

# An Essential Guide to Conducting Trade Promotions

The key things you need to know for your next promotion.

Want to bump up your business or celebrate a product? Trade promotions, AKA competitions, are one of the most popular, easy and effective ways to drive interest and sales. We'll leave the creative to you, but here are the basics.

## What is a Trade Promotion?

In short, a trade promotion or competition is defined as a free-to-enter activity that involves customers interacting with a business to obtain a prize. There are many different variables that influence how the promotion is conducted, including the [entry mechanics](#), [prize pool](#), duration and more. While it's easy to get bogged down in the minutia of deciding those details, everything becomes clearer when setting defined goals and parameters.

## The Five Ws

Who? What? When? Where? Why? Like the fundamental building blocks of any good story, an effective promotion needs to nail these contextual considerations to work. Consider determining the objective of the promotion—the Why—is the starting point, which then allows the other factors to logically fall into place. There are three main reasons for conducting a promotion:

- Brand building
- Enhancing trade relationships
- Driving sales and volume

While it may seem tempting to meet all three criteria, it's better to focus on just one because it will make planning clearer and set a defined plan.

## Get the Message Out There

[Most trade promotions fail](#) because they just don't reach enough of the right people. Hone that marketing strategy by really focusing on who you actually want to participate in the promo. As mentioned, determining the audience should be fairly straightforward if the promotion's objective was clearly defined from the get-go.

If your focus is fast-moving consumer goods (FMCG), then it's best to market it directly on the packaging, according to the [latest market research](#). That strategy obviously won't work for a social media promotion to drive engagement, so adjust your strategy accordingly.

These general principles are the main factors to keep in mind when conducting your next promotion. Ideally, most of your time should be spent on planning an engaging strategy or picking an enticing prize. Leave the time-consuming legalese and compliance checks to experts who can quickly approve your promotion's details.

### Ensure Legal Compliance

Different jurisdictions subject businesses to varying types of regulation and legislation. Always double check that the terms of the promotion are [legally compliant](#) for the region you are trading in. This may mean applying for relevant permits, clearly stating the competition rules or ensuring the prize is not [restricted by law](#).

### Terms and Conditions

There’s no such thing as a free lunch. Terms and conditions protect both you and consumers from ending up in undesirable situations. Sure, it’s a bit of legwork at first but dealing with the hard stuff earlier will save you from much bigger financial or brand reputational headaches later on.

T&Cs need to clearly state pertinent information about the promotion, including the competition entry mechanics, prize/s, duration and other important details. Don’t forget to publish it somewhere that can be hosted during and after the promotion period.

Obviously, it’s essential to get Legal’s advice and tick of approval before launching any promotion. However, it’s well understood that constant back and forth consultation can lead to bottlenecks along the way; leaving legal work till last might require entire redos. The happy medium? Use technology like Plexus’ [Promotion Wizard](#) to generate compliant T&Cs and run any collateral through [Advertising Wizard](#) for review by legal experts.



### Guaranteed compliance for your next competition, sorted.

Plexus Promotion Wizard offers end-to-end legal support for competitions & promotions. Custom T&Cs and the right permits without any hassles, 90% faster and half the cost of traditional legal firms.

Get started

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- How-to Guides
- eBooks
- Case Studies
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Get in touch with with one of our transformation specialists:

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