

POWER OF PRICE

Using price points & deals
to increase ad effectiveness

APRIL 2009



REPUBLIC MEDIA
Delivering customers. Driving results.



Ram Methodology & Advertising Measurements

- RAM is a complete research and analysis system to measure how newspaper ads and articles are read and understood. More than 40,000 ad results are stored in a central database.
- *The Arizona Republic* Ram Survey Group has 2 groups with approximately 1,100 panelists on each.
- The survey is sent via email to one panel approximately once a week.
- Surveys remain open for 48 hours.
- Responses are weighted to our reader population based on age, gender and frequency of reading.
- To date we have tested more than 150 advertisements.

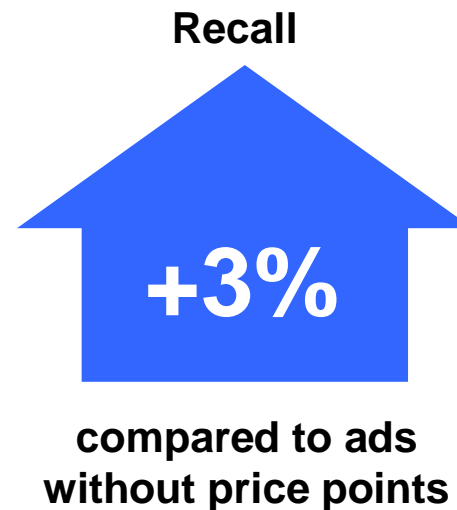
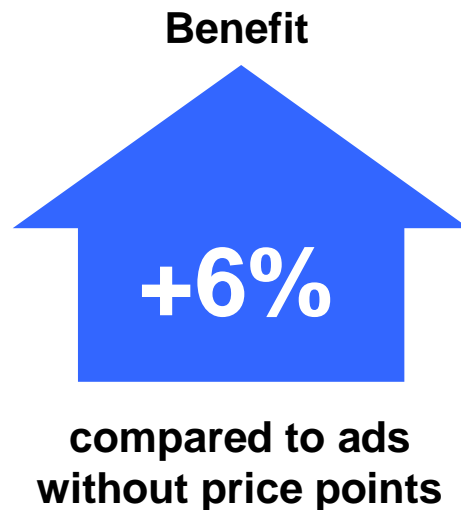
Stopping Power	Ad Recall
	Thoroughness
Brand Linkage	Sender Identification
	Previous Knowledge
Brand Engagement	Overall impression
	Appealing
	Original design
	Interesting
	Easy to understand
	New information
	Positive feelings
	Emotional reaction
Brand Demand	Benefit
	Look for more information
	Visit web site
	Visit advertiser
	Have bought/will buy



POWER OF
Price Points

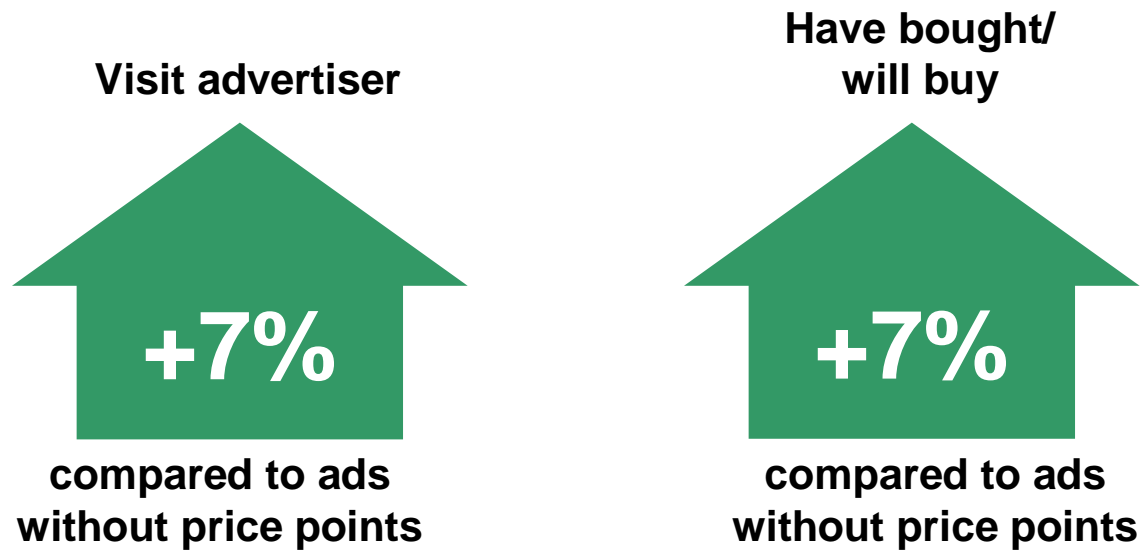


Ads with price points have a **higher perceived benefit & recall**



Ads that list 10-12 prices are
NOTED 80% MORE OFTEN
than ads that list fewer than 7 prices

Price points increase purchase intent

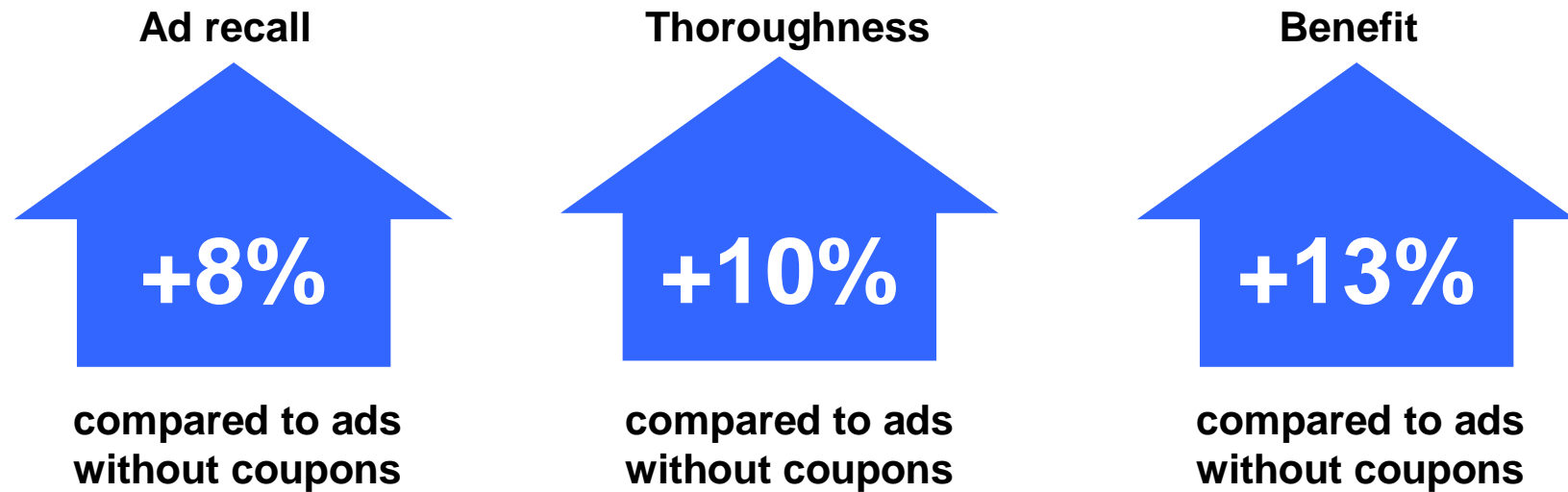


Newspaper readers are information seekers. They respond best to ads that help them decide how and where to shop.

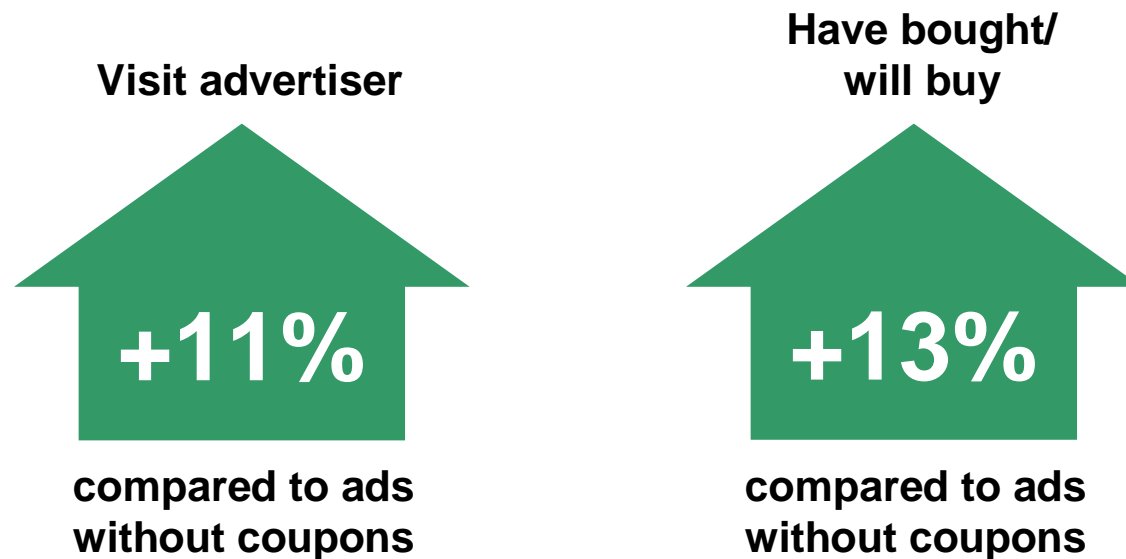
POWER OF Coupons



Ads with coupons increase ad recall, thoroughness and perceived benefit



Ads with coupons boost purchase consideration



Coupons lead to high ad recall & high purchase intent



Business // 10.29.08



Insert // 9.21.08



Food & Drink // 10.8.08



Main // 11.26.08

Ad Recall:	59%	52%	41%	42%
Purchase Intent:	48%	40%	36%	21%

Average recall is **37%** and average purchase intent is **13%** for ads **without a coupon.**

POWER OF
Deals



Consumers consider **quality, location** and the **discount off regular price** to be the most important criteria when determining a “deal”

Importance of criteria
when determining a “deal”

“Important”

**High
quality**

85%

**Located
near you**

81%

**Discount off
regular price**

76%

**Helps save
money later**

67%



For most items, consumers expect a
minimum of 30% off

Good deal = **30%**
DISCOUNT

Clothing deal = **44%**
DISCOUNT

Home Furnishings deal = **45%**
DISCOUNT

“Groceries & Dining”, “Entertainment” and “Travel” deals have the most interest

Interest in specific deals	“Interested”
Groceries // Food	84%
Restaurants // Dining	74%
Entertainment (Concerts & Movies)	61%
Regional Travel	52%
Arts (Museums & Theatres)	51%
Home & Garden	45%
Fashion & Clothing	38%



Summary

Price Points

- Ads that list 10-12 prices are recalled more than 80% more often than ads that list fewer than 7 prices.
- Ads that are price point driven or value oriented have a higher perceived benefit, recall and purchase intent.
- Newspaper readers are information seekers. They respond best to ads that help them decide how and where to shop.

Coupons

- Ads with coupons increase ad recall, thoroughness of reading and perceived benefit.
- Purchase intent is higher among ads with coupons when compared to those without.

Deals

- Ads including sales prices are noticed 12% more often than ads without.
- High quality/lasting value, convenient location and % discount off regular price are most important criteria for a “deal.”
 - Readers’ appetite for deals relating to food/groceries and dining/restaurants is very high, with local things to do (entertainment and regional travel) being the second top tier area of interest.
- Readers are looking for deals and savings right now with the current state of the economy.
- When it comes to a deal, readers and Web site visitors find value in savings of 30% or more.

