

## **"Ask Steve" – Return on Investment for Promotions**

An email came in over the desk of the FDI regarding direct mail promotions and advertisements. These type of promotions can be beneficial and a great way of getting your name and logo out in front of your adoring public regularly.

The main concern with this kind of advertising is knowing whether the return on your investment is really worth your time and money. Direct mail via a local news paper or the boy scouts delivering your flyers to 10,000 letter boxes must be able to be measured in some way shape or form. I must admit that I was one of those young men that had a direct mail route, and admittedly in a fit of laziness, dumped several hundred coupons that I was to deliver, down a drain in our neighborhood. Don't worry; I have repented of the whole situation.

I always recommend having a coupon or special deal included in the print that can be brought down to the store to redeem. It may be a 2 for 1 cone offer or a 25% discount for a particular item on the menu. Whatever it is, you may find that at the end of the promotion that you may only get three coupons back. If you spent \$300 on the mail out, you have just paid \$100 for each of those sundaes. Have a special box or a spike that your staff member uses to collect the returned coupons so you can evaluate the number of redeemed items.

Remember that on mass postings, getting 5 – 10% of these coupons back is deemed to be an average return rate. Perhaps you would get a better return rate by personally giving these types of coupons or flyers out yourself. Putting them in school newsletter or Local Library promotions will always be a better choice than a random mail drop.

If you are putting hard earned marketing dollars into a program it must be measurable and worth the investment. Now yes, a family may put that flyer on the fridge and be prompted by it once a week to visit your store, and granted you may never be able to attribute the visit to that flyer. However I would always feel more comfortable *knowing* that the money I spent on advertising and promotions was returning to me many fold.

If I can help with any of your day to day store issues, please feel free to email me at [info@frozendessertinstitute.com](mailto:info@frozendessertinstitute.com)