

Merchant Minute — How coupons are still turning discount offers into dollar signs



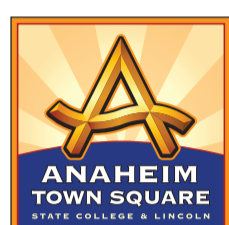
In an era where digital marketing dominates, retailers continue to find success with traditional direct mail and compelling coupon offers. A program that involves strategic offer-formulation, effective recipient/geographic targeting, and well thought out timing and frequency, can directly increase a company's bottom line.

What makes a direct mail offer so lucrative:

- Reaches new customers
- Great response rates
- Tangible and personal
- Builds brand familiarity and trust
- Highly targeted
- Can be interactive with QR codes
- Simple and efficient
- Highly trackable

Read on to learn more about successful results from NewMark Merrill retailers, and how your own company can take full advantage of this sales-driving approach.

1 Simple & Strong Offer Yields Success.



14% Increase in sales during each coupon period

97% Increase in redemption rate from 1st to 2nd mailing

12% Current mailing redemption rate

For Northgate Market at Anaheim Town Square, a straightforward yet enticing direct mail offer proved that coupons still drive sales. The 3-times-mailed campaign, which offered \$5 off a purchase of \$25 or more, resulted in steadily increasing redemption rates and corresponding sales figures. Additionally, the recent shift to a predominantly Spanish ads had an additional impact on redemption rates as it focused on the primary demographic, further boosting the campaign's success.

Several factors contributed to the success of this direct mail campaign:

- 1. Strong Offer:** The \$5 discount on a \$25 purchase is both simple and substantial enough to motivate behavior and provided real value to the customer.
- 2. Timing and Frequency:** The regular cadence of the mailings kept the store at the top of consumers' minds, while the timing ensured they were always aware of the potential savings during their routine shopping trips.
- 3. Market Conditions:** Given the rising prices of goods, the timing of the offer was particularly effective. It provided a tangible financial benefit during times of economic tightening, enhancing the perceived value of the offer.

2 Dual-level Discount Provides Customer Options



42 coupons redeemed during five week tracking in Q1 2024

\$1,680 in sales directly associated with mailing/coupons.

Gami Sushi at Piazza Carmel has utilized direct mail as part of their marketing strategy for the past few years with great success. Their approach of promoting two coupon variations allows customers to take advantage of the discount that best fits their needs. Plus, it packs more value into the initial direct mail investment — a customer can take advantage of two different purchases from a single postcard during the promotional period. The two-offer format has also given Gami Sushi the chance to test redemption rates, allowing them to hone their strategy moving forward. Their Q1 2024 mailer provided a 247% increase in offer-specific sales as compared with their Q4 2022 mailer.

3 Participation Opportunities in Center Coupon Books



Each year, NewMark Merrill sends out more than 445,000 coupon books to shoppers. That kind of reach is invaluable, but a well-crafted offer is the real key to achieving success. Some offer structures perform better than others. Check out this list of anonymized coupon book offers, and the additional sales directly attributable to the coupon over an 10-week period. What could your business offer?

TENANT	OFFER	COUPON DRIVEN SALES IN 10-WEEK PERIOD
RESTAURANT	\$10 OFF \$40 CHECK	\$10,371
TO GO PIZZA	\$8 OFF \$30 OR MORE	\$16,200
BUFFET RESTAURANT	\$2 OFF ADULT BUFFET, \$2.99 KIDS BUFFET WITH ADULT PURCHASE.	\$11,200
RETAIL STORE	20% OFF ENTIRE PURCHASE	\$9,273
GROCER	\$5 OFF \$30 OR MORE	\$66,202
SANDWICH SHOP	BUY ONE SUB, GET ONE FREE	\$9,475

Do you have a marketing win of your own you'd like to share?

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