



Has Coupon Clipping Become Chic?

By Warren Storey, VP, Product Marketing & Insight

A penny saved is a penny earned and in today's economy more and more consumers are leveraging the power of coupons to save on a variety of purchases. Interestingly, our research shows that this behavior extends well beyond the current economic situation. In a survey of 6743 consumers in the US and Canada, nearly half say they will be more likely to use coupons even with the end of the recession. What this suggests is a long term shift in the psyche of consumers – once the realm of a limited segment of the population, consumers across the board may in fact now be incorporating coupons as a key tactic to stretch their limited dollars and improve or maintain their lifestyle.

For marketers, this offers a powerful way to drive purchase behavior and customer loyalty. The key – it must be done the right way. Relevant, personalized coupons sent to key segments, with an understanding of the nuances that make them different, will drive response and ensure success – after all there's no point in sending a coupon for \$5 off dog food to a cat owner.

Impact of Recession on Coupon Usage if Economic Recession Ends

	Total Epsilon Targeting Sample	
%	US (n=3692)	CANADA (n=3051)
Much more likely to use coupons	27	20
Somewhat more likely to use coupons	21	25
No change in coupon usage	48	51
Somewhat less likely to use coupons	1	2
Much less likely to use coupons	1	1

Our research shows that in the US eight in ten consumers surveyed are getting their coupons from the newspaper while the majority of Canadians are receiving theirs through the mail. For both the US and Canada, the number one preferred mode of receiving coupons was the mail. This is because consumers either want to use them right away or at least have them in their wallet or purse ready for their purchase. In addition, many consumers stated that they prefer not to print their coupons from online or email sources. While email and mobile coupons are becoming more prevalent, direct mail still seems to be in vogue as far as consumers are concerned.

Ensure Your Marketing Is In-Style

Using the key insights provided by this research, marketers can tailor their offers in a way that drives maximum redemption and spend.

Prior research adds learning about proven techniques for successful couponing. For instance, current customers need less coupon value than new potential customers. The category also plays a critical role in the degree to which consumers are willing to take a risk – for example you will need to provide a higher coupon value to get a consumer to switch personal care products (like deodorant) than household cleaning products.

Understanding these basic nuances will help marketers allocate coupon savings. You don't want to subsidize purchases that would very likely have happened anyway. You want to drive undecided consumers or lead to greater purchase values.

To best incorporate coupons into your marketing strategy follow these 5 strategies:

- 1) Leverage channels that are most effective in gaining consumer attention and response. Direct mail continues to be a valuable tool for coupon distribution given its preference and trust amongst consumers.
- 2) Gather data about your customers and prospects – using your own and third party sources – to complete a comprehensive profile of your key segments. This data will allow for personalization and targeting in order to send the most relevant offers.
- 3) Use coupons as an acquisition tool. Try to avoid sending offers to individuals who consistently buy from your company/brand. You don't want to subsidize purchases that will already take place. You want to capture new market share.
- 4) Send offers that can be shared with friends and family. Pass along coupons create opportunities to expand your efforts –friends and family remain the #1 most trusted and preferred source for information and are key to driving purchase decisions.
- 5) Test strategies and analyze results. Incorporate segmentation and evaluate program success on an ongoing basis. Adjust strategies to optimize performance.

For further strategies - A Best Practices Guide To Coupon Targeting: <http://www.epsilon.com/Epsilon-Targeting-Marketing-Resources/p48-l1>