

CASE STUDY



How **5-hour ENERGY®** Boosted Sales Through Skupos Initiative

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Living Essentials, LLC ("LE") faced an obstacle that many brands in the convenience-store space know all too well: Small chains and independent retailers represent a fragmented market, creating a significant roadblock to manage, execute, and measure trade marketing funds. But, thanks to an innovative program, that all changed.

"5-hour ENERGY® engaged Skupos because they were looking to run promotions in independent convenience retail at scale. These stores make up around 80% of the market," explains Katie Mach, enterprise client manager at Skupos. "While they recognized the importance of these stores, they couldn't effectively run promotions or view performance metrics in this market."

Skupos' Engage platform offered a solution, allowing brands to plan, execute and measure promotions at the point of sale across Skupos' network of over 14,000 independent stores and small chains and a base of more than one million consumers nationwide. This benefits retailers as well, offering access to programs that can help boost in-store foot traffic and sales as brands gain prominence in the market.

Chris Judkins, Program Director of Independent Accounts, at 5-hour ENERGY, explains that sales data was a crucial missing piece in not only reaching new corners of the market, but to thrive in those markets, too.

"The strategic goals we took when undertaking this project with Skupos were to see how we could leverage basket buying sales with our independent retailer base," says Judkins. In addition, LE sought to discover "what product mix was best for the independent retailer and how we can better [share those best-fit products with] our independent retailers. Through this program we were able to visit our retailers to follow up on their execution of the program but also monitor how sales progressed through the campaign."

Skupos is involved with the process from start to finish. "We sat down with 5-hour prior to launching their first promotion to dig into the metrics that mattered most for their team and to suggest additional metrics we thought would be valuable," Mach says. "By collaborating early and often, we helped them design a promotion in a new market segment that was highly successful."

"As soon as we opened enrollment, retailers jumped on board and had a huge appetite for discounts," says Mach. "Retailers clearly understand the value of discounts in driving sales and traffic in their stores and are looking for ways to easily run more programs."

By executing promotions directly through a retailer's point of sale, Skupos' technology enables accurate reporting to ensure that programs can be measured and optimized for the future. "Through this program, we were able to follow up on retailer's execution of the program but also monitor how sales progressed through the campaign," says Judkins. "We [gauged] how our promotion was trending, with



Outcomes of the resulting promotion—buy two products and get one dollar off—included:

- An average lift of 29% units sold per day during the promotion period
- A 26% increase in baskets containing two or more 5-hour ENERGY® products
- A 22% increase in dollars sold per day across all stores that participated in the program

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Beyond the data

For 5-hour, the initiative not only provided close insight into the brand's promotional performance and consumer metrics—the Skupos Engage platform empowered the brand to build and support crucial retailer relationships, too.

"The relationship with Skupos will allow us to connect on a deeper level with our independent retailers through the 5-hour ENERGYSM Retailer Rewards Program," says Judkins. "Skupos has been incredibly helpful with their data analysis to show us how we can provide best-in-class articles and studies to explain why 5-hour ENERGY® shots are the profit powerhouse on the front end."

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5-hour isn't alone in prioritizing expansion into the independent market, especially amid pandemic-related changes to the landscape. And for many brands, partnering with Skupos may mean the difference between accessing these spaces and remaining on the sidelines.

"Brands do not have deep visibility into promotion performance and it's difficult to test and execute various promotion strategies," says Mach. "With the addition of COVID restrictions around the country, sampling has become tough, and the reduction in store visits makes promotional execution more difficult."

This means that developing strategies set to succeed is more crucial than ever. "In an environment where many brands have had to adjust their strategies (and budgets), Skupos can help brands run efficient and creative programs—all through a single vendor," says Mach. "We manage enrollment, execution, reporting and disbursements. In addition, by tracking engagement directly from the point of sale, brands are able to measure ROI and ensure that their money is being well spent."

The Skupos difference

With Skupos, brands can access real-time analytics and insights into the independent market. Even more, when working with Skupos, brands only pay for the discounts that are delivered directly to the consumer.

"I believe our customer focus is what really sets us apart from the field," says Mach. "Each brand has a dedicated Skupos client manager that they work with day-to-day, however behind the scenes, all teams at Skupos work as one unit to ensure that all of our customers' experiences are exceptional, whether that is the consumer, the retailer, or the brand."

Unlocking new horizons for brands and sales-boosting promotions for retailers is Skupos' specialty. Adds Mach, "By creating scale in independent convenience retail, we are transforming the way that brands are able to operate—creating new revenue opportunities and providing new insights to optimize this segment."

To learn more about how Skupos Engage can help brands boost sales through key data solutions and more, visit www.skupos.com.

