

# “SuperSale Mailers Are Very Profitable Advertising”

## Case Study: TREK BICYCLE SUPERSTORE, San Diego



Tabulated via POS system by Mike Olson, Owner, based on sales with redemption of the “20% Off a Single Item (except bikes and labor)” coupon in his April 2006 SuperSale mailer.

	WHAT'S THE MINIMUM \$ MIKE MADE? <i>Based only on actual coupons captured.</i>	HOW MUCH DID MIKE <u>ACTUALLY</u> MAKE? <i>Because Mike estimates only 3 of 4 mailer respondents use coupons (and that his coupon capture is imperfect) he believes \$45,619 is only 3/4 (.75) of the actual sales generated by the mailer. <math>\\$45,619 = \\$60,825 \times .75</math></i>
<b>Mailing's Total Cost</b>	<b>\$8,755</b> ← 15,000 Mailers w/Postage: <ul style="list-style-type: none"> <li>• 7,500 House Names</li> <li>• 7,500 Rental Names</li> </ul>	<b>\$8,755</b>
<b>Total Sales Generated</b>	<b>Purchases with coupons redeemed:</b> <ul style="list-style-type: none"> <li>• House Lists Response: 3.15%, \$30,414</li> <li>• Rental Lists Response: .57%, \$15,205</li> </ul> <b>\$45,619</b>	$60,825 \times .75 = \$45,619$ <b>\$60,825</b>
<b>Net Profit After Costs</b>	<b>\$8,755</b> Cost of Goods Sold <b>\$29,655</b> <b>\$7,209</b> <small>(<math>\\$45,619 - 35\%</math> Margin)</small> <small>Net Profit</small>	<b>\$8,755</b> Cost of Goods Sold <b>\$39,540</b> <b>\$12,530</b> <small>(<math>\\$60,825 - 35\%</math> Margin)</small> <small>Net Profit</small>

“Notice the rental list response—even though the % was low, the average sale was over \$350! Catalyst’s targeted rental lists (Bicycling and Outside Magazines, REI...) make money for me and bring in new customers.”