

As consumers become more deal-savvy, marketers take coupons to the next level

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DM News, January 05 2009

As the economic turmoil continues, many brands and retailers are turning to digital coupons to sweeten consumer offers. This holiday season saw the growth of coupons transmitted across social networks, coupon aggregation sites and mobile phones.

“Everyone's feeling the pinch, and coupons are great way to continue buying your favorite brand and save money on it,” says Lisa Bradner, senior analyst at Forrester Research. “Consumers are being aggressive because they're trying to save money every way they can. For the companies involved, it's a plus because it means consumers like you - and want to stick with you.”

When digital coupons first emerged several years ago, one anticipated challenge was that brands would not be able to control the use of something that could be widely and easily spread. But new technologies have helped overcome this.

“Many of those issues have been mitigated by limiting the number of times something can be printed, measuring the IP address and those kinds of things,” Bradner said. “It's not perfect. Some large manufacturers still don't use online coupons. But part of that is once you get past the digital coupon, the way the companies redeem them and clear them through the retailers is still very, very manual and people intensive.”

In one recent partnership, Facebook users can now install a Coupons.com application to their profile. Each week, new printable coupons are listed on the application, which users can download and also compare their savings with friends in their network.

“For more than a decade we've been committed to helping consumers save money, which has become increasingly important now in these tough times,” said Steven Boal, CEO of Coupons.com, in a statement. “By launching Coupons.com on Facebook, we hope to bring more savings straight to shoppers.”

This year also saw the emergence of coupon aggregation sites become a big trend. Sites such as RetailMeNot, CouponChief.com and Savings.com list the latest coupons of many well-known brands so that consumers can share the coupon codes. Coupon site visits were up 33% in October, according to ComScore, with 16% of shoppers saying that they don't buy in general unless they can find a coupon. ComScore also found that three out of four adults are more likely to return to a store that offers coupons.

“The plus is [you have] someone that is brand loyal and looking to find [your] brand and buy it at a lower price rather than [switching to] a private label,” Bradner said. “That's the opportunity and the challenge to manage, and relationship marketing needs to manage the intersection of those two points.”

And this loyalty can spread into the social sphere, where coupons have once again become a social experience as consumers share them on aggregation sites.

“It's difficult for a content site to find everything,” said Gary Gray, co-founder of CouponChief.com. “When a coupon site lets others post deals themselves, it allows everyone to share in that wider knowledgebase of what's out there.”

Digital coupons also have become a popular offering on the mobile phone. Mobile marketing services firm Verve Wireless recently launched a new mobile couponing application for publishers, and Cellfire is already offering mobile coupons.

“We've always felt that mobile is one of the best delivery mechanisms for that kind of direct response message, because the phone is always with you,” said Greg Hallinan, VP of marketing at Verve Wireless. “Consumers don't have to worry about clipping a coupon out.”

For Cellfire, the mobile grocery coupon has been a big hit. Its client, Kroger, saw a good response to the mobile coupon, with redemption rates as high as 10% to 20%. After a successful test in 200 stores in the South, the grocery chain is expanding a mobile coupon program to serve all of its 2,200 stores nationwide.

“Consumers can use their mobile phone or computer to find and choose the offers they want across dozens of brands at the grocery store anytime and anywhere,” said Brent Dusing, CEO of Cellfire.