

4 tips on pricing and promotion strategy ahead of the holidays

Article



As brands rethink their pricing and promotion strategies, they must keep track of their competition, secure retailer support, and get the timing right. However, it's also important not to train consumers to be over-reliant on promotions. Here are four tips for brands as we head into the holiday season.

1. Keep an eye on your competitors

Historically high prices have turned consumers into much more discerning shoppers, said Erica Harrison, vice president of analytics at NielsenIQ during a [recent LinkedIn live Q&A](#).

“As prices increase across the total store, [shoppers] are now starting to pay a little bit more attention to things like private label or brand comparisons,” she noted.

This is why it’s essential to keep track of how other brands are pricing their products.

“Starting to track your competition, if you’re not already, to see what they’re doing with price is going to be really important,” said Harrison. “[Make] sure you’re managing any [of the] gaps between you and either branded or private label competition.”

2. Retailer support is key

While price is arguably the most important element of promotion, the success of a promotion can also be tied to how well a retailer supports it both in-store and online, according to Steve Zurek, vice president of thought leadership at NielsenIQ, noting that using displays and online messaging to drive attention to promotions were key to driving performance.

3. Get the timing right

Aligning promotions with seasonal events is an easy way to ensure success, said Harrison.

“If [you sell] chips, beverages, etc., something like a football season kicking off is great,” she said. “Or if you’re [in] over-the-counter [medicine], you know something around flu season [works]. Or something like paper and pencils [make sense for] back to school. All of those obvious occasions where people are going to be in the store and looking for categories such as yours.”

Another thing to consider is the purchase cycle of your category.

“If your purchase size is every three months and you’re only promoting every four months, you’re missing that opportunity window where people might come back and be willing to try another brand that is on promotion,” said Harrison.

4. Don’t over-promote

Brands don't want consumers to shop their product only when it's on sale.

"[Shoppers are going to get] a sensitivity to what a good [deal] versus [a bad one] is," said Zurek, and they will just wait for another deal to come around, whether it's from your brand or a competitor.

"Don't train your shopper to bridge from deal to deal," he said. "Otherwise you're going to be just subsidizing base volume, and you're not going to be driving any incrementality to your brand."

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