

CASE STUDY: ATHLETIC SHOES

Driving Foot Traffic With Valpak® Direct Mail



MARKETING OBJECTIVE

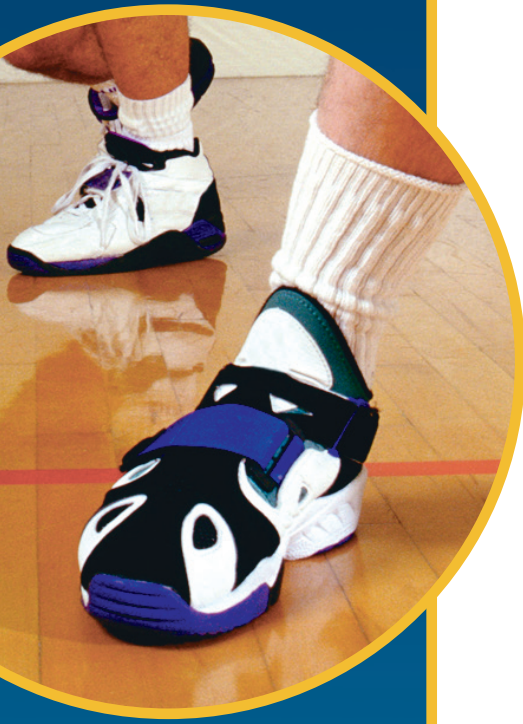
The client is a top international athletic footwear retailer who wanted to drive foot traffic to their stores and increase sales. Other than small solo mailings to their existing client base, the client had no experience with direct mail and they were interested to see if a strong offer in the Valpak envelope would produce the increased traffic they were looking for.

TEST STRATEGY

A controlled marketing test was determined to be the best method to measure Valpak direct mail to determine the sales impact of the campaign. The client selected Valpak for the test for their ability to target the client's geographic and demographic audience.



Valpak



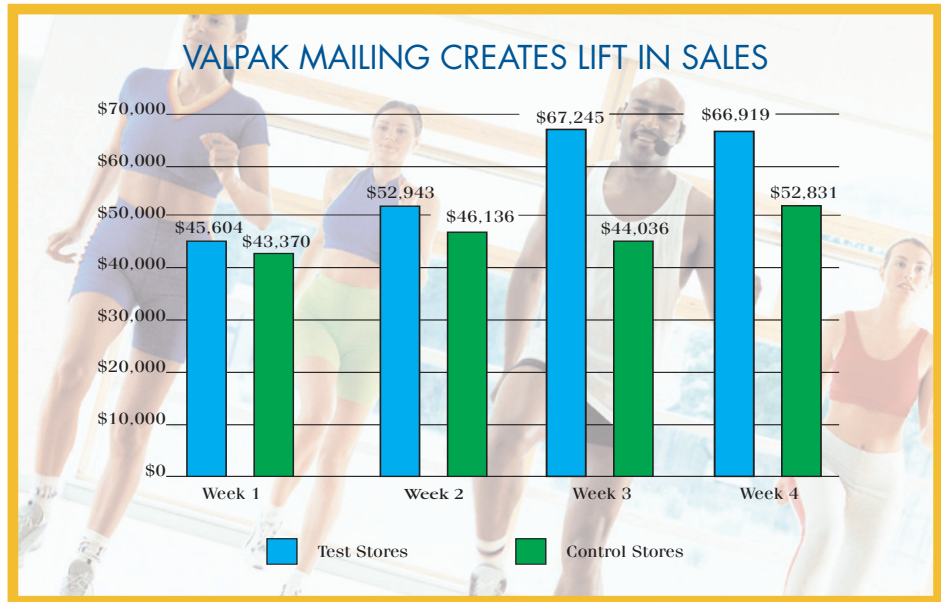
INDUSTRY FACTS

Athletic footwear is an over \$10 billion industry representing the largest category in footwear. After a decline in growth during the mid-1990's, the industry has since rebounded, thanks in part to the emergence of women's sports and technological advances in products. A challenge for the industry is the fact that a recent NPD Group study showed more than one-half of athletic footwear purchases were for the purpose of casual use only, making the industry more vulnerable to consumer fashion whims.

THE VALPAK CAMPAIGN

Six client locations were selected to participate in the test based upon two primary characteristics: total store sales and total selling area. The Valpak NTA[®]s for all test stores fell within a 15-mile radius of each store's location. Major interstates and highways were utilized to insulate both the test and control stores to prevent possible overlap.

Three stores were selected as test stores with 300,000 homes mailed a very strong lead generation offer of \$10 off any purchase of \$50 or more and three stores were selected as control stores with no coupons mailed to their surrounding neighborhoods. The Valpak drop took place between May 18-24, 2003. The coupon expiration date was May 31, 2003



RESULTS

- Week 1 (base period) - Test and Control stores revenue were similar.
- Week 2 (the week Valpak mailed) - the Test stores experienced a 15% increase in sales, compared to the Control stores.
- Week 3 (one week after the mailing) - the Test stores posted a 53% lift in sales.
- Week 4 (the week after the offer expired) - the lift in sales continued with a 27% increase.

CONCLUSION

During the 10-day promotional period, the client's test stores experienced a 36% increase in sales, compared to control stores during the same period. Based upon regularly conducted readership surveys, 60% of adults receiving Valpak keep their coupons at least one month or until the expiration date*. It is likely the opportunity exists for additional incremental sales with an extended coupon expiration date of at least one month.

*Source: Valpak readership study — March 2003 (Communications Center, Inc.)