

Digital Coupons



Online Coupons

Encompass any coupon that can be found, searched, or encountered while on the web. Online coupons are currently the most effective coupon distribution method for marketers, as the online coupon category outperformed other categories of coupons with regards to share of redemption to percent of coupon distribution. Marketers can reach consumers with online digital coupons using a variety of different websites. The most popular websites marketers are using to implement online coupons include: coupon websites, manufactures websites, and social media sites.

Email Coupons

With the knowledge of consumer email addresses, marketers can email individual coupons of a specific brand, product, or service. Coupons that are emailed to consumers, by retailers or manufacturers, require the consumer to first opt-in by providing their email address. Coupons are not only emailed individually by the business itself, but coupons emailed to consumers are also taking the form of newsletters. Newsletters can be emailed out to subscribers on a weekly basis including a variety of coupons (ex. retailmenot.com, mrcheapstuff.com), or as one coupon a day including one deeply discounted deal (ex.groupon.com, livingsocial.com).

Mobile Coupons

An electronic ticket delivered by mobile phone that can be exchanged for a financial discount when purchasing a product or service. Marketers have the choice from many different types of mobile coupons. The simplest form of a mobile coupon delivered to consumers is a text-message alert; there are two different forms of a text-message mobile coupons. The first form is a basic text message alert that is available to all consumers and merely communicates an offer. The second type of text-message mobile coupon is validated at point of sale and used when marketers want to offer a coupon to only a select group of customers. Another type of mobile coupon is an MMS (Multimedia Messaging Service) based mobile coupon; MMS coupons offer marketers an opportunity to deliver a coupon to mobile phones, which have the ability to contain audio, video, images, and rich text. The final type is a linked mobile coupons, which is a text message sent to consumers including a link, and when the link is selected a page opens up containing the coupon.

Loyalty Card Coupons

Marketers are turning loyalty cards into a common redemption vehicle for online, email, and mobile coupons. The way loyalty card coupons work involves consumers downloading coupons onto their loyalty cards. For online coupons, coupons are posted online and shoppers click the ones they want to link to their loyalty card. Mobile coupons linked to loyalty cards involve consumers enrolling to receive discounts through a mobile application and require consumers to enter their loyalty card ID, which ties the loyalty card to the mobile application.

Coupon Deals

- .Cents-Off or Dollars-Off
- .Free
- .Buy-One-Get-One-Free
- .Multiple Purchase—The consumer is required to buy more than one of a given product .
- .Crossruff - Consumer receives a coupon from one product, often related, when purchasing another.
- .Time Release - A bundle of coupons are distributed with different expiration dates to encourage repeat purchase
- .Universal Coupon - A manufacturer offers a high value coupon good on multiple products within the manufacturer's product line.
- .Self Destruct - Coupons are printed to overlap and consumers choose one deal or another.

**Introduction to Mobile Coupons," Mobile Marketing Association, 2007. Web. 22 Mar. 2011. <http://www.mmaglobal.com/mobilecoupons.pdf>.

Shopper Types

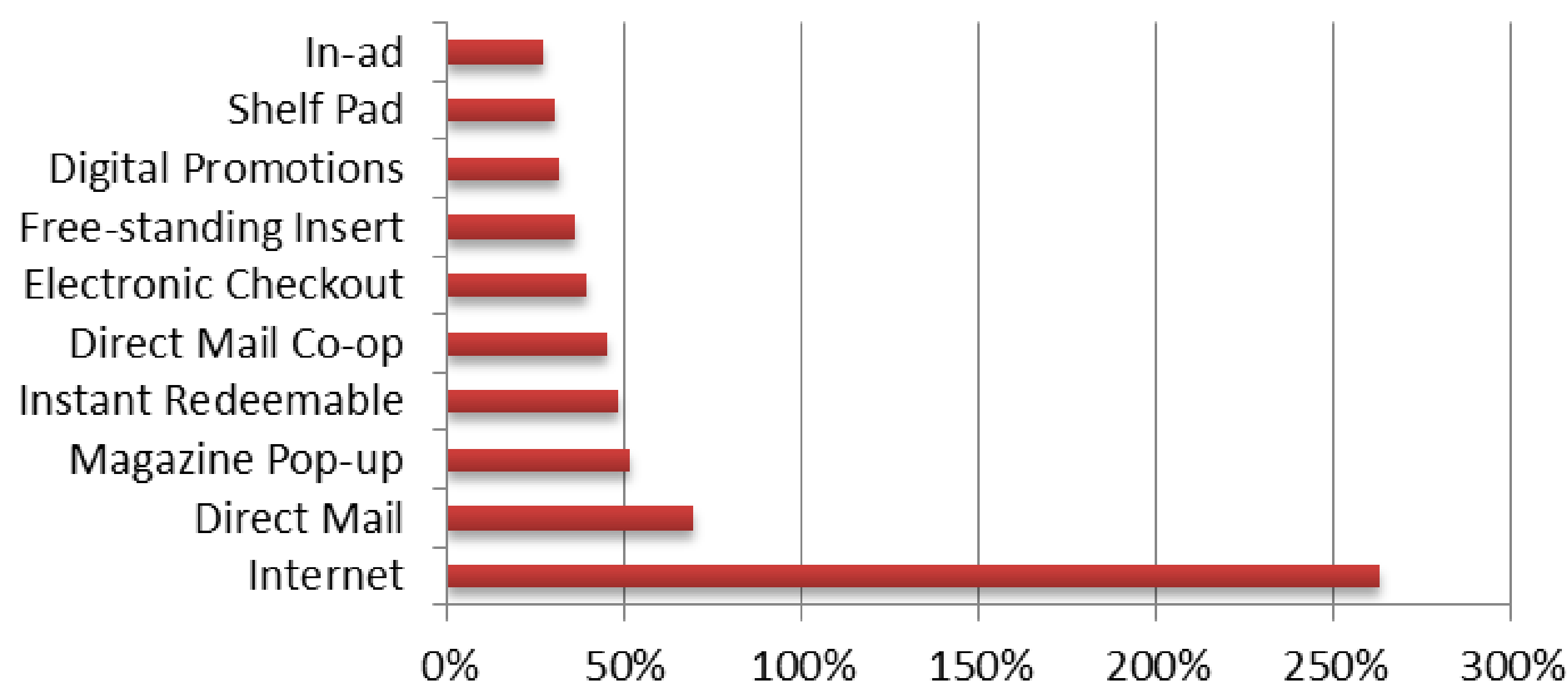
- .Loyal Users - Consumers who purchase a specific brand on a consistent basis.
- .Competitive Loyals - Consumers who purchase within the product category, but on a consistent basis buy the brand of a competitor. There are three different types of competitive loyals: intense loyals, value buyers, and habit-bound buyers.
- .Switchers - Consumers who purchase a range of brands within a product category. Switchers alternate brands for the following reasons: availability, value, occasional usage, and variety.
- .Price Buyers - Consumers who center their purchase decision within a product category on price.
- .Nonusers - People who currently are not users within the product category. Non-usage of the product category can be attributed to price, value, or lack of need.

*Shultz, Don E. Sales Promotion Essentials. Third ed. NTC Business, 1998. Print.

Traditional Coupon Distribution Methods

- .Free-Standing Inserts (FSI)
- .Newspapers
- .Direct Mail
- .Magazines
- .In and On Package
- .Electronically Dispersed
- .On Shelf-Coupons,
- .Promotional Circulars
- .Samples

Coupon Redemption Growth



*Nielsen Wire