# **BasketLift Results December 2024**

## **HIGHLIGHTS:**

* We had a high open rate of our emails (80%), the higher coupons got higher open rates.
* The redemption rate of the coupon (16%) is below the ‘Opt-into Marketing’ coupons, but higher than the ‘We miss you’ coupons.
* On average, customers spent $66 more than the minimum required by the coupon, which is about 20% more.
* On average, customers spent $109 more than their average for the previous 3 months.
* The effective discount for the coupons varies between 4.55% and 8.62%, with an average of 6.95%
* Some of the higher tiers don’t seem to have much of an impact on sales, we see a small lift to those sales.
* We had mostly positive results achieving the goals set:
  + **Redemption rate: 25% or more on average. Result: 16.38% redemption rate**
  + **Effective discount: Between 5% and 8%. Result: 6.95% Effective discount**
  + **Basket size lift: Between 15% and 20% of sales increase, AFTER the discount.**

**Result: 56.17%**

## **OTHER CONSIDERATIONS:**

* The promotion was active for only one month, so the percentages are heavily impacted by the smaller numbers
* There were some technical difficulties, specially at the beginning, so some data for some coupons is missing.
* If we were to keep the promotion, we could work on increasing the redemption rate for the smaller tiers which are the ones that have the highest lifts and net gains.

## **BASKET LIFT GLOSSARY**

* **Sales: Total sales after the coupon**
* **Redemptions: Number of coupons used.**
* **Avg Transaction: Average basket size for the transactions using the coupon**
* **$ Over Min: Average amount spent over the minimum amount of the coupon.** 
  + **Example: $06 off $60 coupon, Avg Transaction: $125.87 - $60 = $65.87**
* **% Over Min: Previous number divided by the Avg Transaction.**
  + **Example: ($ Over Min: $65.87 / Avg Transaction: $125.87) \* 100 = 52.33%**
* **Coupon cost: How much the coupon cost us. Redemptions \* Coupon value.**
  + **Example: Redemptions: 541 \* $6 = $3,246**
* **Effective Discount: T**he coupons are potentially for 10%, but this column is the actual discount customers got on average. (Sales + Coupon Cost) / Coupon Cost
  + **Example: (Sales: $68,097.28 + Coupon Cost: $3,246) / Coupon Cost: $3,246 = 4.55%. In this case, the customers that used the $6 off $60 coupon, actually received on average a 4.55% discount.**
* **Prior Average: Average basket size of the customers calculated over the previous 3 months.**
* **$ Over Prior Avg: Average amount spent over their Prior Average.**
  + **Example: Avg Transaction: $125.87 – Prior Average: $30.05 = $95.82.**
* **Coupons sent**: The total number of coupons that we assigned to customer accounts = emails sent to customers notifying them of the new coupon on their account.
* **Opens**: The number of times the coupon email was opened by recipients. This indicates how many people interacted with the email.
* **Email Open Rate**: This is the percentage of people who opened the coupon email compared to the total number of emails sent. It’s calculated as (Opens ÷ Coupons Sent) \* 100.
* **Redemption Rate**: The percentage of coupons that were redeemed (used) compared to the total number of coupons sent. It's calculated as (Redemptions ÷ Coupons Sent) \* 100.
* **Sales Lift (redemptions \* avg $ Over Prior Avg)** Increase in sales attributed to coupon redemptions.
  + **Example: Redemptions: 541 \* $ Over Prior Avg: $95.82 = $51,838.62**
* **% Lift (Sales lift / total sales)**: This is the percentage increase in overall sales due to the coupon promotion. It’s calculated as (Sales Lift / Total Sales) \* 100.
  + Example: (Sales Lift: **$51,838.62 / Sales: $68,097.28) = 76.12%**
* **Lift Gross Profit (Sales lift \* 35%)**: This estimates the additional profit gained from the increased sales due to the coupon. It assumes that 35% of the sales lift is gross profit, so it's calculated by multiplying the sales lift by 35%.
  + **Example:** Sales Lift: **$51,838.62 \* 0.35 = $18,143.52**
* **Net Gain (Lift Gross Profit - Total coupon cost)**: This represents the actual financial gain or loss after factoring in the cost of the coupon program.
  + Lift Gross Profit: **$18,143.52 – Coupon Cost: $3,246 = $14,897.52.**