



Return on Investment Study

A Sydney University study of in-store radio vs catalogue advertising revealed that significant increases in weekly sales volumes can be achieved through advertising in a catalogue.

RESEARCH

METHODOLOGY

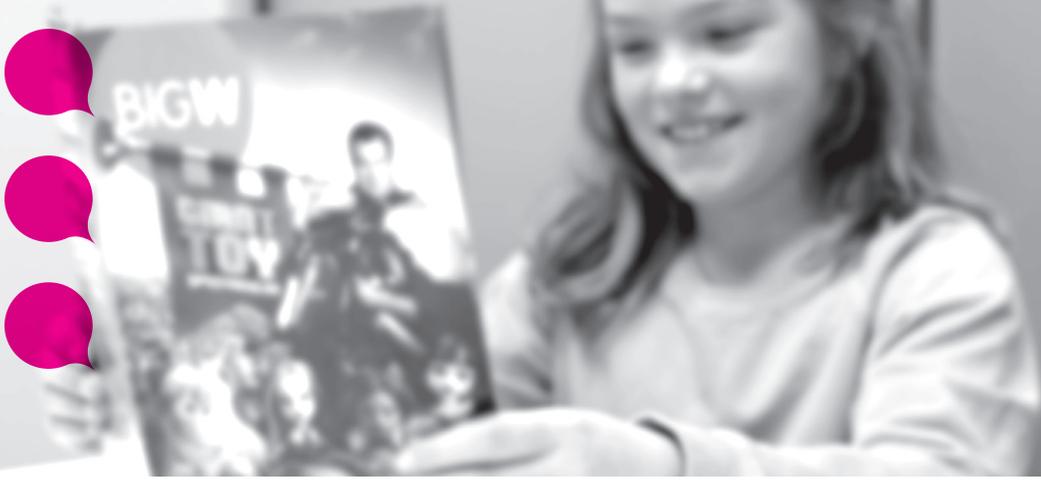
The field experiment involved ninety-five (95) variety discount chain stores in which in-store radio advertisements were run in different formats and schedules, across different blocks of stores, over a 4-week period.

The test products were advertised on in-store radio either

- (a) at their regular price,
- (b) at a discounted price or
- (c) at a discounted price that was also advertised in mail circulars (catalogues).

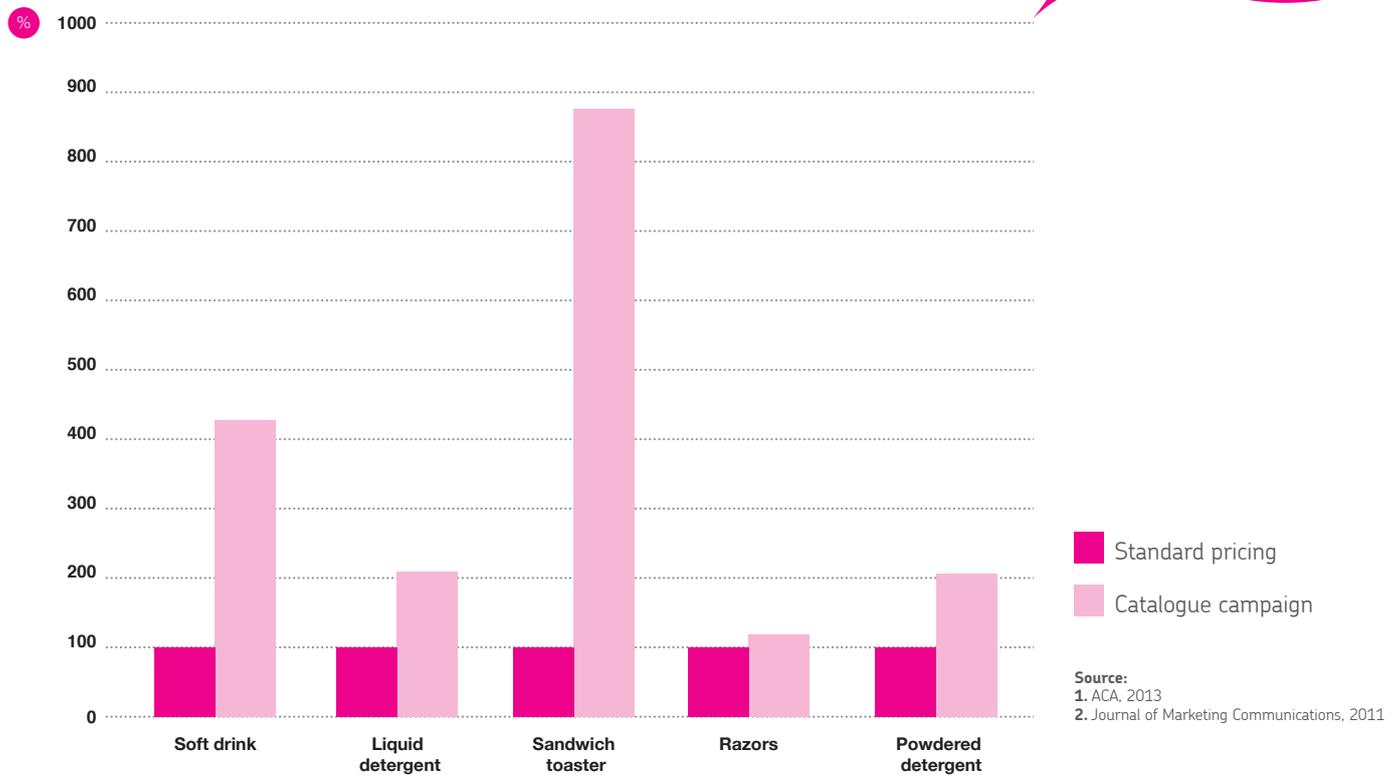
Catalogues
boost individual
product sales





**Catalogues
Increase Sales
Revenue by
290%**

CATALOGUES BOOST INDIVIDUAL PRODUCT SALES



FINDINGS

The resulting weekly sales data indicated that in-store radio advertising had little or no effect on sales of regularly priced products. Further it did not influence either way discounted products. Products advertised in catalogues performed well in isolation to in-store radio.

There was an increase in sales of only one discounted product advertised via in-store radio that was not featured in catalogues. By contrast, the catalogue advertising resulted in consistent increases in sales of all the test products.

Of the five products studied, catalogue advertising was shown to increase sales revenue by 290% over the period of the campaign. For every \$1 spent on a catalogue, an additional \$14.70 in sales was generated.

Assuming conservative retail margins, this return on investment for the campaign exceeded 310%. This excludes the increase of in-store traffic generated by the catalogue and any contribution made by FMCG suppliers to retailers.

