



CASE STUDY: BURGER KING®

Valpak® Delivers King Size Results



MARKETING OBJECTIVE

Burger King wanted to test the combined effectiveness of two Valpak products — the blue envelope and solo mail, plus in-store “bounce-backs.”

TEST STRATEGY

- During April and May, 2004, over 2 million Burger King coupon booklets were distributed by Valpak in 16 U.S. markets.



- The campaign included 253 Burger King locations.
- The strong brand presence of both Valpak and Burger King ensured the message would be seen and the coupons redeemed.



Valpak®

"The Valpak test mailing provided Burger King with a powerful marketing vehicle to distribute our coupon booklets. The successful deployment of the booklets along with the strong response from the Valpak audience met our objective of driving customers to Burger King and provided us with a relevant promotional opportunity."

Myrna Schultz
Vice President
Marketing & Development
Sydran Services, LLC

THE VALPAK CAMPAIGN

The campaign consisted of the following elements:

- Of the 16 markets mailed, 9 were a combination of Valpak shared mail and solo mail, and 7 were solo only mailings.
- All but one market received bounce-backs which were handed out in customers' bags at store locations.
- The booklet drop was supported by a \$4.5 million Burger King television advertising schedule that carried the Valpak reference.
- Both brands were featured on the outside of the Valpak envelope during the promotional time frame.
- Each Burger King coupon booklet contained 14 offers to ensure broad appeal to consumer. A 15th offer for a free medium Coke® was printed on the outside of the Valpak envelope. The mail drops occurred during three weeks in April and May, 2004 in designed markets. The coupons carried an expiration date of June 16.



RESULTS

- The test results of the booklet mail campaign were viewed as extremely positive by Burger King. Strong consumer spending proved that the targeted Valpak audience is responsive and motivated.
- The Valpak audience responded to the Burger King promotion, driving an overall redemption rate of 9.4%.
- The overall increase in total sales was 1.9%, resulting in a net ROI of 66%.
- Redemption rates by market varied from 0.9% to 28.9%.
- During the Valpak promotion period, the average Burger King ticket sale was increased.
- The top three offers redeemed ("Whopper Buy One, Get One Free," "Double Cheeseburger Buy One, Get One Free," and "Free Whopper with Value Meal") accounted for 47.5% of all coupon redemptions.
- The combination of shared mail, solo mail and bounce-backs is an effective marketing strategy.
- Based upon regularly conducted readership surveys, more than half of all adults receiving Valpak keep their coupons at least month or until the expiration date.* It is likely the opportunity exists for additional incremental sales with an extended coupon expiration date of at least one month.
- Buy one, get one free (BOGO) offers are the offers preferred by most consumers for dining ads.

Source: Valpak Readership Study, March 2004 (Communications Center, Inc.) Tracking Methodology: Sydran Services, LLC, owners of the 253 locations included in the mailings, provided redemption and sales data. Valpak® data analysis reviewed and tabulated the results by Sydran Services.