Demystifying Promo Risk

"Forecasting is extremely hazardous especially when applied to the future "



Rupert Postlethwaite

halopromorisk.com

So, Halo...! What do you do?

We provide Fixed Cost Sales Promotions

That make **BIG** ideas happen...



Globally

What is Fixed Cost?

A form of promotional risk insurance

Allows a campaign to be budgeted with 100% cost certainty

We guarantee costs at the outset



To make your campaigns happen

Why use it?

Budget Protection Provide cost certainty when final performance is unknown

Budget Amplification

Provide a greater headline with play rate modelling No entry cap

Creativity Provide a safety net for creative innovation

Business Margin Provide protected margin opportunities Single Fixed Cost with reinsurance cover



When to use it?

YES:

Any campaign that has a variable cost and response rate is unknown

NO:

Any campaign where Prize fund is guaranteed or response does not have a cost



Common Routes

- Instant Win
- Guaranteed Reward
- Games of Chance
- MONP or FP Coupons



Encouraged spend with VISA in Botswana Via an Instant Win





Helped the Swedes give up smoking with a satisfaction guarantee

Given Norwegians fresh breath With risk free trial





Looked after Brit's at Breakfast time with a cashback



Partied in South Africa With instant win cash share out





Made Americans' hair great again With national TV advertised money back guarantee 32,000,000 Bottles of Vimto Instant Win Cash Giveaway





11,000,000 Bags of Chips Money Back Guarantee

50,000,000 Bags of Salad With a Freshness guarantee





330,000,000 Bottles of Krombacher Lager €16.49m Liability Instant Win & Cashback

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4,000,000 Bags of Cat Food Trialed at no risk

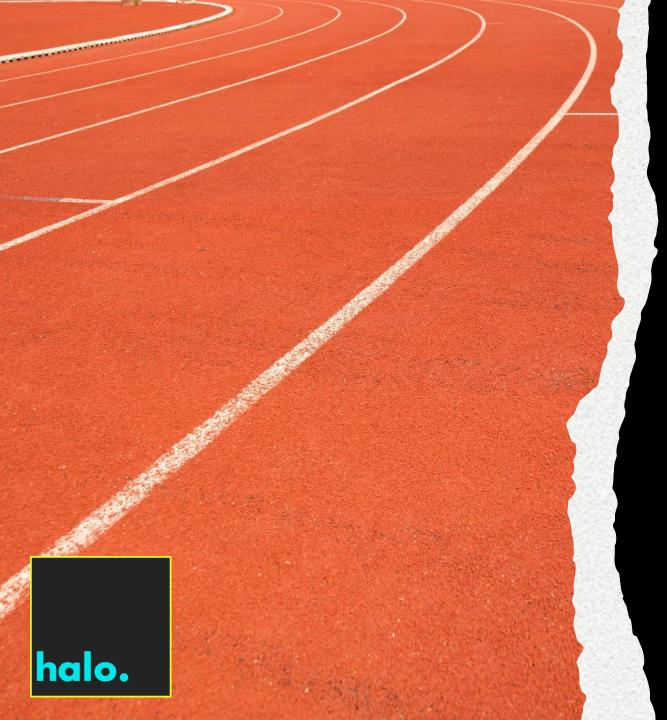




2,000,000 Pairs of Incontinence Pants £16,000,000 trial coupons

Fixed Cost Campaigns in action





Free vs Save vs Win?

- Access to more powerful language
- Maximise impact
- Secure retail/trade support
- Extra display space
- Cut through clutter
- Drive sales



Turning Win into Free

Challenge

To run a national retailer specific trial promotion with a simple guaranteed reward for purchase



Turning Save into Free

Challenge

Campari were looking for a bold campaign to help celebrate the end of lockdown and the reopening of bars and restaurants



Turning WIN some into WIN lots

Challenge

To run a campaign that created a noise in the market place whilst the brand was forced to increase RRP. A modest budget was available.

TASTE IT LOVE IT SHARE IT



AND GET REWARDED

Give and get, encoute the taste of Pepsi and

Challenge

Give and get, encouraging sharing the taste of Pepsi and showing friends the love while being rewarded.

Turning FREE & SAVE

into a WIN WIN

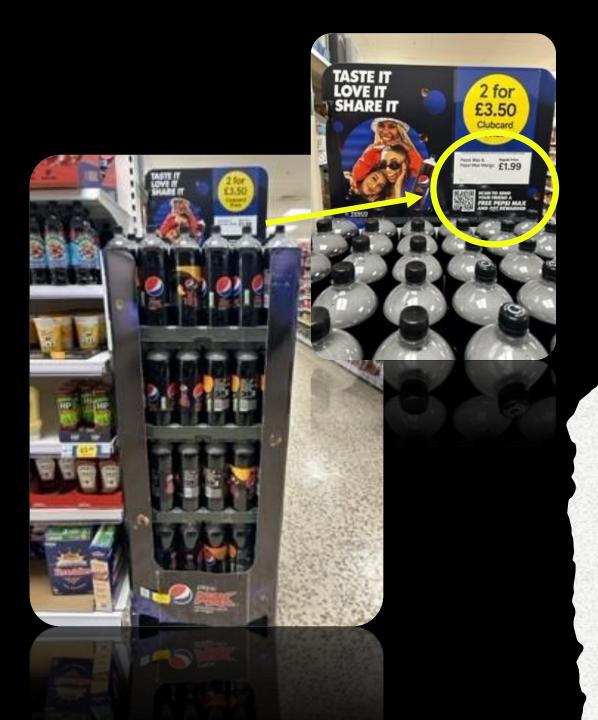
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Turning FREE & SAVE into a WIN WIN

Mechanic

Send your friend a digital coupon for a FREE bottle of Pepsi and get a 50p digital MONP for yourself.



Turning FREE & SAVE into a WIN WIN!

Learnings

Ensure the message and mechanic is clear and position it where it can be seen.

Everyone loves a Freebie. Reward after sharing. At halo. we love big ideas but sometimes big can mean







4,000,000 FREE Pints of Camden Lager if a Sub Scored a goal in the 2022 World Cup Finals



R5,000,000 FREE TVs

if South Africa Win the 2023 Rugby World Cup Final



The numbers



How is a Fixed Fee calculated?

Number of opportunities (universe) x Cost per response x Anticipated redemption or play rate + plus any fixed set up/customer service costs = £ ONE FIXED COST



Factors affecting our view

Reward

- Value
- Attractiveness
- Collectability
- Perceived chance
 of winning/getting

commercial decision

History

- Previous response
 rates
- Other relevant past
 activities

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Journey

- Mechanic
- Purchases required (vs AWOP/FOP)
- Ease of participation
- Cost of participation
- Entry limits

Creative

- Strength and clarity of messaging
- On pack vs off pack
- Support type and spend

Performance Tracker

Mechanic			Red. Rates	& sales uplifts
Try Me Free			7-12%	10%
Taste Challenge			2-3%	up to 5%
MBG			<1%	up to 5%
Coupons				
	On Pack		20-30%	upto 10%
	Door to Doo	r	3-10%	
	DM		15-25%	
	Mag		1-5%	
	Sampling		10-25%	
FMI				
	On Pack		5-20%	5%
Instant Win				
	BWS	10-15%		up to 10%
	Conf/Snack	5-10%		
	Household	10-20%		
1 in 5/10/20 wins		10-25%		up to 20%
SLP		2-5%		



Beer Brand – budget £50,000

Option 1: Win 5 trips to LA

Option 2: £500,000 Holiday Giveaway Win a Trip to LA every day



Beer Brand – budget £100,000

Option 1: Win A Pint if England score a penalty 10,000 pints to be won

Option 2: FREE Beer when England score



Spirit Brand - budget £100,000

Option 1: WIN a diamond 15 to be won

Option 2: Win part of a 250 diamond heist



Pizza Brand - budget £100,000

BIG Night In BIG Night Out

Option 1: WIN 10,000 Cinema Tickets or Chili Movies Option 2: FREE Odeon Cinema Ticket or Movie Download with 2 packs



Soft Drink - budget £50,000

Option 1: Win 1,000 Sports Kits Option 2: £1,00,000 worth of sports gear to be won



Fixed Cost Check List

Do

- Brief Halo when the outcome is unknown to compare options
- Ask us anything
- Get your numbers in check dates/universe/prizes/costs
- Show us EVERYTHING!
- Bring us the BIG creative ideas

Don't

- Brief Halo when all prizes will be won or uptake makes no difference to budget
- Assume anything
- Finalise budget until all parameters have been set
- Keep anything under wraps
- Think anything is too crazy to cover



Our Story

Halo was launched in 2019 as a dedicated specialist fixed fee business

We've been doing this for the past 15 years under the Opia Risk name

We are owned by Village Roadshow, a \$500million Australian plc who are leaders in...

Cinema Theme Parks Film & TV Production Lifestyle Rewards



Our Story

A mix of senior agency and risk management experience

Offering promotional risk solutions globally and across multiple sectors

Preferred provider to many agency and brand owners due to our...

Expertise Agility Value Security





