

THE POPCORN FACTORY®

Objectives, Strategies and Messages

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At A Glance

- TPF Marketing Objective
- TPF Target Customers
 - Behavioral Objectives
 - Communication Objectives
 - Messages and Incentives
 - Financial Objectives
- Summary

TPF Marketing Objective

Unlocking TPF's Revenue Potential

CURRENT SITUATION

The total B2B revenue from 2012-2014 was \$2.4 M with a 24% decline from Year 1 to Year 2.



MARKETING OBJECTIVE

To increase total revenue by 5% in the next four quarters, which would amount to \$119,997.47 in additional revenue for TPF.

TPF Target Customers

Unlocking TPF's Revenue Potential

We see the biggest potential to increase revenue by influencing a change in purchasing behavior of two targeted customer groups

QUICK FACTS

- Together the two groups represent **nearly two-thirds** of TPF's B2B customers, or **3,885 customers**
- This group represents **80.6%** of TPF's total B2B revenue = **\$1,934,359.18** over two years
- **Popcorn and Samplers** consist of the majority of their purchases

Big Spenders Current Behavior

- Big Spenders - Spend between \$500 and \$10,000 on orders
- Opportunity to increase recency
- Combined two customer segments - **Current Cash Cow** and **Lost & Lucrative** - into one given similarities in purchasing behaviors
- This group contributed **\$1,531,167.69 (63.8%)** of TPF's total revenue

High Interest, Low Spend Current Behavior

- Small spender - spends less than \$500 on purchases
- Have made recent purchases within the last year
- Actionable: while sustaining activeness, potential to incentivize to spend more on purchases

Process :: Objectives, Messages & Incentives

MARKETING OBJECTIVE

For TPF, the marketing objective is to increase revenue by 5% over prior year.



BEHAVIORAL OBJECTIVE

Specific observable, measurable consumer behavior that achieves the marketing objective. Examples include purchasing a brand more frequently, buying at a different price point, purchasing through a different channel through a different means or buying additional services.



COMMUNICATION OBJECTIVE

Specifies the desired attitude or perception that we want the consumer to have about a brand that will lead to the behavior specified in the behavioral objective.



MESSAGES & INCENTIVES

Messages impact target markets' brand perceptions to achieve the communication objectives. They are coupled with incentives to motivate behaviors that change occurrence, rate, amount and timing of sales.



FINANCIAL OBJECTIVE

The rolled-up end financial result that achieves the marketing objective



CONSUMER BEHAVIOR

What I want consumers to do based on new attitudes and perceptions. Behavior motivated by messages and incentives.



CONSUMER PERCEPTION

What I want consumers to think as a result of my marketing communication plan.

Big Spenders :: Objectives, Messages & Incentives

MARKETING OBJECTIVE

To increase total revenue by 5% in the next four quarters



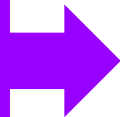
BEHAVIORAL OBJECTIVE

We want these customers to join an exclusive VIP program and ultimately order more frequently and in larger quantities through the high-touch customer engagement offered by direct sales team.



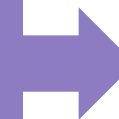
COMMUNICATION OBJECTIVE

Enhance perception of TPF as a high quality, dependable choice for corporate gifts, and build a positive connection with the brand.



MESSAGES & INCENTIVES

Build a relationship with lucrative customers and reward loyalty: *"We value your business and would like to offer a free VIP membership for your loyalty to TPF. For every order placed, you will receive reward points for future purchases and free shipping on every order."*



FINANCIAL OBJECTIVE

Our goal is to increase orders during non-holiday months, for a 5% increase of 2,003 additional orders for the year. With average order prices of \$39.41, this increase would contribute \$78,938 by year end.



CONSUMER BEHAVIOR

Purchase from TPF more frequently and in larger quantities through TPF direct sales.



CONSUMER PERCEPTION

"TPF treats me as a valued customer and rewards me for my loyalty."

High Interest, Low Spend :: Objectives, Messages & Incentives

MARKETING OBJECTIVE

To increase total revenue by 5% in the next four quarters



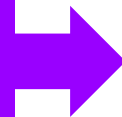
BEHAVIORAL OBJECTIVE

We want these customers to maintain their purchasing behavior through online ordering, but place larger orders more frequently. They usually order in September, so we want to influence them to order more during the popular holiday season.



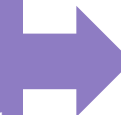
COMMUNICATION OBJECTIVE

Make TPF top of mind for easy, fast and affordable gifts.



MESSAGES & INCENTIVES

"Because you're busy, TPF is here to make gift ordering a breeze. We offer a wide selection of high quality gifts at every price point to make shopping for gifts as easy as 1-2-3. Receive a 20% discount on your next online order of \$5 or more." Also, heavily incent holiday gift purchases.



FINANCIAL OBJECTIVE

Our goal is to increase order volume by 7% over previous year total of 15,723, for a total of 1,101 additional orders. Average order price is \$25.36, so if we offer a 20% discount on a \$50 minimum to increase average order volume (AOV), the new \$40 AOV would contribute \$44,040 by year end.



CONSUMER BEHAVIOR

Purchase from TPF more frequently online.



CONSUMER PERCEPTION

"TPF offers the best selection of gifts online and has great deals going on all the time."

Summary

- Our marketing objective to increase revenue by 5% (or \$119,997.47) over the next four quarters can be achieved. Actual total increase will be **\$122,978**:
 - By **increasing outreach to Big Spenders** via the TPF direct sales force and **offering incentives** to these VIP customers.
 - We expect these customers to order more frequently and develop brand loyalty. Through our objectives, messaging and incentives, we project an additional **\$78,938** in revenue.
 - By **targeting the High Interest, Low Spend customer segment** through **direct online promotions and incentives**.
 - We expect these customers to order larger amounts more frequently via the TPF website. We project this would contribute **\$44,040** in additional revenue.

Appendix



A Closer Look: Lost & Lucrative

263 Customers // **8,912** orders // **\$41.61** Avg. Spend Per Order // **100%** decrease in Revenue from Year 1 to Year 2 // Avg. Customer Lifetime = **4.5** years



Make purchases via calls from TPF's sales team



Make purchases typically during the **holiday season**, particularly **November**. Orders are placed typically on **Wednesdays**



Represents **\$371,992.15** or **15.5%** of total generated revenue for TPF



A Closer Look: Current Cash Cow

723 Customers // **31,143** Orders // **\$37.21** Avg. Spend Per Order // **41.1%** Increase in Revenue from Year 1 to Year 2 // Avg. Customer Lifetime = **7.3** years



Make purchases via calls from TPF's sales force but also through email and the TPF call center

Make purchases during the **holiday season** and typically in **October**.
Orders are placed typically on **Tuesdays** and **Wednesdays**

Represents \$1,159,175.54 or 48.3% of total generated revenue for TPF



A Closer Look: High Interest/Low Spend

2,899 Customers // **15,723** Orders // **\$25.63** Avg. Spend Per Order // **88.3%** Increase in Revenue from Year 1 to Year 2 // Avg. Customer Lifetime = **7.1** years



Make purchases largely through the internet as well as through the call center



Make purchases during the fall, specifically **September**. Orders are placed typically on **Tuesdays** and **Wednesdays**.



Represents \$403,191.49 or 16.8% of total generated revenue for TPF