

# Coupon

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## Coupon Use Grows For The First Time In 17 Years

American consumers redeemed a mind-boggling 3.3 billion coupons last year -- a 27% jump from 2.6 billion in 2008, with the recession fueling the first growth year for coupons in 17 years.

Inmar, a transaction settlement provider based in Winston-Salem, N.C., says the first growth period started in October 2008, leading to five consecutive quarters of double-digit growth. Marketers, it says, are investing more money in coupons than they have in 30 years, issuing 367 billion of them, at an average face value of \$1.44, in 2009. That has come along with increased pages in freestanding inserts, and a 92% increase in Internet coupons.

The change began in the fourth quarter of 2008, as the recession dominated all the headlines. "We saw a gain of 10% in that quarter," Matthew Tilley, director of marketing for Inmar's promotion services division, tells Marketing Daily, "and while we all expected it would continue to rise, I've been surprised by how big those quarterly gains have been in the last year -- it really is a huge increase."

On average, the face value of 2009 coupons fell by a penny, and they became a little trickier to use, with marketers shaving an average of 10% off the expiration period. "There have been plenty of changes going on in the last two decades that have led to the decline in coupon use," he says, "but with this economy, that has changed, and consumers are clearly getting back to the basics, and don't mind the old-fashioned approach of clipping coupons. And marketers are seeing that if they take coupons off the table, consumers will definitely go to the lower-price options."

Other tracking services are also observing this strict adherence to finding value. "On most shopping trips, large percentages of households are using shopping lists (58%), consulting store circulars (47%), redeeming coupons (37%) and comparing unit prices (50%)," Todd Hale, SVP/consumer & shopper Insights for the Nielsen Co., tells Marketing Daily.

"More planning is driving increased coupon redemption levels, but so is the way consumers are connecting to media. In the last five to ten years, the explosion of TV channels, Web sites, consumer-generated content, social media and smartphones have given consumers access to more information about products, brands and retailers than ever before. And with more and more manufacturers and retailers enabling delivery of coupons right to our favorite gadget, it is no wonder that coupon redemption levels have exceeded the number of coupons distributed."

Inmar, in fact, reports a 360% jump in use of Internet coupons, but points out they are still just a tiny splash in the coupon bucket. "Still," Tilley says, "FSIs -- those paper coupons cut from the Sunday paper -- account for 90% of all coupon redemptions."