

The Effect of Trade Marketing Investments on Channel Performance

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Resumo

The purpose of this paper is to identify trade marketing investments as an effective instrument to increase retail sales performance. Departing from previous literature on trade marketing, the authors investigate the effectiveness of each investment type and its specificities accounting for distinct channel structures. The authors use 15-month retail sales and trade marketing data from eight personal care brands, four regions in four channel structure types covering the entire national territory. This unique panel data was analyzed using GLS regression to assess retail sales performance effectiveness as a function of 5 established types of trade marketing investment. Results revealed that although temporary price reductions are frequently used as a trade marketing investment in direct generalist channel (large supermarket chains), our study unveiled a non-significant effect of such price reductions on retail sales performance. In-store salespeople incentive, showed to be effective only in the direct specialist channel (large drugstore chains).