

What you must know about 'limited-time-only' offers



How effective is it?

As various QSRs have hopped on the bandwagon of bringing limited-time-only offers to consumers, QSR Media conducted an interview with several marketing and industry experts to find out more about this trend and how big of an impact it has made in the industry.

Mark Cario, Managing Director of The Marketing Revolution—a retail marketing and full service advertising agency with specialist expertise and experience in local area marketing for SME's and the retail and franchise industries, shared his thoughts on this latest trend.

QSR Media: What are the advantages of launching limited-time offers?

Cario: Limited time only offers are designed to:

- encourage non customers to trial your product
- customers to buy from you more frequently

Limited time only offers have the potential to motivate consumers to overcome their inertia and act now. If an offer is available indefinitely, then many consumers will tend to procrastinate and think that they can act a later date.

However, the problem with this is that as each day goes by, the consumer is likely to be distracted by other things and forget to act; or worse be enticed by a competitor advertisement with a limited time only offer.

QSR Media: What can you say about the tendency of sales to spike and then slip after the launch of a limited-time only offering?

Cario: All limited time only offers will peak in sales after a certain period of time. However, it is important to only run the offer for a short period of time (which is dependent on the nature of the product and the average purchase frequency) and end the promotion before the sales fall to low levels.

In this way average weekly sales over the promotion period remain relatively high. The key is to know how long to run a limited time only promotion and then follow it up with another promotion (i.e. limited time only offer or new product news promotion, etc.) so that sales are peaking more frequently.



QSR Media: What can you say about the holding power of these offerings?

Cario: Limited time only offers are an effective part of the QSR marketing mix, but it is important that they are not overused. A strong marketing program should provide colour and texture and never become predictable.

Therefore, limited time only offers should be used in conjunction with other initiatives such as new product news, consumer competitions, and local store marketing, etc.

QSR Media: How effective are these offers as a marketing opportunity?

Cario: The effectiveness of the offers will depend upon a number of factors which include: relevance to the brand and the category, originality, interest factor, perceived value for money, advertising weight of the media spend, in-store promotion, QSR selling staff buy in to the promotion and actively support it.

QSR Media: What are the disadvantages of launching these offerings?

Cario: If the limited time only promotion focus too much on straight discounting (and not 'value') and if they are run too often, they have the potential to devalue the brand.

Consumers will be conditioned to only buy from you when there is a deal; and the

standard menu price will be perceived to be too expensive.

Ideally, if the offer is constructed correctly it will encourage customers to spend more money overall than they had planned to sell and/or it will encourage customers to visit your QSR establishment more frequently.

QSR Media: What challenges are often encountered when launching these offerings?

Cario: The challenge is to be noticed and be seen as having a newsworthy offer. Consumers are continually bombarded with offers every day and they tend to filter out most of these messages.

Consequently, success will depend on the communication medium, the creativity & engagement of the message and the weight and frequency of advertising.

QSR Media: What do you think are the top three reasons consumers are getting more enticed by these offers circulating the industry?

Cario: In the current economic climate consumers are more cost conscious and value conscious. They are also more aware of what constitutes good value for money.

Consequently, when a relevant, well constructed and well targeted offer is available consumers will respond in numbers.