

## Are on-pack promos still relevant in the digital age?

By <u>Kirstie Weber</u> 10 Sep 2018

Even though the positive impact of digital transformation has been lauded, there are still instances where more traditional approaches are preferred. In part, this can be attributed to the economic realities of consumers in more developing markets.



In Africa, the effects of digital on mass consumer promotions have been minimal. USSD and SMS are more accessible than digital mediums. In our experience, 90% of all mass consumer promotions are generated by USDD and SMS entries. This is not to say that digital does not have a place in developing markets. Smaller, more product-focused campaigns are very effective to run on digital due to the richer content experience provided. For example, social networks like Facebook, Instagram and Twitter are mostly used in conjunction with a promo-centric landing page.

## Integrated innovation

This has given rise to converged campaigns where consumers can select the mechanism they would like to enter on. In other words, they can either choose sending through a USSD code, submitting their details on a website, or even using a social network page as a driver for entry. Building from there, brands can also take the strategic direction of generating, tracking and validating unique codes on-pack. This enables them to drive multiple purchases. So, instead of a consumer needing to buy just one product to enter, multiple products are required to qualify for entry with each having its own unique code.

While these provide strong synergies, the real value for South Africa and the rest of the continent will be in utilising instant messaging platforms like WhatsApp and Telegram. Many of our campaigns over the past several years have delivered significant results in integrating this mobile communication with on-pack promotions.



The ability to link these mediums are giving brands who have a presence in other markets the ability to run a competition with one point of entry (the mobile number). This provides a massive growth area and has the additional benefit of collecting Big Data to create even more meaningful insights. Pared with what is happening in-store, creates a more bespoke consumer experience. So, you could have an on-pack promotion that awards the right prize to the right consumer in the store.

## **Developing differences**

But despite the promise of this integration, the biggest potential for markets in Africa still lies with on-pack promotions.

This is fuelled by the fact that consumers on the continent are still mainly attracted to incentives. We have seen that the more developed a market becomes, the less these incentives play a role in the purchase decision. Additionally, the retail culture here has been created around using incentives through promotions to drive sales. Compare this to the United States where there are no on-pack promotions but instead, the market is focused on coupons and price matching to drive behavioural change.

Even though some suggest that digital in-store displays can help drive engagement, this is not necessarily the only way to do so. In South Africa, it is less about the mechanism of in-store branding than it is about the incentive used. If the display is innovative and eye-catching, then pairing that with quality incentives will result in increased consumer attention.



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While there is a rush to embrace online shopping and more digitally-enabled platforms to drive sales, physical stores will always have a place in Africa, at least for the foreseeable future. However, digital should be used as the means to pull the right consumers into a store. In other words, Google Maps can be used to guide someone to the closest store when they search for a new fridge on their browser. Furthermore, this can link to their online profile and match in-store specials to what they have purchased before to provide a more comprehensive retail offering.

In Africa, this hybrid between digital and in-store will help guide purchasing decisions and promotions for some time to come. It is therefore important to remember that in the rush to adopt digital, traditional should not fall by the wayside.

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