GreenTrails x Mastercard

Data-driven promotion strategies

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Test & Learn

Objective: evaluate the effectiveness of promotional strategies in driving sales and customer engagement, and how to leverage these learnings for future promotional enhancement
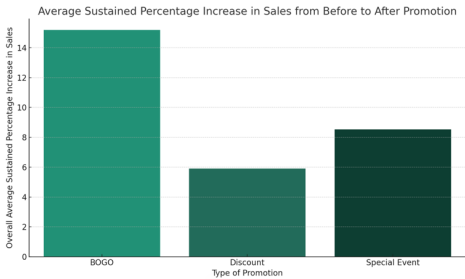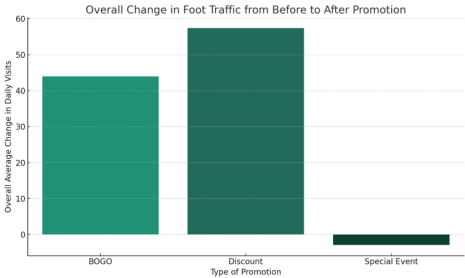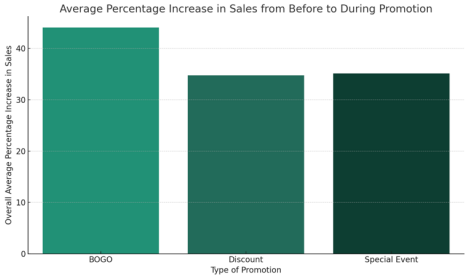
The data...

Stores

Urban   20

Suburban   40

Promotions

Discount   17
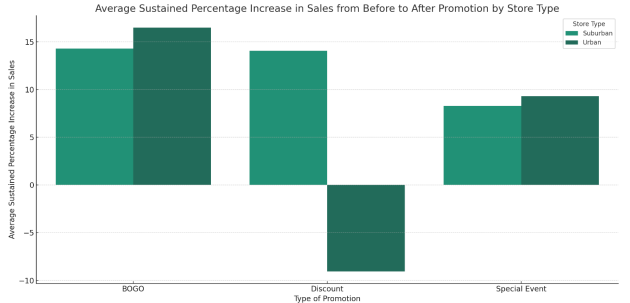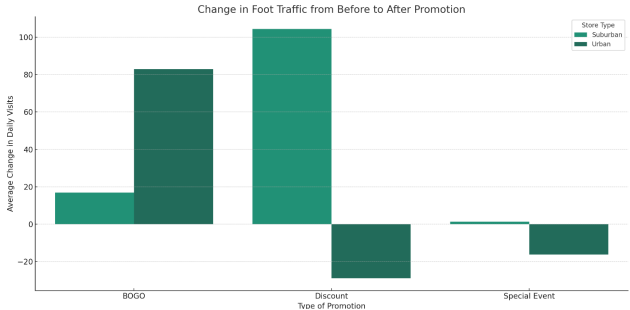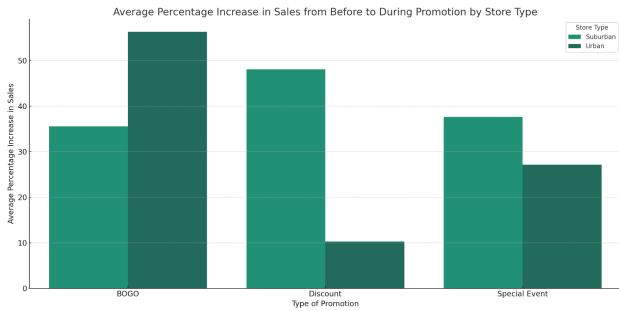
BOGO   22

Special Event   21

Approach: our analysis involved a comparative study, examining sales and foot traffic data across stores. This included pre-, during-, and post-promotion periods to assess the impact of marketing strategies.

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Which promotions show the most promise?

Overall trends...

Average Percentage Increase in Sales from Before to During Promotion

Overall Change in Foot Traffic from Before to After Promotion

Average Sustained Percentage Increase in Sales from Before to After Promotion

Urban vs Suburban...

Average Percentage Increase in Sales from Before to During Promotion by Store Type

Change in Foot Traffic from Before to After Promotion

Average Sustained Percentage Increase in Sales from Before to After Promotion by Store Type

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What can we learn from this analysis?

Key insights

1. Promotion effectiveness varies by store type:
- Urban and suburban stores respond differently to various types of promotions.
- BOGO promotions are particularly effective in urban areas, both in terms of foot traffic and sales increase.

2. Discount promotions:
- Lead to a significant increase in sales, particularly in suburban stores. This could be due to the different shopping behaviors or economic factors in these areas.

3. Special events:
- Show a varied impact. They are generally more effective in suburban stores in terms of increasing foot traffic and sales.

4. Sustained impact:
- The sustained impact of promotions on sales varies. Some promotions (like discounts) maintain their effectiveness even after the promotion period, especially in suburban areas.

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A path forward…

Data-driven decision making:
Implement robust tracking mechanisms for upcoming promotions to measure effectiveness and allow for agile adaptations based on real-time data.

- Implementation
- Measurement
- Analysis
- Adaptation
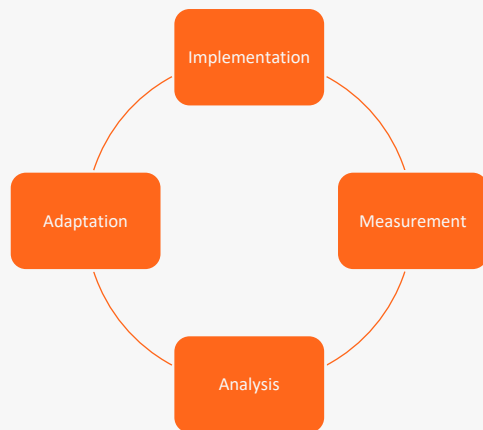
Strategic recommendations

1. Target promotions based on store location:
- Implement BOGO promotions more frequently in urban stores, where they have shown to be highly effective.
- Focus on discount promotions in suburban stores, as they have demonstrated a strong ability to increase sales and foot traffic.

2. Experiment with special events:
- Consider conducting more special events in suburban areas, tailoring them to local preferences and seasons.
- Monitor the performance of special events in urban stores to better understand their impact.

3. Customize promotions:
- Customize promotions to cater to urban and suburban customers' unique demographics and shopping behaviors.
- Consider other factors like local events, holidays, and seasonality in planning promotions.

4. Cost-benefit analysis:
- Regularly conduct cost-benefit analyses of different promotions to ensure profitability and effectiveness.
- Balance high-impact promotions with cost considerations to maximize overall profitability.

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Questions?

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