

Catalina Category Marketing

The Challenge of Driving Efficient Volume

As someone responsible for managing a CPG brand, you know driving volume efficiently isn't easy. For starters, consumer demand for many categories is either flat or in decline, and traditional vehicles like the free standing insert aren't having the sales impact they used to have.

You need to drive volume efficiently without destroying brand equity. To do this, you need to identify heavy category and heavy brand buyers, and increase their consumption. That's what the Catalina Category Marketing program can help you achieve.

Catalina Category Marketing Program

Catalina Category Marketing is a rewards-based promotional program that incents consumers to purchase more of your product. Once the consumer buys in select volume thresholds, they receive money savings toward their next shopping order via the Catalina In-store Network.

The program avoids waste as it requires consumers to make the qualifying purchase BEFORE receiving the reward, making it 100% compliant. Furthermore, it **limits subsidization** by setting appropriate thresholds to encourage incremental consumption. It also generates **low cost per unit moved** due to slippage, because many consumers who receive a reward fail to redeem it.

The Catalina Category Marketing difference:

- Reward multiple buy levels, in real time
- Set purchase thresholds to drive incremental consumption
- Ensure purchase compliance

Grow Your Brand, Grow Your Retail Account

The Catalina Category Marketing program is effective at driving short-term sales and volume efficiently. In fact, the Catalina Category Marketing cost per unit moved is about 31 percent less than the free standing insert.¹

Key benefits for brands:

- Drives quick, efficient volume
- Avoids subsidization of the consumer
- Eliminates incremental retail trade promotion
- Implements in weeks

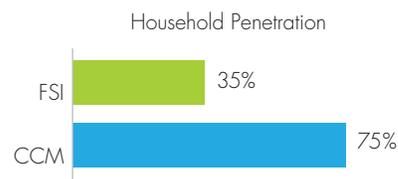
Key benefits for retailers:

- Generates more top line sales versus other coupon alternatives
- Expands category sales and achieves incremental gains
- Generates repeat shopping trips to the store

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High Household Penetration

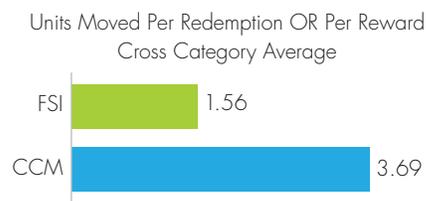
Catalina can reach more than 75 percent of all U.S. households, whereas the free standing insert reaches only 35 percent*.



* 40 million household circulation / 115 million households = 35% household penetration for the FSI

Drive More Units per Transaction

The Catalina Category Marketing program drives more units per redemption than other alternatives.



Source: Analysis of 11 million CCM redemptions and 571 million FSI redemptions from Inmar

How it Works—The Consumer Experience



Getting Started

This is a turnkey program that can be set up in just a few weeks at retailers who have the Catalina In-store Network. With advance collaboration, the program can be anchored by additional retailer merchandising support.

Qualifying for the Reward

For example, a consumer who buys 3 items might get \$1 off their next shopping order, whereas a consumer who buys 5 items might get \$1.50 off. The consumer gets the reward based on their consumption level.

Consumer Reaction to the Program

Catalina has conducted consumer research on the Catalina Category Marketing program to determine comprehension and interest. Over 90 percent of consumers find the program easy to understand and 77 percent indicate interest in participating in the program.²

Key Learnings

After issuing approximately 115 million rewards over 10 years, we've learned that the ability to reward consumption drives increased sales volume more effectively than simple incentives to buy. In fact, the program has been shown to drive 2.4X more volume per redemption versus the free standing insert.³

Take the Challenge

Based on experience running thousands of programs, we are confident you'll drive efficient volume for your brand franchise. Run a quarterly Catalina Category Marketing program to ensure you hit your sales targets. Contact your Catalina representative to learn how to get started.

About Catalina

Catalina's personalized digital media drives lift and loyalty for the world's leading CPG retailers and brands. Catalina personalizes the consumer's path to purchase through mobile, online, and in-store networks powered by the largest shopper history database in the world. Catalina is based in St. Petersburg, FL, with operations in the United States, Europe, and Japan.

¹ Analysis of 11 million CCM redemptions and 571 million FSI redemptions from Inmar

² Voice of Customer Analysis conducted by Catalina (T. Christian)

³ Analysis of 11 million CCM redemptions and 571 million FSI redemptions from Inmar