



THE TIMES 100

BUSINESS CASE STUDIES

Below-the-line promotion – Hi-Tec

Founded in 1974, Hi-Tec Sports is a privately owned British company. Its products are sold in over 100 countries worldwide. It is the global number two outdoor brand in terms of sales value. In the past, Hi-Tec shoes were only associated with sport. However, today its shoes are promoted as an outdoor brand associated with a leisure lifestyle.

Below-the line promotion aims to reach consumers more directly through forms of communication other than traditional advertising channels. For example, Hi-Tec has targeted consumers through collaborations with several organisations. It has set up partnerships with the UK's National Trust (to promote a new walking boot) as well as with the Caravanning Club (an audience who might be interested in instantly comfortable and lightweight outdoor footwear). It uses character branding to promote its products. This means that it appoints ambassadors such as Alexandre Poussin, the world explorer, and Martin Dreyer, from the world of extreme sports, to endorse its products. Hi-Tec also uses **sponsorship** to promote its brand. For example, it sponsors Amr Shabana, one of the world's leading squash players.

The company also uses other below-the-line activities:

- Direct mail . Hi-Tec emails customers, linking the message to the e-commerce part of Hi-Tec's website. This means people can go directly to the Hi-Tec online shop to buy goods.
- Exhibitions . Hi-Tec promotes at trade and consumer shows. These allow Hi-Tec to give retailers and consumers the opportunity to see the products first-hand.
- Sales promotions . Hi-Tec offers both retailers and consumers a range of sales incentives, including discounts, to encourage them to stock or buy its products.
- Branding . Hi-Tec supplies retailers with **point-of-sale materials**, such as packaging and store displays and provides training for retail staff within stores.
- Promotional materials . Hi-Tec's **extranet** website shares material such as brand photography and press releases so retailers can use this material in their own promotions. This raises the profile of the Hi-Tec brand and ensures that it is represented consistently.

Hi-Tec also uses PR (Public Relations) to create a positive public perception for its products. This includes issuing press releases, writing blogs and the use of social networking sites like Facebook.





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Questions

1. What is meant by below-the-line promotion?

2. Why do you think Hi-Tec now uses social networking sites, like Facebook or YouTube, for promotion?

3. Explain how the methods of sales promotion Hi-Tec uses with retailers might differ from the methods used with consumers.

4. Analyse the reasons why Hi-Tec may choose to use below-the-line methods of promotion in addition to mass-media advertising.

Task

For the three products below, recommend a type of below-the-line promotion that could be used. Justify your decisions.

- A new shampoo that is being launched
- A well-known brand of toothpaste that is losing market share to a rival brand
- A fashion range at the end of the season

What have you learned?

Write five short questions about below-the-line promotion that you can ask another member of your class. Make sure you know the answers yourself. Swap your questions with someone else. You have two minutes to answer the questions and return them to your partner for marking.