



CASE STUDY: Sub-Sandwich Place Meets 47,000 New Fans

THE CHALLENGE

This sub-sandwich restaurant chain enjoyed rapid franchise growth, but its franchisees were experiencing a decline in sales.

Corporate leadership needed strong marketing intelligence to guide its growth but had only anecdotal knowledge of their customers' profile and no customer database.

Also, despite its proven and extensive success promoting restaurants, direct marketing was perceived as a poor option by the client.

Redemption range: 12%-20% per store.

THE BOTTOM LINE

Money Mailer's adherence to direct marketing's best practice guidelines, specifically those related to customer definition and testing, eventually quelled all concerns regarding the value and merits of properly executed direct marketing solutions and got the ball rolling.

OUR APPROACH

Developing a customer intelligence strategy was the first priority. The client had no general customer definition, so in order to qualify target audiences for preliminary testing a categorical profile of sub sandwich restaurant patrons was created using syndicated consumer survey data and lifestyle segmentation modeling.

Then, to begin accruing an actual customer database for the client, customer data capture procedures were designed into all marketing programs developed by Money Mailer.

OUR SOLUTION

The initial test mailings included a variety of grand opening and general traffic-generating discount offers featuring 4-color postcards.



Lifestyle segments that scored high on eating at sub sandwich restaurants comprised the initial consumer lists that were tested. The business test lists were designed to represent all business categories within the franchisees' trade areas to ensure that the findings would be complete. All response was tracked via barcodes.

To capture additional addresses for analysis and targeting, specialty programs— birthday and sweepstakes—were developed and implemented. Ultimately the test mailings, birthday club program, and sweepstakes programs generated a response database of 47,000 customer names, addresses, and birthdays.

The ROI was a strong 300%.

THE REAL BOTTOM LINE

Success of the direct marketing programs was instantly realized. Redemption ranged from 12% to 20% per store – and even with discounting for the special giveaway offers, the ROI was a strong 300%.

After one short year, Money Mailer had created a custom prospect program with actual customer data for development of the 2008 marketing campaign. The news of this program has spread into all markets, and the client has requested a full system direct marketing roll-out for 2008.