



Thanks for subscribing to the [Rocket Science](#) Marketing Tips e-newsletter, recently renamed Rocket FEED. I hope you find the tips and examples are useful thought-starters that assist you with your own direct marketing challenges and opportunities.

**Tip - Vouchers are a great direct marketing tool that can be very effectively used to motivate and reward customer behavior.**

Vouchers provide you with a way to pass savings onto your customers, whilst still protecting your brand and product price-positioning. This in turn can protect your business and products from being perceived as a discount brand by your customers. Customers who are rewarded with vouchers are likely to view them as exclusive benefits that they're entitled too, which can help to promote ongoing loyalty from customers who receive them.

The monetary value of the voucher really depends on what kind of products and services you offer. A \$10 voucher is likely to be perceived as high value if your products and/or services are reasonably cheap i.e. \$10-\$50. If you offer higher-priced products and/or services, it's likely that a higher value voucher would be more effective. Of course, like most things in direct marketing, you can always test the value of the voucher offered and how you use them to help identify the best strategies and the monetary value for your specific circumstances.

As with any direct marketing offer, it's important that your vouchers have expiry dates, otherwise the sense of urgency to redeem them is lost. Most businesses find that 30%-40% of customers that receive a voucher are likely to redeem them. To protect your campaign margin, the cost of the voucher can be calculated into your costs of goods sold (calculate the likely redemption rate and the real value of the voucher i.e. a \$10 voucher might only be \$4 in real costs) and then calculate your expected campaign gross profit margin percentage. It's likely that vouchers will attract much lower offer costs than blanket discounting or giving away physical products free with purchase.

**Support example**

Wineries, like most businesses, are interested in motivating customers to spend/buy more and to promote ongoing loyalty. Vouchers are a great tool that can be used to motivate behaviour in one newsletter (i.e. 3 + cases) and reward with the voucher in the following newsletter. Timely and appropriate fulfilment of the promise really helps to engage customers and generate positive word-of-mouth. Vouchers are also likely to be a great offer reward in 'welcome', 'anniversary' and 'member-get-member' packs. Finally, vouchers can also be used as an acquisition offer across appropriate channels i.e. online, media inserts, direct mail or inserts in third party lists etc.

If you'd like to discuss how vouchers could be used to engage, motivate and reward your existing and prospective customers, call (02) 9573-6636 for a confidential chat.

Until next time,  
Mel  
Director  
[Rocket Science Strategic Services Pty Ltd](#)