



The Couponing Experts™

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Case Study: More for Less

Challenge: It was a classic case of making more happen with an even tighter budget. Cost cutting was in order and coupons were an obvious target. But meeting the volume goals would be difficult, if not impossible, without this valuable tactic in the arsenal. Somehow, the grocery brand had to squeeze out more volume while finding a way to spend less.



Solution: Keeping in mind the objective of maximum efficiency and increased volume, VSI Targeting applied the Coupon Optimization process. The assessment of the market, category and brand factors indicated that two tactical adjustments might meet the challenge. First, the data pointed out that in certain markets, requiring consumers to buy more units in order to get the discount would actually result in moving more product, in spite of a slightly reduced redemption rate for the promotion. Second, in markets where the brand had higher consumer loyalty, a lower face value could spur volume at equal levels, but at a lower cost.

Results: The brand implemented VSI's value and list recommendation and – in short – it worked. Not only did the brand cut over \$800,000 in cost for their promotion year, it also saw a 235,000 unit volume increase. VSI's optimization work drove the coupon cost per unit moved down by nearly 10 cents per unit. That full 27% drop in cost per unit moved indicates that this wasn't just another case of cost-cutting, but actually one of improved promotional effectiveness.

Optimizing your coupons requires more than just rules of thumb. You need solid experience and analytics to focus your promotional spending where it can have the biggest impact. It's not only a matter of being cost-conscious; it's smart to put the best coupon offers in the hands of targeted consumers at the best possible time. That's how VSI's Coupon Optimization process makes coupons work to meet your brand's objectives.