



## **FOR IMMEDIATE RELEASE**

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### **Omnichannel Distribution Approaches Continue To Be An Effective Coupon Strategy For Marketers**

DREXEL HILL, PA (September 21, 2020) - There has been an ongoing conversation in the coupon industry regarding the overall growth of digital coupon promotions and the decline of traditional paper coupons. Yes, digital coupon promotion distribution and redemption is growing and some traditional paper coupon vehicles are declining in distribution and redemption. However, all distribution vehicles have unique benefits and can be effective based on what the marketer wants to accomplish for a marketing spend.

Shopper media consumption is constantly shifting, and marketers understand the importance of using a variety of tactics/vehicles to reach consumers and achieve results. Marketing is ultimately about building equity and gaining brand loyal consumers. To accomplish this objective, it is imperative marketers utilize a broad range of tactics. For example, FSIs (Free Standing Inserts/Sunday Newspaper Coupons) provide a wide reach while precision targeting is often achieved using digital and other conventional vehicles such as Direct Mail. Ultimately, consumers benefit when incentives are offered to shoppers during their path-to-purchase journey.

“Today’s modern shopper voraciously seeks value and omnichannel ad campaigns are the best way to deliver savings. Our research found that 73% of consumers use paperless coupons/discounts and 71% use paper coupons/discounts. Additionally, 70% said they’ve increased their savings activity during COVID-19 and over 75% expect to continue those savings habits post-pandemic. How consumers shop and save during the pandemic is indicative of dynamic behavior in this moment in time. The focus should not be on a single tactic but rather a holistic, targeted approach based on predictive intelligence. We expect a resurgence across all promotional channels.”

- Michelle Engle, Chief Marketing Officer, Valassis

Below is a chart of various distribution vehicles and their inherent strengths to accomplish marketing objectives as well as some industry facts and trends:

### Marketer's Promotion Programs must be Objective Driven

Common Examples of Vehicles and Marketing Objectives

Tactic	Volume	Loyalty	Trial	Competitive Defense
FSI	X	X	X	
Direct Mail		X	X	
Print at Home		X	X	
In Store Coupon Machine	X			X
On-Pack	X		X	
In-Pack		X	X	
At Checkout	X	X	X	X
Click to card	X	X	X	

**Note:** Chart does not restrict using tactics toward objectives not checked  
Tactics are determined upon meeting specific objectives and can vary due to budget constraints.

### Redemption Leaders First Half 2020

Source: Inmar First Half 2020

FSI	29.00%
Digital	28.20%
On-Pack	16.50%
Checkout	5.70%
PAH/Digital	3.90%

## **Additional Coupon Trends**

**Source:** NCH Marketing

- 98% of distribution in the first half of 2020 was print; 2% digital
- FSI accounts for nearly 95% of all coupons distributed
- When it comes to total U.S. CPG coupons in all print and digital media, there were 505 million coupons redeemed during the first half of 2020, with 76% being print and 24% digital
- FSI had 39% of the market redemption volume in the first half of 2020 compared to 24% for digital coupons

**Source:** [2020 Valassis Coupon Intel Report](#), based on surveys of 2,000 U.S. consumers.

The studies were fielded in the fourth quarter of 2019 and June of 2020 in conjunction with a global, third-party market research firm with proficiency in internet surveys. The sample was derived from an online consumer opinion panel, and all participants were at least 18 years of age and living in the contiguous United States.

- 73% use paperless coupons/discounts and 71% use paper coupons/discounts
- 70% of consumers say they've increased their savings activity during COVID-19 and over 75% expect to continue those savings habits post-pandemic
- 65% decide what to buy – both online and in-store – based on coupons and discounts

“There is a desire for increased savings across channels, accelerated by the pandemic. In the first half of 2020, 76% of the coupons redeemed were print and 24%, digital. Specifically, 39% of the market redemption volume in the first half of 2020 was from the FSI and digital coupons accounted for 24%, according to NCH data. Given that 95% of coupons are distributed in the printed FSI, it is unlikely we will see digital replace print. Instead, marketers are adopting the necessary omnichannel strategies to engage consumers across the many ways they plan and shop. This is generating large shares of coupon redemption not only from FSI and digital, but also from in/on pack, handouts and direct mail.”

- Charlie Brown, Vice President, Marketing, NCH

## **Sometimes Less is More**

- Most coupon distributors have expanded targeting capabilities in recent years enabling marketers to distribute to a smaller audience more efficiently which reduces overall distribution however, the programs are more effective.
- Industry wide fraud initiatives have reduced abuse and made coupons more viable for marketers but does negatively impact distribution and redemption reporting when it's compared historically.

The Coupon Information Corporation (CIC) is making significant progress in the fight against coupon counterfeiters as our work with law enforcement, manufacturers, retailers and industry facilitators continues. The CIC and other industry participants are developing numerous technical innovations to make paper coupons more secure. These efforts will help ensure that paper coupons are available for consumers who do not have access to digital offers or just simply prefer using paper coupons.

Bud Miller, CPP, Executive Director, Coupon Information Corporation

## **Additional Industry Insights**

- 34.7% of Coupon Industry Redemptions are from in-store distributed paper coupon vehicles Source: Inmar
- Coupons are anti-cyclical: when the economy is poor, marketers tend to increase coupon activity. Marketers look to protect market share during difficult times
- Supply chain issues due to COVID-19 have created accidental product trial. Marketers may want to engage these new users with incentives to grow market share.
- Marketing mix models tend to under-report the impact of coupon promotions. A recent GfK study showed the average incremental volume from a coupon event is 75% when a loyalty card data model is used, but traditional models show 55-60% incremental volume. Source: Gfk

“Coupon programs are constantly adapting, evolving, and enduring. They have stood the test of time for more than 130 years. Distribution vehicles’ popularity ebbs and flows based on consumer response and their overall effectiveness for the marketers’ objectives.”

John Morgan, Executive Director ACP

### **About the Association of Coupon Professionals**

ACP's mission is to help manufacturers and retailers effectively execute coupon promotions and related incentive programs, provide education and valued insights to effectively execute coupon promotions and related incentive programs from planning and creation through settlement, and deliver resources to industry professionals on coupon guidelines, new trends, emerging technologies and best practices including forums for coupon education

### **About the Coupon Information Center**

The Coupon Information Corporation (CIC®), [www.couponinformationcenter.com](http://www.couponinformationcenter.com), is a not-for-profit association of consumer product manufacturers dedicated to fighting coupon misredemption and fraud. CIC was founded to encourage integrity in connection with the redemption of manufacturers' coupons and participation in other promotional programs. CIC encourages and supports federal, state, and local law enforcement efforts to identify, investigate, and prosecute coupon fraud.