



# 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.



Valpak

*"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%.