Promotions

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Trade promotions can be described as the marketing efforts done by marketers so that they can promote their respective products to the retailers. This will also help in enhancing relationships between retailers and marketers. Some of the major advantages of trade promotions are that it creates a competitive environment in which companies try to differentiate their products from their respective competitor companies. It also facilitates moving the excessive stock forward. For instance, if a product is seasonal then during an offseason, the salesman will move the product in the market by providing certain incentives. Trade promotion also increases display levels. This helps in achieving a widespread distribution that will allow a salesperson to enable upselling in which a customer is persuaded to buy expensive things (Martín-Herrán & Sigué, 2015). Furthermore, it also helps in cross-selling as well in which salesperson trick the consumer into buying an expensive product while providing some incentives such as free T-shirts on purchasing an expensive blazer.

While comparing and contrasting both consumer promotions and trade promotions, consumer promotions are intended to persuade consumers to buy a specific product or subscribe to any service. This can be done by reducing the prices of products for a limited time or by providing free samples and coupons to stimulate product demand. Typically, consumer promotions are used by retailers. On the other hand, trade promotions are utilized by wholesalers and manufacturers to boost their business by allowing business buyers to purchase their products for resale. Consumer promotions strategies engage consumers into buying a specific product while trade promotion strategies help in strengthening the relationship between retailers and manufacturers. Consumer promotion strategies use tools such as coupons, cash refunds, and free samples while trade promotion also uses these tools to expand their business. However in trade promotion tools such as cash bonuses, push incentives and stock returns are also used that may further help in building a strong relationship between retailers and manufacturers (Boddewyn & Leardi, 1989). Despite some differences, both these strategies are used by several companies especially when they want to launch a new product.

**References**

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Martín-Herrán, G., & Sigué, S. P. (2015). Trade deals and/or on-package coupons. *European Journal of Operational Research*, *241*(2), 541-554.