

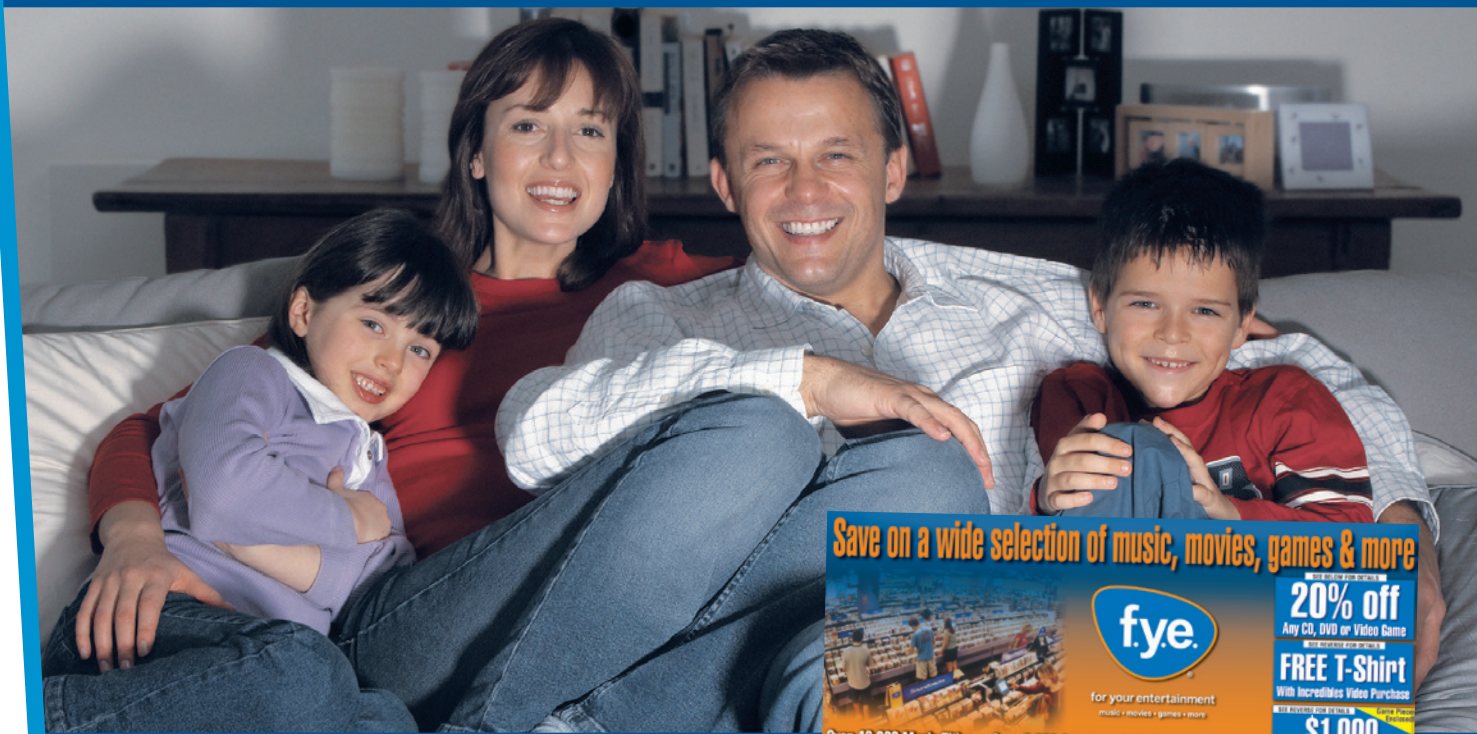


CASE STUDY: FYE

Bringing Entertainment Home With Valpak®

for your entertainment

music • movies • games • more



Save on a wide selection of music, movies, games & more



f.y.e.
for your entertainment
music • movies • games • more

20% off
Any CD, DVD or Video Game

FREE T-Shirt
With Incremental Video Purchase

\$1,000
F.Y.E. Shopping Spree!

Over 40,000 Music Titles • Over 2,000 Games • Over 7,000 DVDs and VHS

MARKETING OBJECTIVE

- To measure incremental lift in sales, customer transactions and average sale for F.Y.E.® locations participating in a Valpak mailing program in four test markets with similar consumer buying behavior and demographics.

TEST STRATEGY

- Use a matched store panel test to measure total sales generated from customers using the Valpak offer during the test period.
- Compare number of customer transactions, average store sales, and number of DVD units sold.
- Analyze redemption data and determine return on investment rates (ROI).

Participating Locations

Bourbonnais, Northfield Square
815-935-8100

Calumet City, River Oaks Shopping Center
708-862-4522

Merrillville, IN Westfield Shoppingtown
219-769-1656

Joliet, Louis Joliet Mall 815-439-6900

COUPON • CLIP AND SAVE • COUPON

20% off
Any CD, DVD or Video Game
reg. price \$12.99 & up.

f.y.e.
for your entertainment
music • movies • games • more

Preview Music & Videos Before Buying at One of Our Listening Stations!

In Stores Now	Available 3/1	Available 3/1	Available 3/8	Available 4/12

We Pay Top Dollar* For Your Used CDs, DVDs & Video Games



"The Valpak test mailing exceeded our expectations, delivering a motivated and responsive audience that resulted in increased store traffic and a lift in sales. The market specific demographic information Valpak provides enabled us to successfully target those consumers most likely to visit FYE. It is a completely turnkey program that encompasses the power of direct mail with its extensive reach."

Fred Fox,

*Executive Vice President,
Merchandising
and Marketing
TransWorld Entertainment*

About F.Y.E.

Headquartered in Albany, NY, TransWorld Entertainment operates nearly 600 mall based stores under the F.Y.E., For Your Entertainment brand and 250 freestanding stores operating under the Coconuts, Strawberries, Specs and Warehouse brands. The company was founded in 1972 as a music store under the name Record Town.

THE VALPAK CAMPAIGN

- A total of 1,000,000 homes were mailed in the four test markets combined (Chicago, 175,000; Detroit, 340,000; Philadelphia, 255,000; and Seattle, 230,000) in late February and early March, 2005.
- A three-panel flyer was mailed in a five-mile radius around the test stores. Test and control stores were geographically distant from each other to minimize redemption at control stores.
- There were three calls to action: 20% off any one regular priced CD, DVD or video game, a free T-shirt with The Incredibles video purchase, and an in-store scan-to-win sweepstakes with a \$1,000 F.Y.E.® shopping spree grand prize and 100 secondary prizes of The Incredibles DVD. Consumers scanned specially coded Valpak coupons while in-store to identify winning sweepstakes entries.
- The offers carried a 21-24 day expiration in Philadelphia and Detroit and 28-30 days in Chicago and Seattle.

RESULTS

- The overall return on investment (ROI) reported by the client was 414%.
- The number of DVD units sold increased 13% and the number of customer transactions in the average test store increased 10%.
- Overall, average sales in the test store versus the average sales in the control store increased more than 14% during the promotion period.

After Valpak



Before Valpak



Customers redeeming the 20% offer in Valpak spent \$34, an increase of 41% over the average sale in these same stores prior to the mailing.

CONCLUSION

The test results were extremely positive, with Valpak consumers delivering results beyond the marketing objectives for the program. Not only did overall store traffic and the average ticket increase during the promotional period, but the ROI for the program overall far exceeded expectations. The targeted Valpak audience was responsive and produced significant results for the client.