

CASE STUDY: LEADING CHILDREN'S CLOTHING RETAILER

Valpak® Springs Into Action For A Lift In Sales!

MARKETING OBJECTIVE

To measure redemption, return on investment and incremental lift in sales for a leading children's clothing retailer.

STRATEGY

- Create a matched store panel test in two large markets.
- Select test and control stores in each market that were geographically distant from each other, but had similar net sales and demographic profile (households with children ages five and under).
- Analyze redemption and sales data and determine return on investment rates (ROI).



"The Valpak test mailing delivered a motivated and responsive audience that resulted in increased sales and store traffic. The market specific demographic information Valpak provided enabled us to successfully target families with young children. Valpak is a completely turnkey program that encompasses the power of direct mail with its extensive reach."

Vice President of Marketing

THE VALPAK CAMPAIGN

- Homes mailed were within a five-mile radius around the test stores.
- A "spring themed" Superflyer™ was mailed to 250,000 homes in each test market (500,000 total) in mid-February 2005.
- The Superflyer featured a compelling offer of 15% off any purchase and carried a 7-week expiration date in each market.

TEST RESULTS

- The client reported a positive overall return on investment (ROI) when the advertisement investment and coupon discount were factored.
- The offers in Valpak generated a total of \$144,747 in sales from 2,823 customers using the offer.
- Overall, test versus control store sales during the promotion period increased +1.1%.
- The highest number of redemptions occurred during week four of the test period, followed by week two, and a spike in redemptions occurred during the last week of the test period in both markets.



CONCLUSIONS

The client reported that 13% of redemptions were received from new customers and 5% of redemptions were received from lapsed customers who had not shopped at the store in at least 12 months. It is also interesting to note that coupon usage was highest during the last week of the promotional period, showing that consumers held onto the offer until the expiration date.

Industry Facts:

The multi-billion dollar infant, toddler and preschool (ITP) clothing business represents one of the fastest-growing segments of the apparel market. It is among the most dynamic and resurging categories of the consumer goods industry, fueled by higher birth rates and an expanding baby-and-kid-centric culture. New parents spend over \$6,000 on baby-related goods and services during their baby's first 12 months according to ESRI Business Information Solutions. The open-pocketed spending patterns of mature, dual-income parents and baby boomer grandparents, is a leading consumer trend.