

FEATHER RIVER RAIL SOCIETY

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 ITEM: Marketing Report
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SANTA TRAIN

We are gearing up for Santa Train advertising. Looking at Reno Gazette Journal ad plus Deals and Wheels and other outlets. Posters are designed and being released

MEMBERSHIP DRIVE

We have been looking at promotion / advertising aimed at increasing membership, something that Loren mentioned in his report. Hope to have some ideas for December meeting.

GROUPON

GroupOn has restructured how they do their promotions and advertising. They have sent us the following proposals:

Option 1

Proposed Campaign A						
	Structure	Retail Value	Sell Price	Discount	Margin	Your Share per Unit
Western Pacific Railroad Museum	Admission & Ride for 1 Child	\$6.00	\$4.00	33.33%	65.00%	\$2.60
	Admission & Ride for 1 Adult	\$12.00	\$7.00	41.67%	65.00%	\$4.55
	Admission & Ride for 2 Adults	\$24.00	\$13.00	45.83%	65.00%	\$8.45
	Admission & Ride Family Pass	\$30.00	\$15.00	50.00%	65.00%	\$9.75
Totals:						

This option is priced to sell for volume. Since this is going to sell the most, Groupon feels it necessary to give you more of the revenue share since you'll be accommodating even more customers. Overall, this campaign will make the most revenue.

Option 2

Proposed Campaign B						
	Structure	Retail Value	Sell Price	Discount	Margin	Your Share per Unit
Western Pacific Railroad Museum	Admission & Ride for 1 Child	\$6.00	\$5.00	16.67%	60.00%	\$3.00
	Admission & Ride for 1 Adult	\$12.00	\$9.00	25.00%	60.00%	\$5.40
	Admission & Ride for 2 Adults	\$24.00	\$16.00	33.33%	60.00%	\$9.60
	Admission & Ride Family Pass	\$30.00	\$18.00	40.00%	60.00%	\$10.80
Totals:						

This option is scaled back just a bit in terms of the discount. Because of this, it won't sell quite as much and will lose out on ~30% of overall revenue. The higher price point will reduce the number of vouchers sold while increasing the amount received per option and potentially bring in a better quality of customer.

Here are some more details involved with the campaign:

1. Sale Period:

We suggest marketing the offer for 90 days, however, you have the ability to run for shorter or for longer if you choose.

2. Expiration:

Vouchers will expire at the end of your season.

3. Restrictions:

Customers may only purchase twice and can buy 2 additional as a gift, which require additional email(s).

4. Date of Rollout:

We would aim to get this launched within 5-7 days of you signing up but can move the launch date back if you prefer or expedite it based on the approval process.

5. Payment Terms:

Groupon pays you twice a month; once at the beginning and again in the middle depending on when your campaign goes live. We will send you 100% of the money for all of the vouchers redeemed since the previous payday.

6. Exposure:

In our Reno & Sacramento markets, we have 189,000+ & 820,000+ subscribers. However, we geo-target our offers to ensure we're delivering customers within a 10-15 mile radius. We can target specific zip codes that you would especially like to be made aware of your deal or even add divisions if they make sense given your location. I would expect a boost for your social media accounts (more likes, follows, check-ins, etc.).

7. SEO/SEM & Promo Codes:

There is a 4% fee for credit card processing fee & money allocated for search engine marketing (SEM). In addition to targeted ads, we'll buy Google Ad words for you and make sure your website and deal are coming up toward the top of relevant searches through SEO. What you are seeing in the proposal will be what you receive after the 4% is processed.

Groupon has the ability to increase or decrease the amount paid for the deal. Each voucher sold as part of a promotional program may be adjusted in a flash sale of sorts lasting only 12-48 hours. The price won't be adjusted by more than a dollar or two and any decrease in net remittance amount will never exceed 20% less than what you'd normally be receiving. These promotions are important for driving additional traction to your campaign, ensuring a strong conversion rate which leads to more exposure/sales overall.

8. Taxes

Since Groupon vouchers are essentially gift cards, we do not collect sales tax upon payment. Because I am not a licensed tax consultant I cannot offer a suggestion, however, most businesses will choose to eat the sales tax or charge the customer when they redeem.

ADDITIONAL ADVERTISING VENUES

We explored advertising options with the Reno Airport but found them to be too expensive. New ad manager for Sacramento Magazine has reached out to us with some offers.