WHITE PAPER

WHERE'S THE BOTTOM IN PRINT ROI?

Penfield Consulting, LLC
www.penfieldconsulting.com
203.200.0015

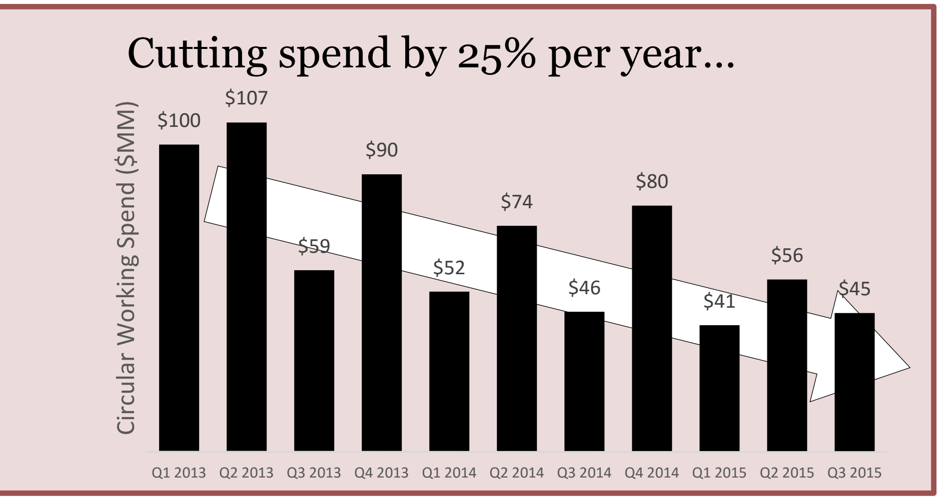
PENFIELD CONSULTING

Penfield Consulting
patrick.murray@penfieldconsulting.com
T: 203.200.0015

PRINT ROI HAS FALLEN AND YOUR SPEND SHOULD TOO. BUT HOW DEEP IS *TOO* DEEP?

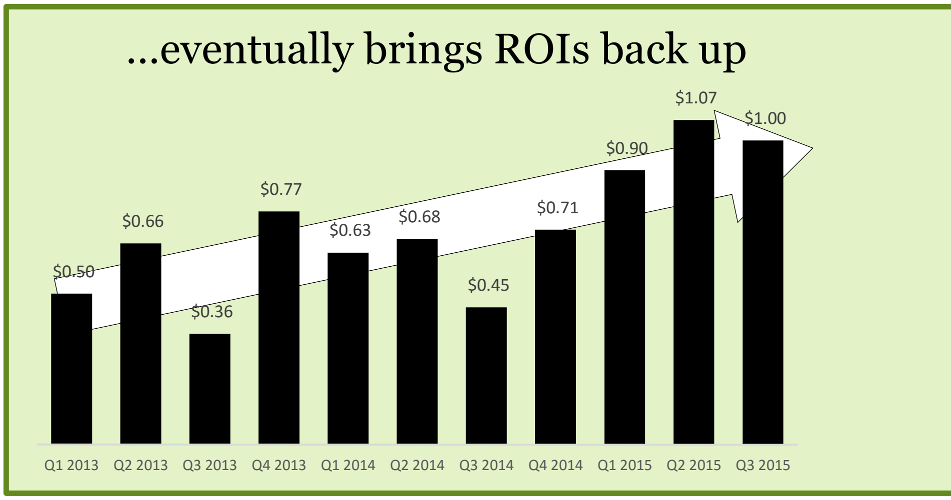
Most retailers have been cutting mass print advertising over the past 5-10 years because of its precipitous drop in ROI. Some retailers are reducing spend by more than 25% each year, and have been for the past 4 years. Many retailers are now finding that there is indeed a bottom in print spend, as their analytics indicate print can once again deliver positive ROI.

A Case Study: *"Slowly finding the bottom"*



One specialty retailer has been consistently reducing circular spend by 5% each quarter for the past 10 quarters. The cuts were made in two ways, shared about equally: dropping the least effective geographic markets, and reducing scheduled distribution in off-season weeks.

Diminishing marginal returns certainly holds true in this case- the spend reductions actually increase the effectiveness of the remaining budget. Their print ROI eventually **returned to positive territory at about 40% of their 2013 spend**.



Given these results, this retailer kept the print budget flat in 2016 and focused on other levers to drive circular effectiveness and ROI. Their first initiative is applying predictive analytics to guide product feature decisions on the circular's front and back cover.

Print spend can regain positive ROI with smart budgeting and renewed focus on effectiveness