

# CASE STUDY: PRODUCT LINE EXTENSION

## BACKGROUND

Two years after the successful launch of a new product line, a foodservice manufacturer wanted to introduce two new SKUs to the line. The need for the product line extension was driven by market research and confirmed by field sales. Both agreed that operators loved the new product line but were experiencing some menu fatigue.

## STRATEGY

Implement a CAM (Continuous Automated Marketing) program in which an operator's response triggers another interaction until repeated case purchase is achieved.

## TACTICS



### Database Management

Using three years as the history marker, identified 21,500 operators with the following criteria:

PROFILE	<b>Group One: 3,150</b> <ul style="list-style-type: none"> <li>• Current Customers</li> <li>• Purchase other SKUs</li> </ul>	<b>Group Two: 17,850</b> <ul style="list-style-type: none"> <li>• Potential Customers</li> <li>• Category users/likely to purchase</li> <li>• Expressed interest in the line</li> </ul>
INITIAL OFFER	<ul style="list-style-type: none"> <li> <b>Sample</b></li> <li> <b>Rebate Incentive</b></li> <li> <b>Recipes</b></li> <li> <b>Telesales</b></li> </ul>	<b>Qualifying Mailer</b>
FOLLOW UP OFFERS	<ul style="list-style-type: none"> <li> <b>Rebate</b> <i>Operator redeems rebate:</i> Received additional rebates</li> <li> <b>Direct Marketing</b> <i>Operator does not redeem rebate:</i> Received two additional mailings with incentives</li> <li> <b>Rebate</b></li> </ul>	<p><i>Those who qualified received:</i> Same initial offer as Group One</p> <p><i>Those who did not qualify:</i> Were coded in the database &amp; no other spending was directed to them</p>

## RESULTS

Group One: 3,150 Operator Base

- **42%** (1,323) Operators used initial coupon
- **16%** (292) Operators responded after receiving additional mailings.

*One Year Retention:* 1,182 operators continued to purchase

Group Two: 17,850 Operator Base

- **872** (4.8%) Operators who qualified to receive sample offer
- **279** (32%) Operators who used trial coupon

*One Year Retention:* 122 operators continue to purchase