

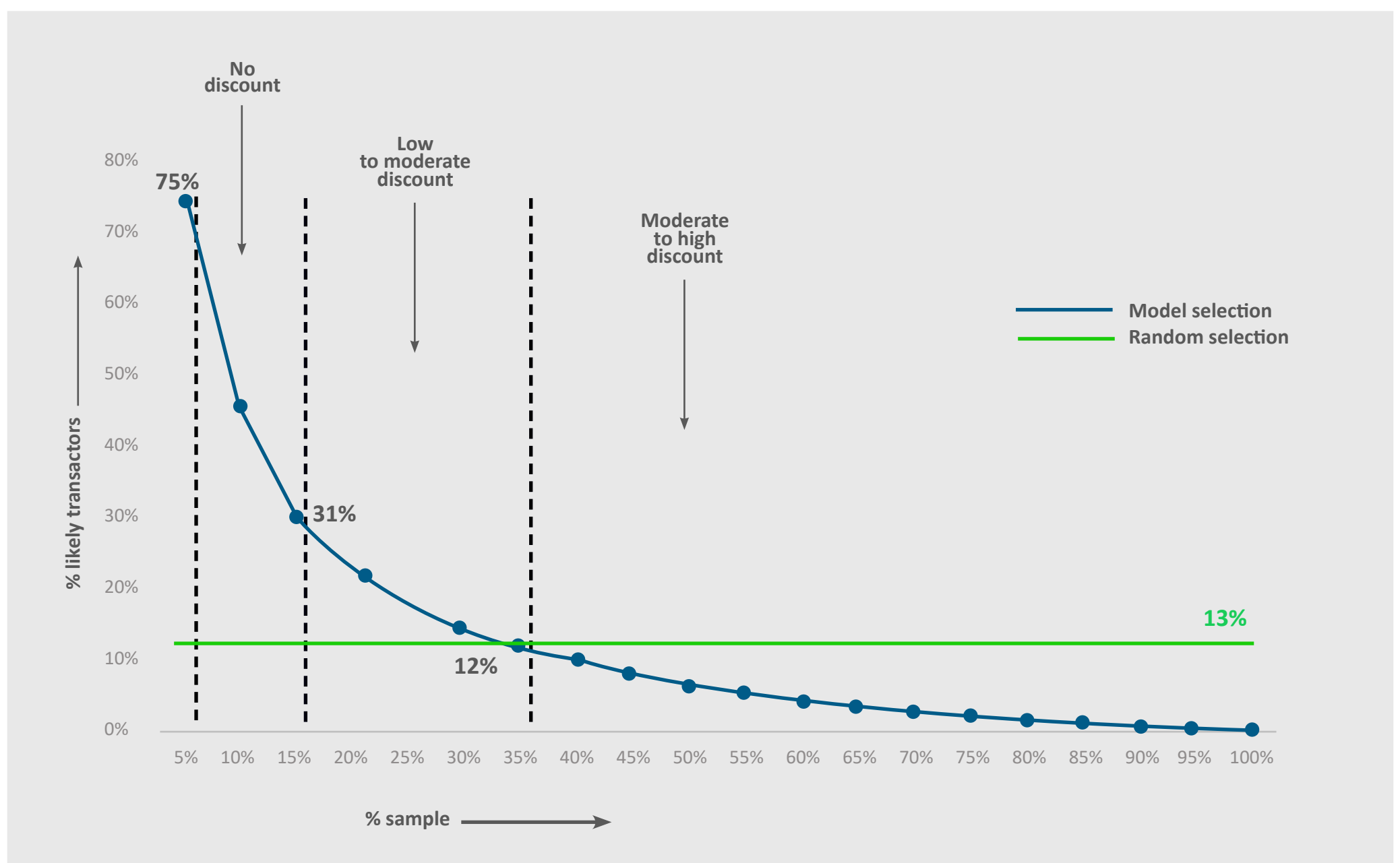
Discount optimization for a leading fast food restaurant chain

Business Challenge

In an endeavor to boost sales, a leading pizza restaurant chain leveraged high-discount campaigns across a wide audience. Realizing the pros and cons of this marketing tactic, the client sought to optimize its discounting strategy to retain customer traction, keep their overall margins intact and increase profitability.

Solution

- Netscribes built a predictive model to drive informed discounting decisions. This was done by analyzing the purchase history and demographic details across the restaurateur's entire customer database.
- The exercise gave the client an in-depth view of customers with a high-potential to transact over the next month. This in turn equipped them to categorize their discounting initiatives for better profitability.



Results Delivered

Netscribes designed a 3-tier selective discounting strategy for the restaurateur:

- a. Top tier: A pure nudge campaign devoid of any discounts for the top 15% customers with a high likelihood of ordering
- b. Middle tier: Low-to-moderate discounting schemes for 15% to 35% of the customers with an average chance of ordering.
- c. Bottom tier: Moderate-to-high discounts for 65% customers with a relatively low chance of ordering

Benefits

While the restaurant chain witnessed a 1.8% drop in overall sales, Netscribes helped them achieve a 21% reduction in discounting. This translated to:

- Better customer discount mapping
- Tighter profit margins improving ROI
- Minimum discounting overheads

Drive improved profitability and organic growth with data-driven insights on customer-purchase behaviors.

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