

US Market Introduction



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Campaign Assures Viability of Product in US Market and Establishes Optimum Price Point

A leading overseas manufacturer of absorbent products for bladder control engaged **SeniorTalk** to help launch its product in the US. Assessing the viability of the product and an optimum price point were both key to the success of a multi-channel launch campaign.

Within 8 weeks, **SeniorTalk** had conducted a 100,000-piece direct mail test that used a trial price of \$9.95 as the control. With favorable results from this test and client's agreement, we rolled out an additional 2.4 million pieces over a 4-month period. We tested various price points, up to a 50 percent discount off the initial trial, which nearly doubled response.

Our analysis and counsel did not rely solely on increase in trial sales, however. In examining post-trial behavior, we considered the impact of several variables, such as incremental purchases. We found that the optimum price point that maximized trial responders, and at which responders subsequently purchased more at the everyday price, was a discount of only 20 percent off the control price, or \$7.95. This price point captured a better qualified consumer who made more incremental purchases than did trialers of the 50 percent discount (\$4.95). Consequently, the optimum trial price resulted

in higher margin from downstream sales at everyday prices in excess of \$15.95 and maximized the profitability of the campaign.

From analysis of the responders and subsequent conversion rates, we were able to confirm that the product was viable in the US market. In subsequent efforts to introduce the product into other direct-to-consumer channels, client used the price point we found to be optimal, allowing it to more effectively and profitably grow share.

Two years after, client again asked our help in testing the effectiveness of direct-response TV. To speed testing and keep costs in check, **SeniorTalk** modified one of client's international 30-second TV spots, rather than producing a new one. The modified spot included a trial offer. We placed it with networks known to have audiences who ranked high on the age 50+ demographic, including Lifetime® Movie, Game Show, and more. The modified ad was successful in driving an initial test, with more than 1,000 responding.

Using the price we advised, client reached break-even within 6 months after its initial 3-year investment in the launch.

After 8 years, client has a thriving business in the U.S., leveraging multiple channels of distribution. Relative to the investments made with **SeniorTalk**, client realized a 271 percent marketing ROI.

Following multiple trials and analysis of response and conversion data, **SeniorTalk** confirmed product viability in the US market and discovered an optimal price point, later used by the client to profitably grow share using DTC channels. The client has since nearly tripled its ROMI.

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