

CASE STUDY: LEADING CASUAL DINING RESTAURANT CHAIN

Valpak® Drives Sales and Off-Peak Traffic



MARKETING OBJECTIVE

To measure the effectiveness of a Valpak mailing by: traffic generated, sales by offer, and overall lift in sales.

Results were provided by the restaurant, a popular casual dining chain.

TEST RESULTS

- The Valpak mailing generated 5,403 redemptions for an overall redemption rate of 2.7%.
- When comparing the Valpak drop week to the prior week, Milwaukee experienced a 2.7% lift in sales and a 2.9% increase in traffic. Green Bay (the control market) experienced a 1.3% decrease in sales and a 1.0% decrease in traffic.
- The overall return on investment (ROI) was 26% when the advertising investment, food cost, and 40% sales cannibalization were considered.
- For every \$1 spent on Valpak, nearly \$10 in gross sales was generated.
- The most redeemed offer, *\$5 off Dine-in Food Purchase*, accounted for over 61% of all redemptions.
- The two weekday offers (valid Monday-Thursday) accounted for 75% of all redemptions, showing that the Valpak audience is responsive even during off-peak days.



Valpak®

TEST STRATEGY

- Milwaukee was selected as the test market and Green Bay as the control market.
- Even though the test and control markets were geographically distant from each other, they had similar sales trends and weather patterns.
- 200,000 inserts were distributed inside the Valpak envelope. Each insert featured three offers.

THE VALPAK CAMPAIGN

- To test response, three distinct offers were created for the categories of: dine-in, take-out, and family spending.
- Two of the offers, *Free Kids Meal with Purchase of Adult Meal* and *\$5 off Dine-In Food Purchase of \$20 or More*, were valid Monday-Thursday only.
- The third offer, *\$5 off a To Go Purchase of \$15 or More*, was valid all week.
- All three offers carried an expiration date of 48 days.

Source: Claritas, a Nielsen Company (2007)

Valpak consumers spend more

The average Valpak household is projected to spend 21% more annually at full service restaurants than the average U.S. household.

\$2,569

Average Valpak household

\$2,119

Average U.S. household



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