



CASE STUDY: TOYS "R" US

Valpak® Doesn't Play Around When It Comes To Toys.



MARKETING OBJECTIVE

To determine the effectiveness of a Valpak promotion in generating an increase in sales volume, customer transactions, and number of items sold.

TEST STRATEGY

- Implemented a matched store panel test to measure the results of a Valpak promotion in three markets – Boston, Chicago and Detroit
- Test and control stores were included on the basis of similarity in size, customer buying habits, and consumer profiles.



"We are very impressed with the results of our Valpak campaign and appreciate the valuable information we acquired during this test."

Doug Rollins,
Director of Marketing
Strategy & CRM

THE VALPAK CAMPAIGN

- Offers were sent twice to the same 500,000 homes for a total of one million mailings.
- The first offer, which was mailed in December, featured \$5 off a purchase of \$50+, \$10 off a purchase of \$100+ and 20% off any one item. The second offer, mailed in February, was \$5 off a purchase of \$25+, \$10 off a purchase of \$50+ and 20% off any one item.
- Store locations chosen were geographically distant from one another in order to maintain the integrity of the test. Mailing areas fell within a five-mile radius of the selected stores.

CONCLUSIONS

The sales increase generated by the Valpak promotion indicates its effectiveness in motivating consumers. In addition to the dramatic 5535% ROI, the promotion's 18,723 redemptions, a rate of 1.9%, produced an average purchase of \$85.40 and a net sales increase of \$1.6 million. The significant results of this marketing test indicate the Valpak audience is highly motivated and responds enthusiastically to an ad campaign that includes strong offers.



December two-thirds flyer



February two-thirds flyer

TEST RESULTS

- Overall return on investment (ROI) over both mailings and all offers was 5535%.
- Overall number of customer transactions increased 7%.
- Number of items sold increased by 4.3%.