economic conditions affect consumer response to promotion in unknown, unmeasurable, and unpredictable ways; and he made the same point for local market conditions, competitive reactions, and intra-company factors.

The present author takes issue with Weber's views—he asserts that the effectiveness of sales promotion activities can indeed be determined, and that experimental methods can be utilized.

In his article in the JOURNAL OF MARKETING, John H. Weber questioned whether the results of sales promotion can be predicted. However, he did not draw distinctions between the various kinds of sales promotion activities which can be engaged in. At least the ones he used were not enumerated.

He seemed to refer to sales promotion as one indivisible function. But the problem of measuring effectiveness immediately assumes different dimensions if it is simply remembered that sales promotion is a generic term, including:

- contests
- point-of-purchase displays
- sampling
- premiums
- coupons
- multi-package price deals
- incentive programs
- tie-in sales
- certain forms of direct mail

The achievements of some of these activities can more readily be measured than others. To draw a "blanket" conclusion that sales promotion cannot be qualitatively evaluated is too easy a generalization.

Before indicating how sales promotion programs can be evaluated, though, the question of objectives must be considered. After all, "advertising may be called upon to perform a combination of different tasks that lead to the ultimate objective of making a sale. The job of defining objectives is essentially one of deciding which of the multiplicity of communications tasks we want to accomplish through advertising."2

The phrase "sales promotion" could meaningfully be substituted for the word "advertising" in the above quotation.


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Several of his articles have appeared in other publications, and he has served as guest lecturer at New York University and St. John's University.
Weber took sales as the criterion by which to measure sales promotion, and there is nothing wrong with this. Sales volume is indeed the ultimate criterion of sales-promotion value. But there can be many other criteria of effectiveness which are valid, more readily isolated statistically from other influences than are actual sales, and capable of incorporation in field studies.

The "yardsticks" used for measuring one sales promotion activity differ from those for another activity. But the problem is not as hopeless as Weber indicated. In other words:

- There are different types of sales-promotion activities.
- The objectives set for each type can differ from the others.
- The criteria of effectiveness can, and should, vary.

The accompanying table is based on several disguised actual case histories. Although the material in the table is not intended as a complete classification of sales-promotion activities, objectives, and methods of measurement, several main points are illustrated.

**PLAN FOR MEASURING SALES PROMOTION EFFECTIVENESS**

<table>
<thead>
<tr>
<th>Types of sales-promotion activities</th>
<th>Objectives</th>
<th>Methods of measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factory pack</td>
<td>To increase consumer awareness of the brand</td>
<td>Before-after study of advertising awareness, and recall of copy points</td>
</tr>
<tr>
<td>2-for-the-price-of-1 offer</td>
<td>• To increase consumer trial of the brand</td>
<td>Before-after consumer survey in test areas</td>
</tr>
<tr>
<td></td>
<td>• To build repeat usage of the brand at its regular price</td>
<td>Continuing waves of above study in same test areas after price offer is withdrawn</td>
</tr>
<tr>
<td>Point-of-sale display</td>
<td>To maximize profit contribution of goods displayed</td>
<td>Profit contribution per space unit used</td>
</tr>
<tr>
<td>Contests</td>
<td>To increase consumer awareness of the product during season of peak usage</td>
<td>Question on awareness of advertising devoted to the contest and knowledge of the contest in consumer survey,</td>
</tr>
</tbody>
</table>

In sum, the effectiveness of many sales promotion activities can be measured and predicted, although of course various methodological difficulties must be overcome. Just as objectives vary, criteria of effectiveness vary with them.

Controlled market experiments are feasible, provided the study design is adequate in scope and sample to allow for unfavorable conditions.