

# YOUR WEEKLY FLYER IS BROKEN. HERE'S WHY.

We're analytic practitioners, but we're constantly preaching that there's an art *and* a science to most of the decisions that retailers make. Circular design, however, is one of the areas where very loud art often beats out very sound science; it's no surprise that print has the lowest ROI of any marketing vehicle.

## The Ugly Truth

Here's an experiment: Take any recent circular and ask how every individual product or offer justified making the cover. Too often the answers include phrases like "we have to comp against last year," or "I heard it did well," or "that merchant yelled the loudest." It's telling that one of our clients calls the circular planning meeting "the dogfight."

## "Good Art"

There are great "artful" reasons to feature a product when the analytic science would suggest otherwise: sometimes you want to support a creative theme, tell a specific brand story, or invest in a new product launch. However, those healthy reasons are somewhat rare, and often drowned out by unsupported claims and passionate pleas.

## It's a Broad Reach Medium— Use it Accordingly

The circular reaches across customer types and segments, and yet overlapping features frequently make center stage, suggesting a lack of attention to (or willful ignorance of) established customer metrics. We've incorporated TURF (total unduplicated reach and frequency) analytics into our circ planning tools. TURF shows which products will be attractive to the most customers you haven't yet addressed (in other words, controlling for overlap). So if you're already featuring yoga pants, adding women's running shoes will likely hit fewer additional customers than, say, golf clubs.

## A Balanced Breakfast

Financials & ROI	The Art	Voice of the Shopper
<ul style="list-style-type: none"><li>• Historical Lift Metrics</li><li>• Top- &amp; Bottom-line Performance</li><li>• Category Size</li><li>• Seasonality &amp; Trends</li><li>• Vendor Funding</li></ul>	<ul style="list-style-type: none"><li>• Branding &amp; Creative Theme</li><li>• Invest in Future Growth or Innovation</li><li>• Vendor Relationships</li><li>• Communicating a Specific Story</li></ul>	<ul style="list-style-type: none"><li>• Breadth of Customers Buying</li><li>• Total Unduplicated Reach and Frequency (TURF) of page</li></ul>

There isn't one overarching goal of a circular; it's part traffic-driving, part ROI, part messaging, and more. To manage those tradeoffs, retail marketers need real-time feedback that shows the impact along all available metrics. The Penfield Circular Optimization toolkit was built on predictive models that help forecast total performance in real-time as the circular is being built. Our clients still have healthy debates, but it's well-informed and driven by the tradeoffs across the spectrum of possible goals.



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