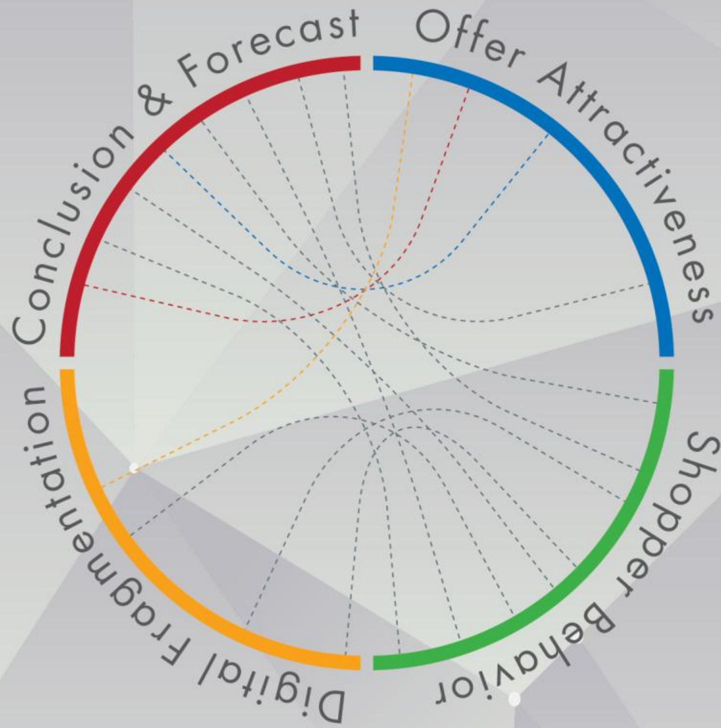
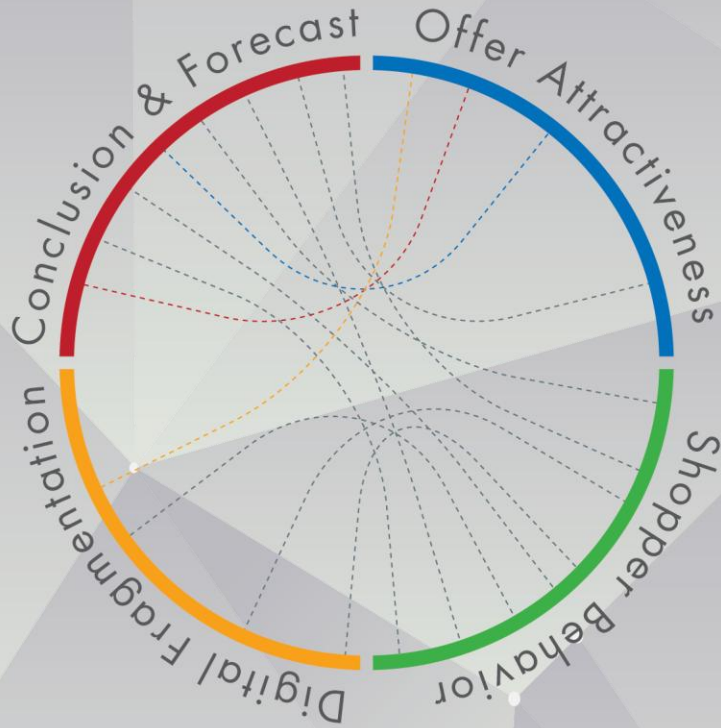


inmar®

Thank you for joining, the webinar will start at 11 a.m.

Please join us in the Promotion Room on LinkedIn for questions asked during today's webinar and continued conversation on this topic.

#coupontrends



inmar®

2013 COUPON TRENDS

2012 YEAR-END REPORT

Devora Rogers February 19, 2013

#coupontrends

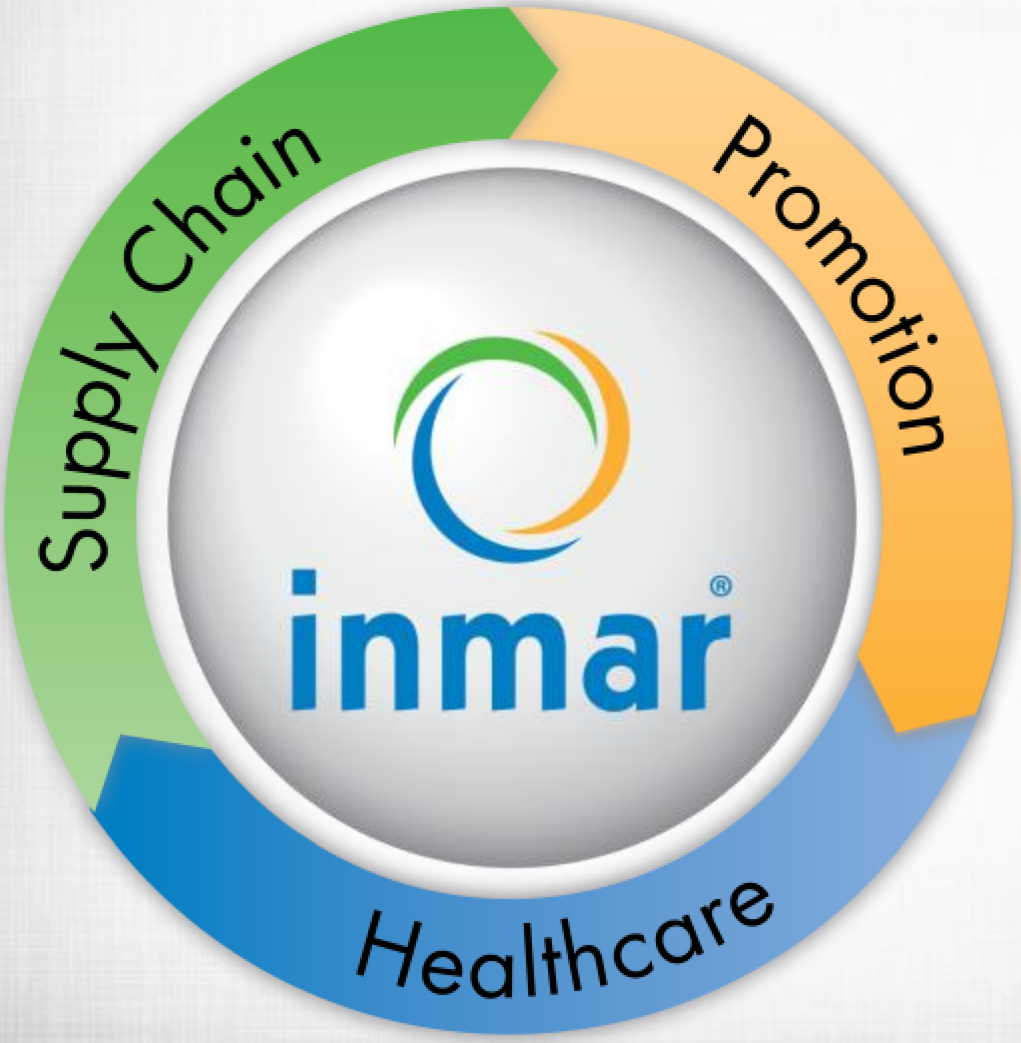
Devora Rogers

- Senior Director, Retail Marketing Insights
- New to Inmar (and North Carolina!)
- Previously with IPG Media Lab and Shopper Sciences

- devora.rogers@inmar.com
- 336.770.3495
- Twitter: @devoraerogers

Don't forget to join us in the LinkedIn Promotions Room!

Inmar's Portfolio of Services

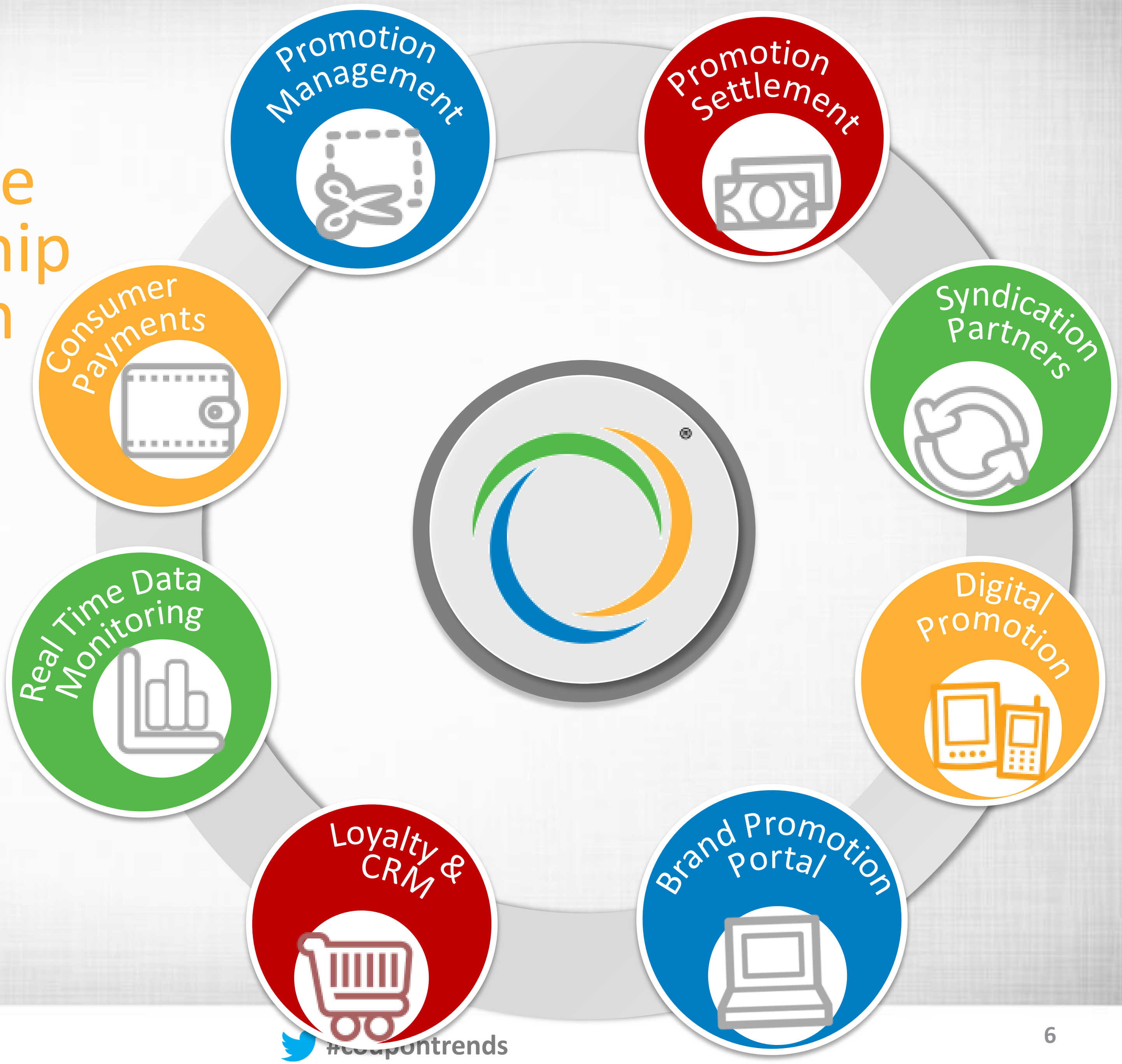


$20.4 billion in transaction value

700+ retailers

1000+ manufacturers

Real-Time Relationship Platform



Don't forget to join us in the LinkedIn Promotions Room!

2012 Coupon Trends
Key Findings

Key Takeaways: Distribution (in billions)

DOWN 1.2%

#coupontrends

Source: 2012 Inmar Coupon Report

Key Takeaways: Redemption

5

4

3

2

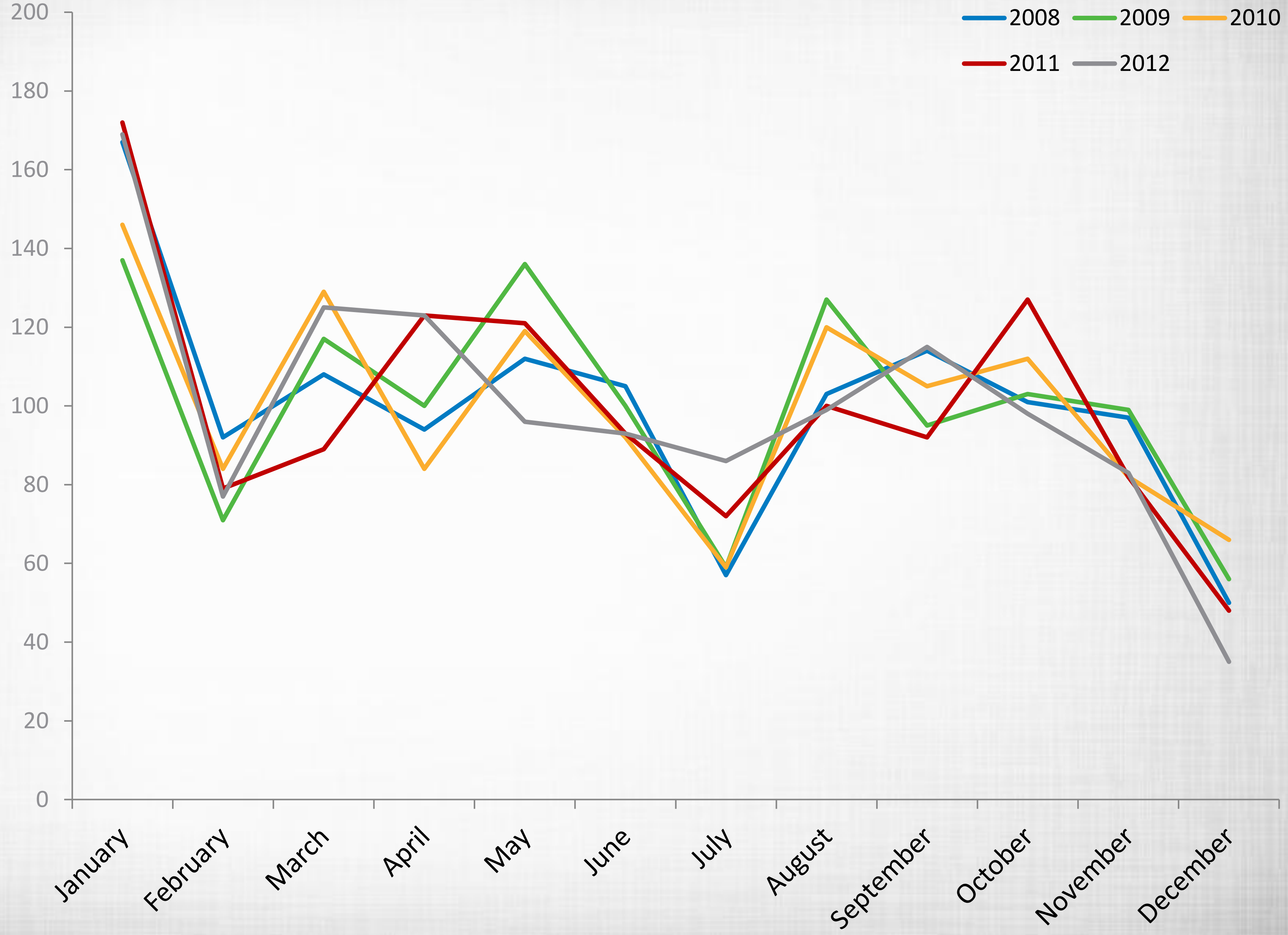
1

2011: 3.5B
2012: 3.0B

DOWN 14.3%

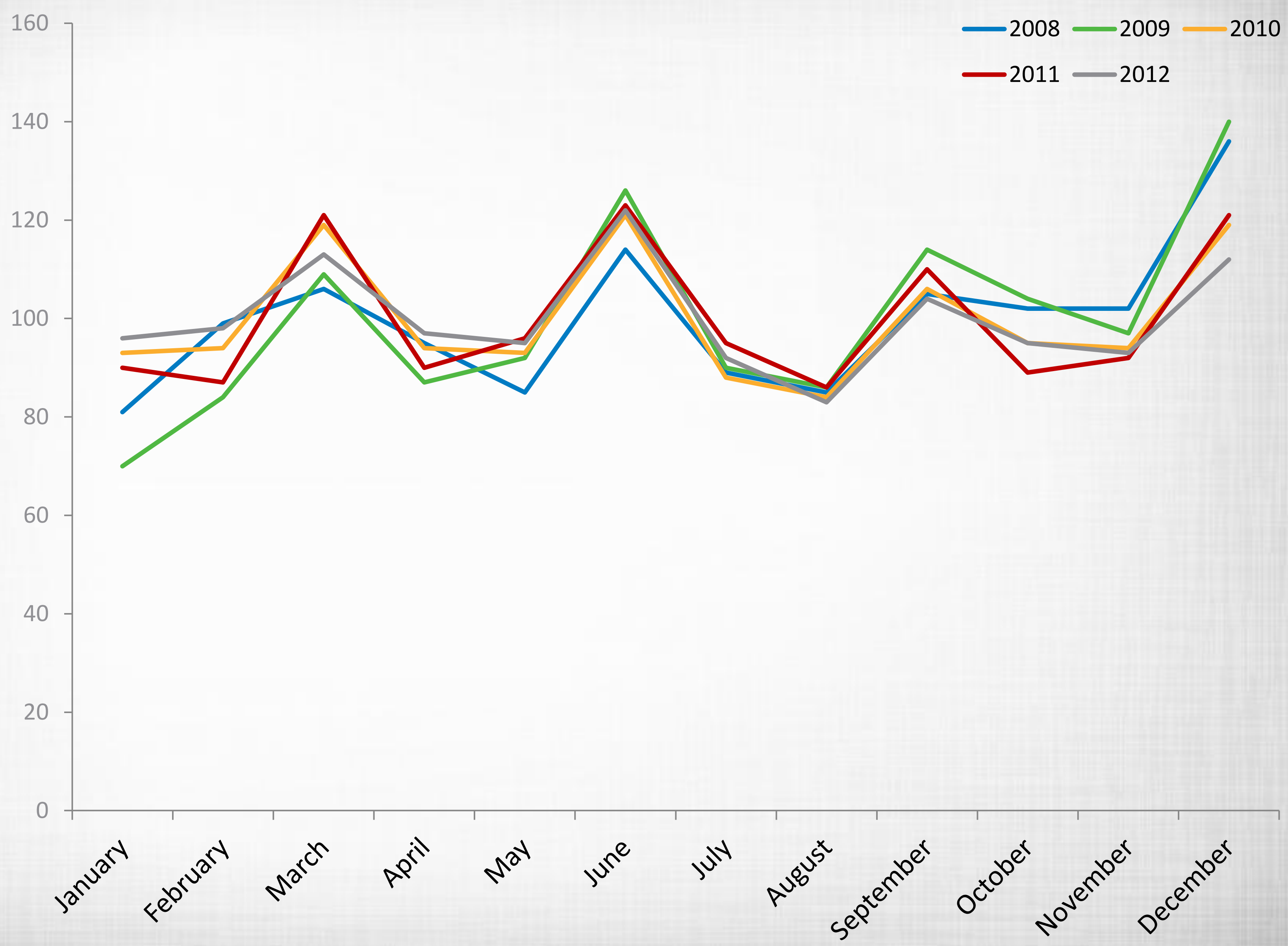
Source: 2012 Inmar Coupon Report

Distribution by Month



Source: 2012 Inmar Coupon Report

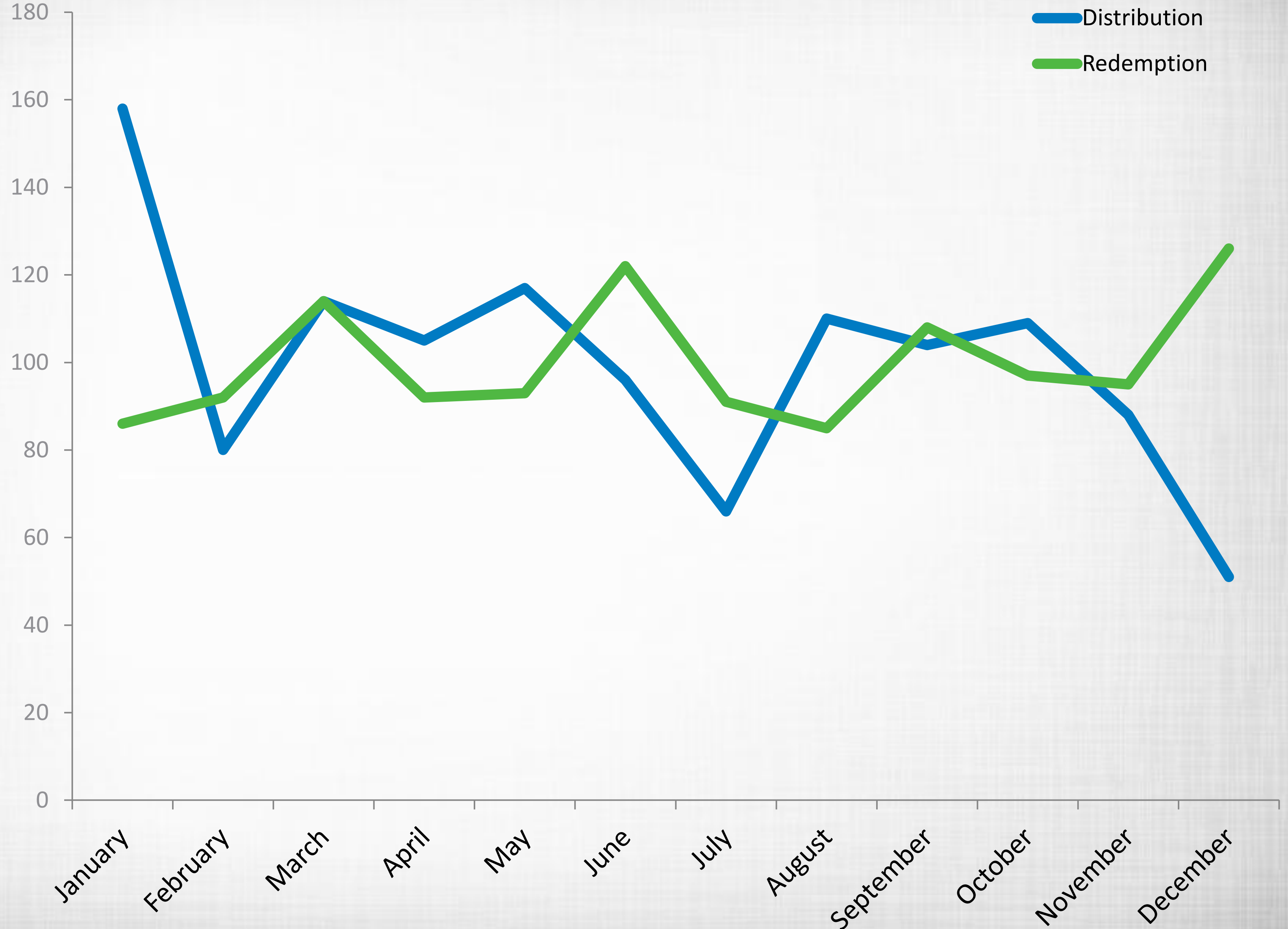
Redemption by Month



#coupontrends

Source: 2012 Inmar Coupon Report

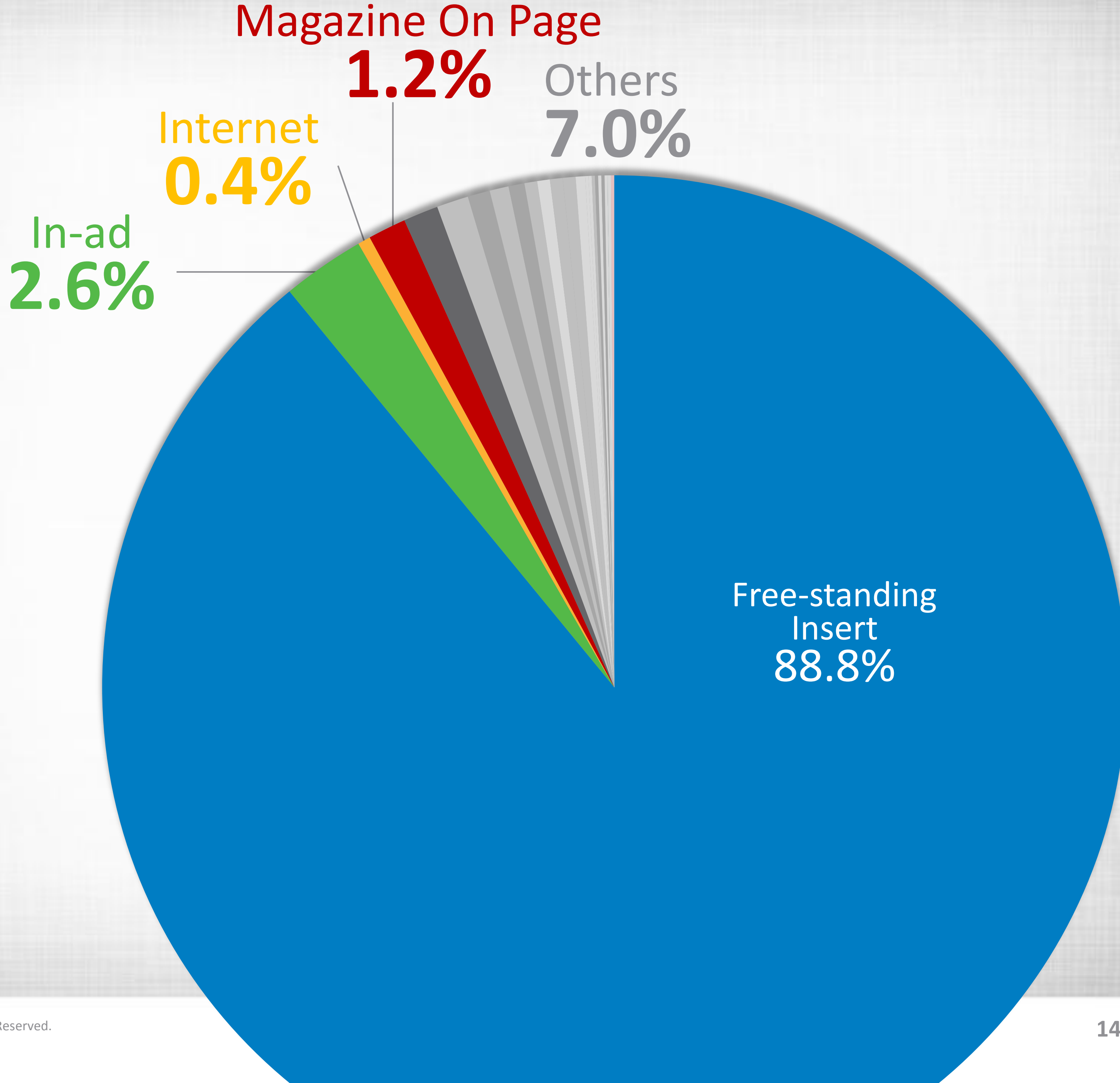
Distribution vs. Redemption



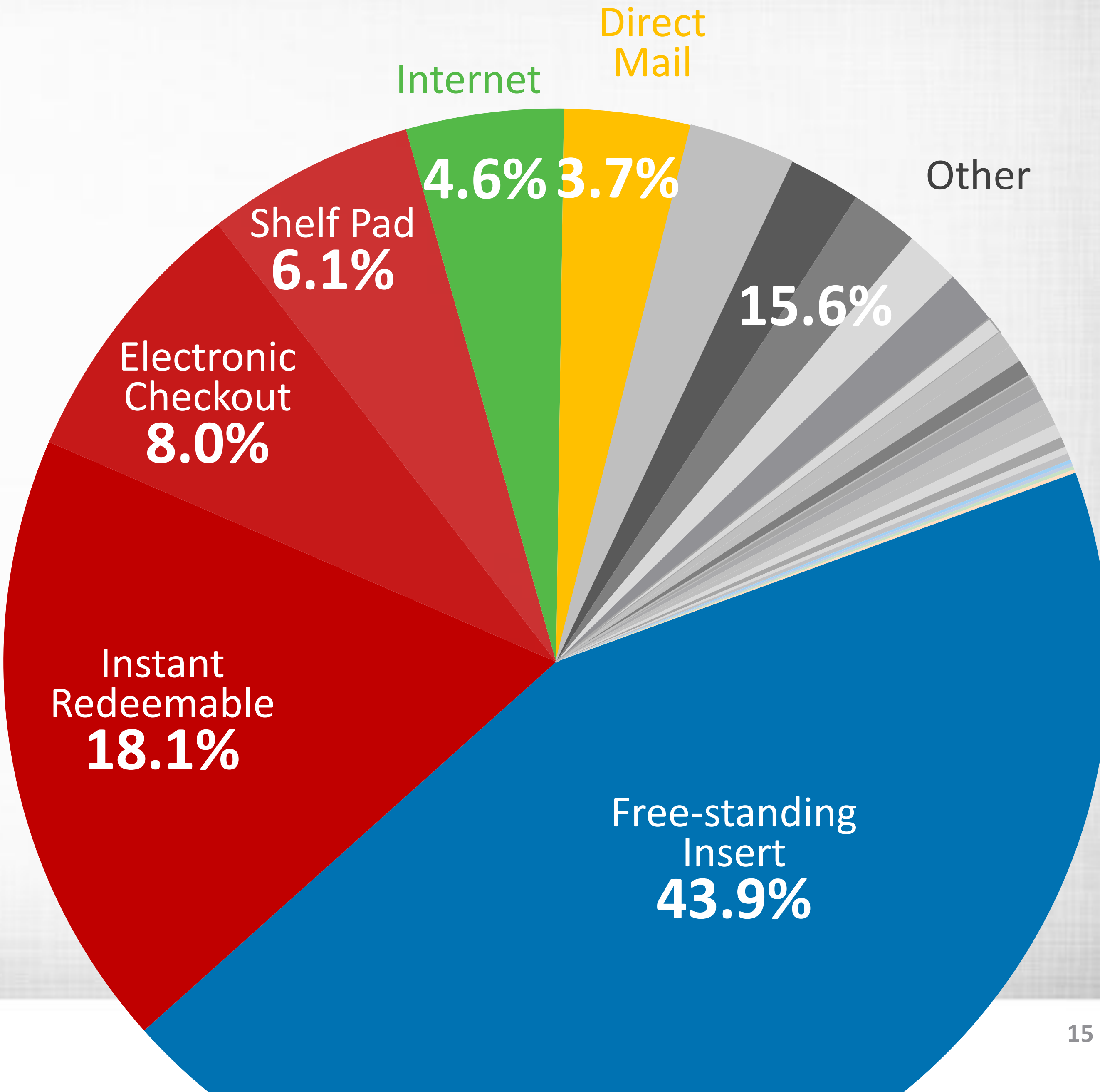
#coupontrends

Source: 2012 Inmar Coupon Report

2012 Distribution



2012 Redemption



Redemption down across the board

FOOD

2.0 billion

65.8% of Total

NON-FOOD

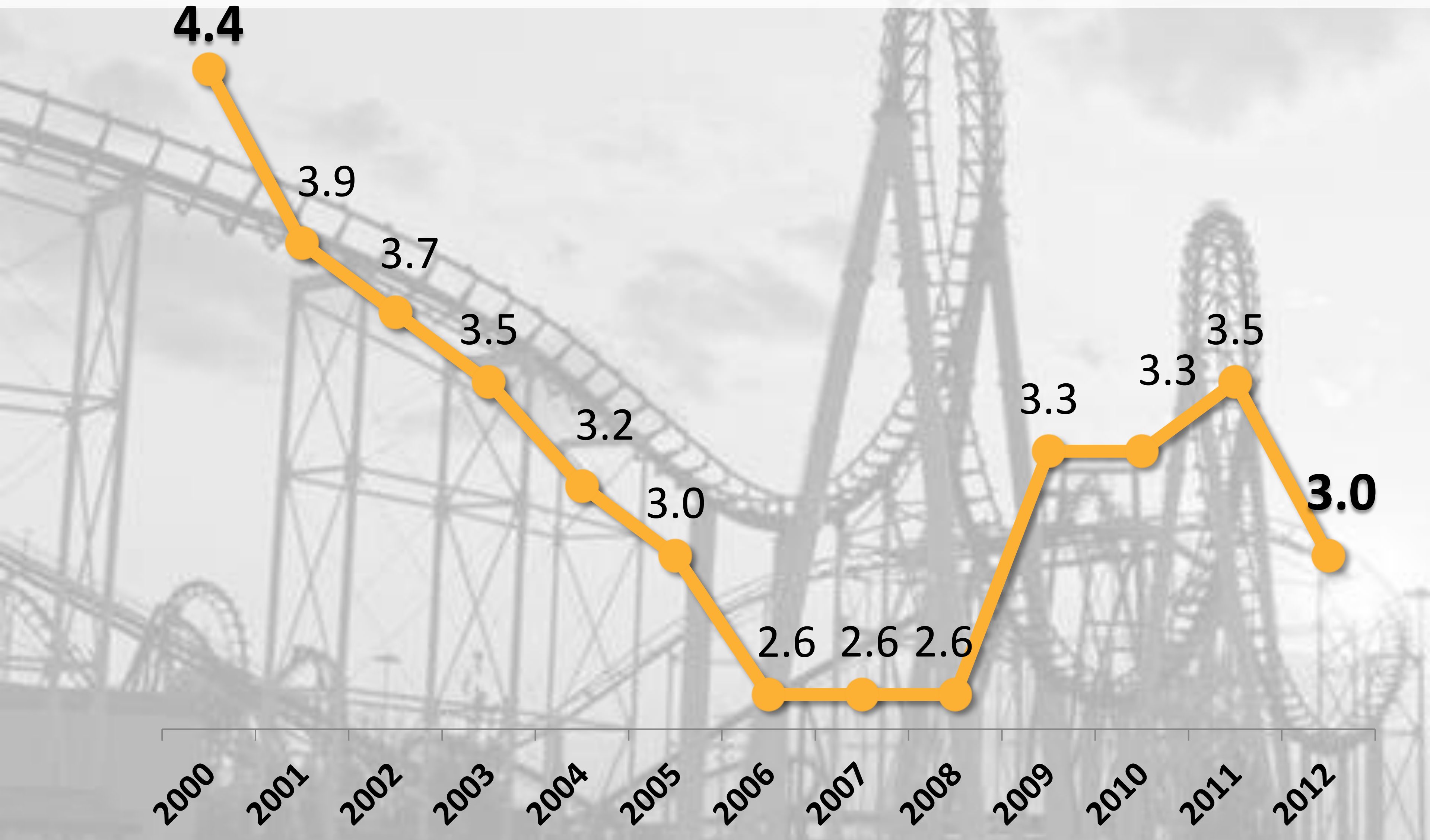
1.0 billion

34.2% of Total

#coupontrends

Source: 2012 Inmar Coupon Report

The redemption roller coaster (in billions)



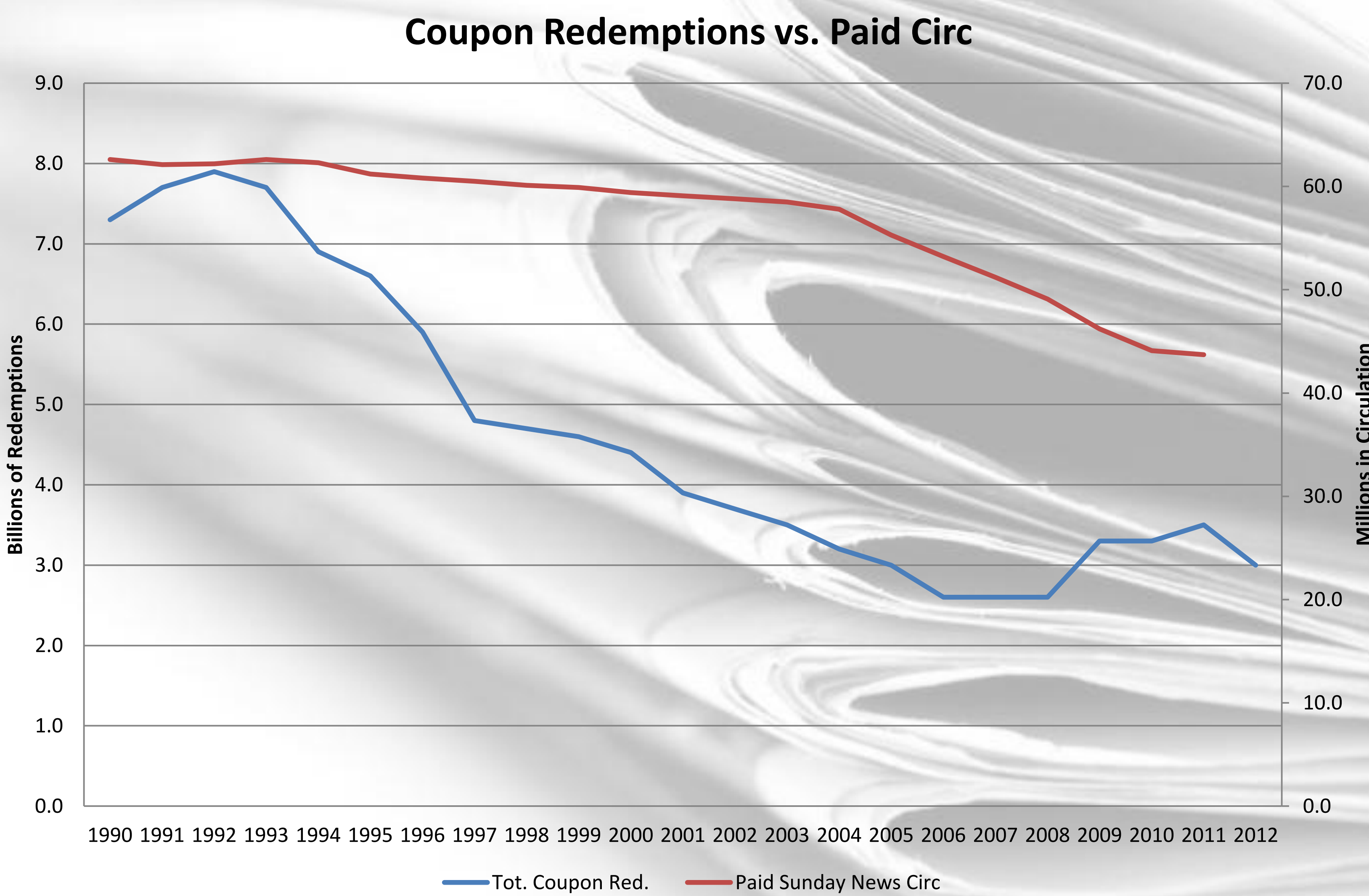
#coupontrends

Source: 2000-2012 Inmar Coupon Reports

So what's driving the decline?


Macro

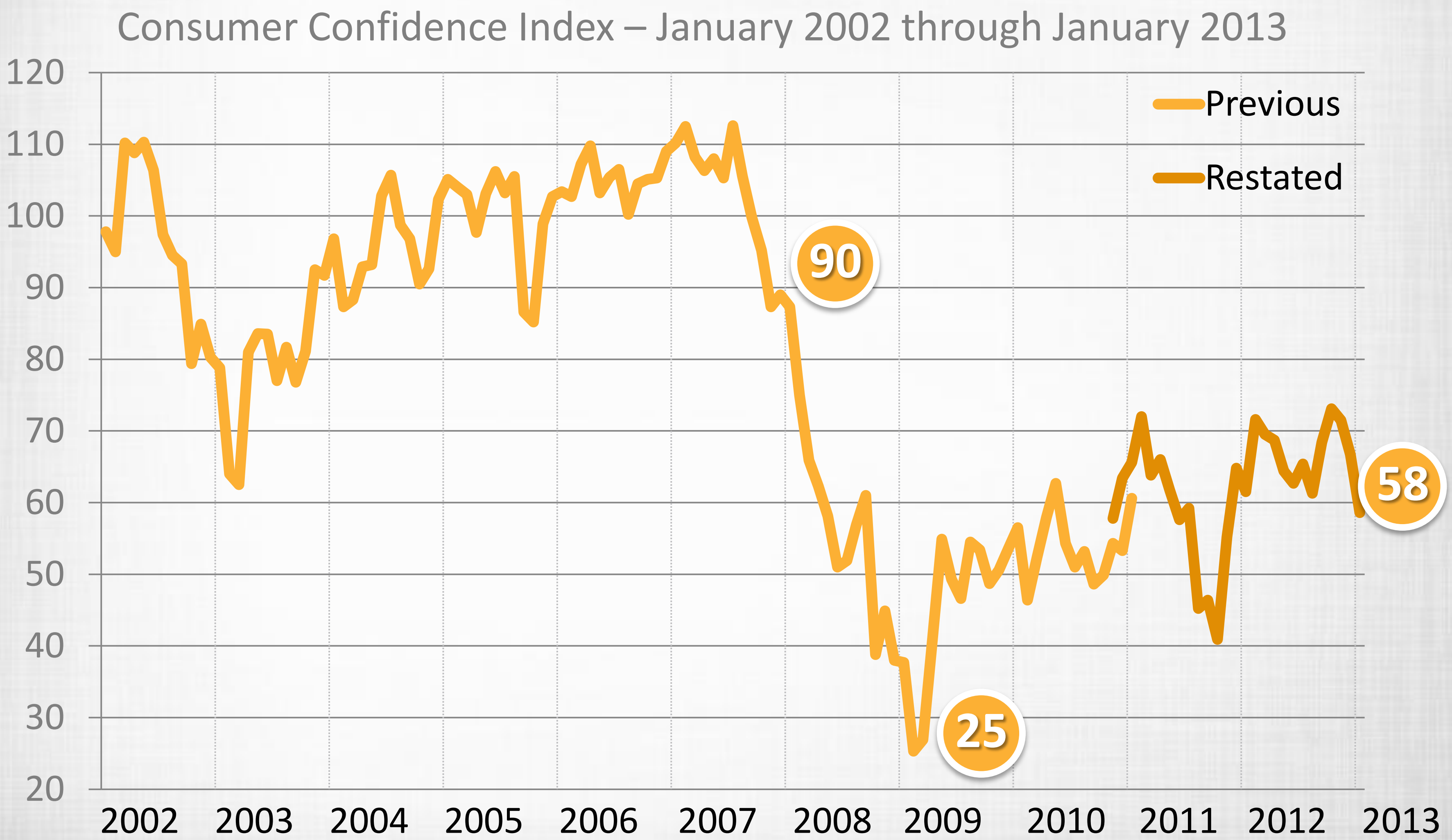
Paid Sunday newspaper subscription impact



#coupontrends

Source: Editor and Publisher International Yearbook

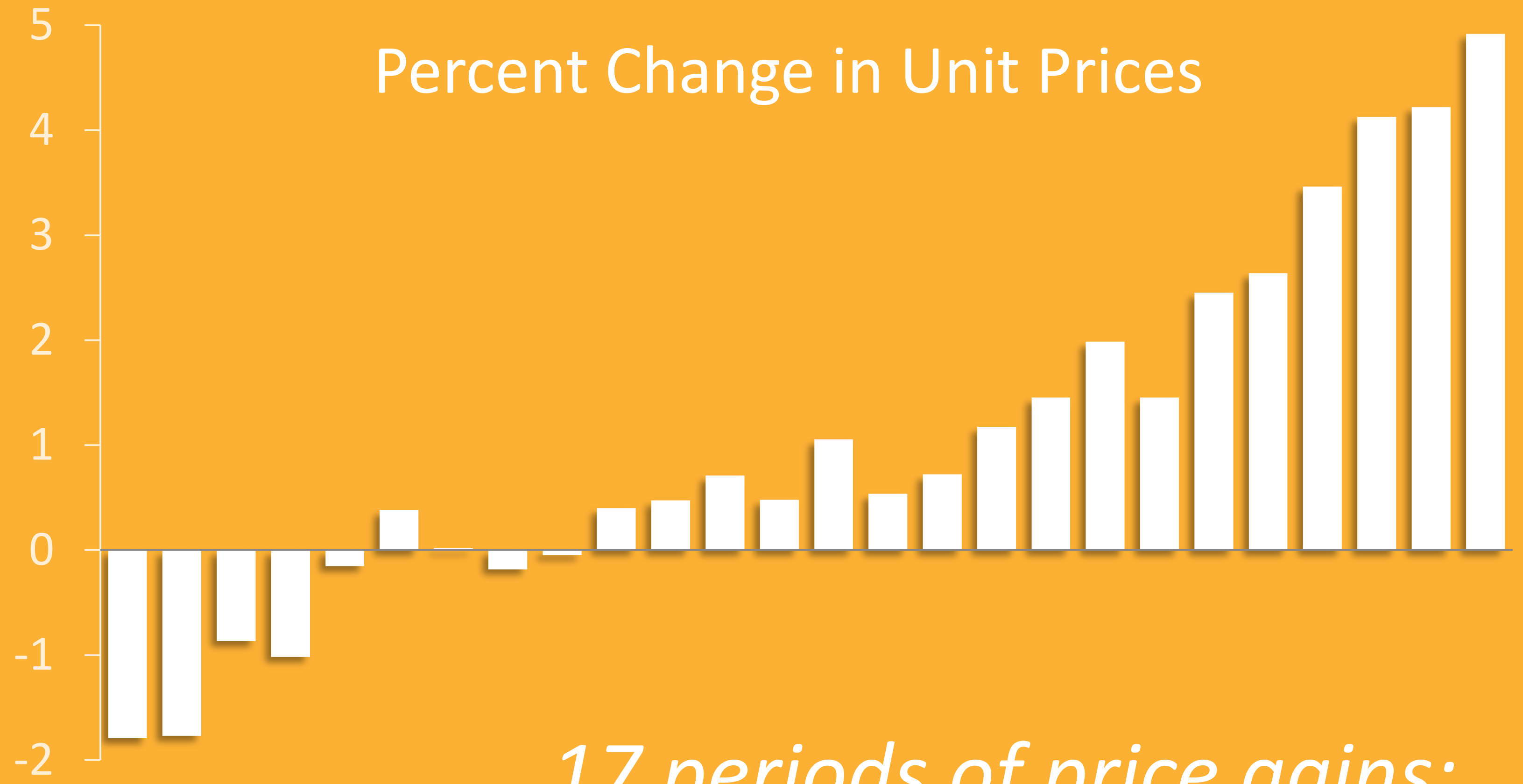
January decline wipes out 2012 gains



#coupontrends

The Conference Board - Nine census regions, 5,000 US households; 1985 = 100; conducted by Nielsen

CPG prices on the rise

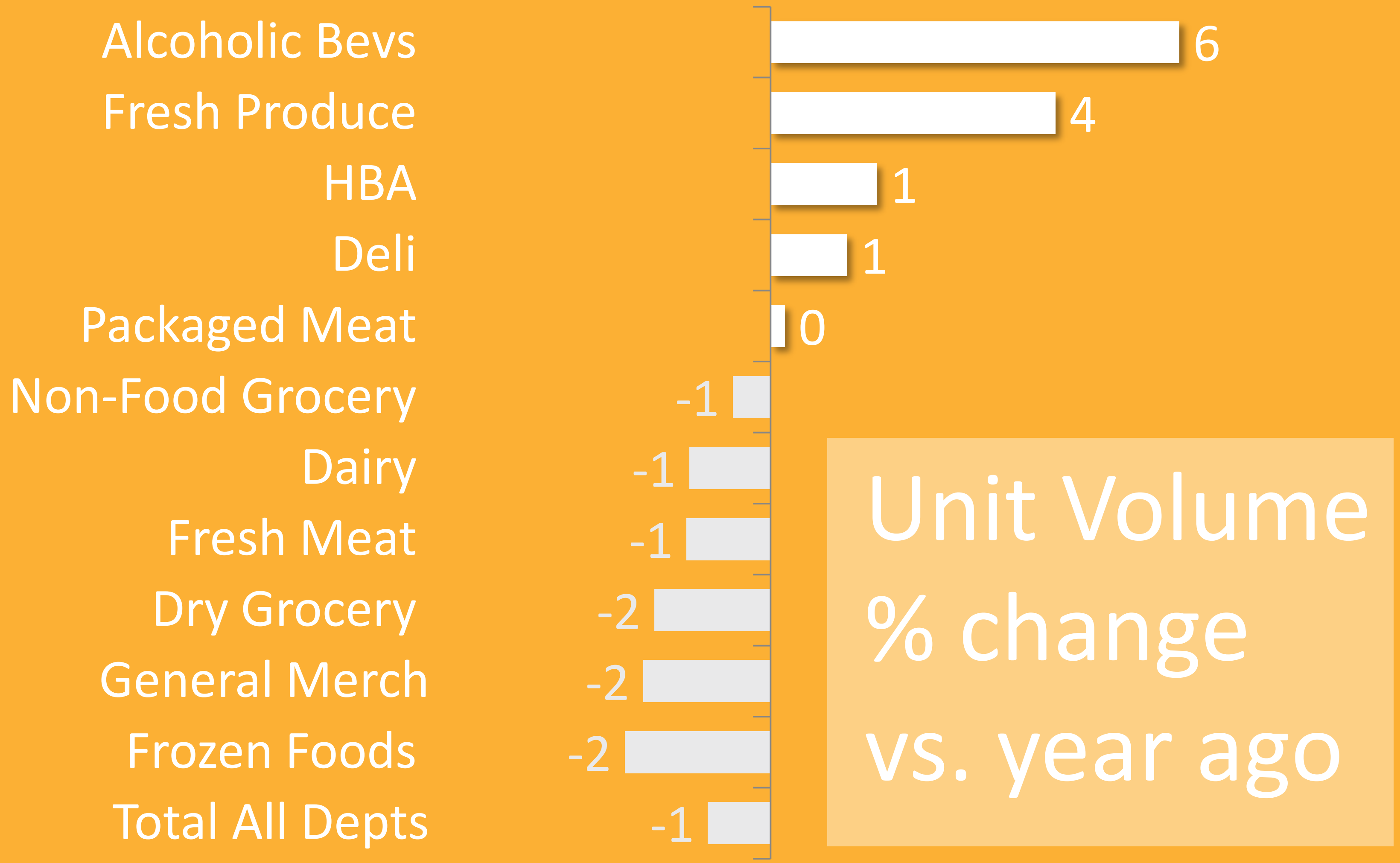


17 periods of price gains;
4.9% increase in latest period

#coupontrends

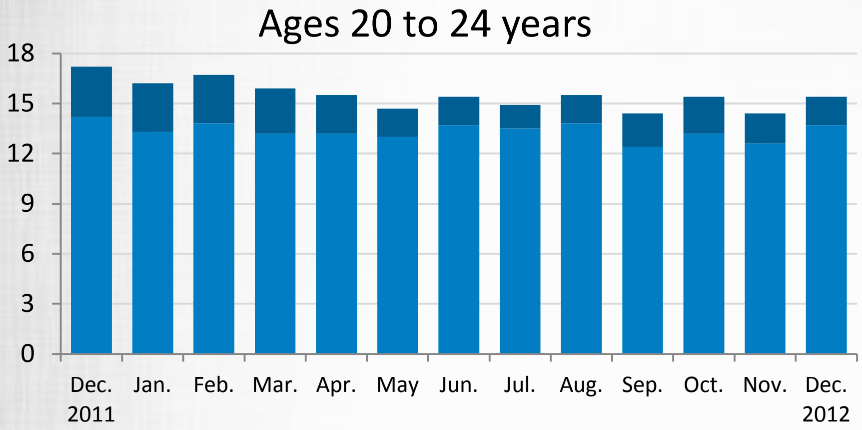
Source: Nielsen Scantrack, (U.S. FDM w/ Walmart) 4 week increments (vs. prior year); UPC-coded

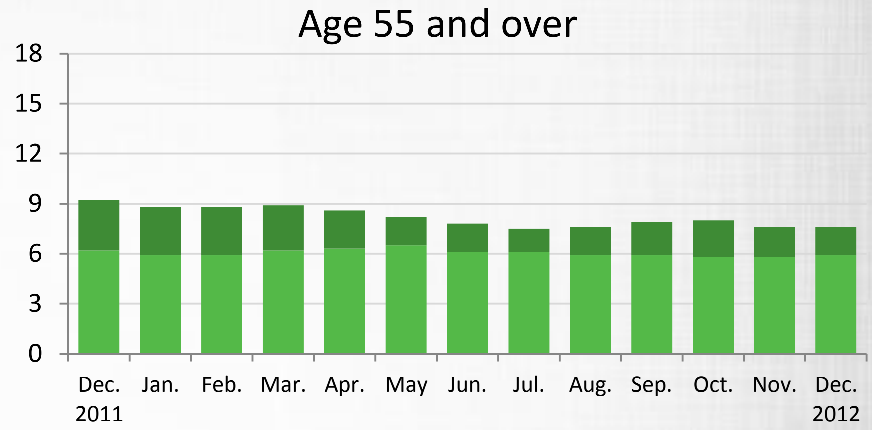
Consumers shifting spend or buying less

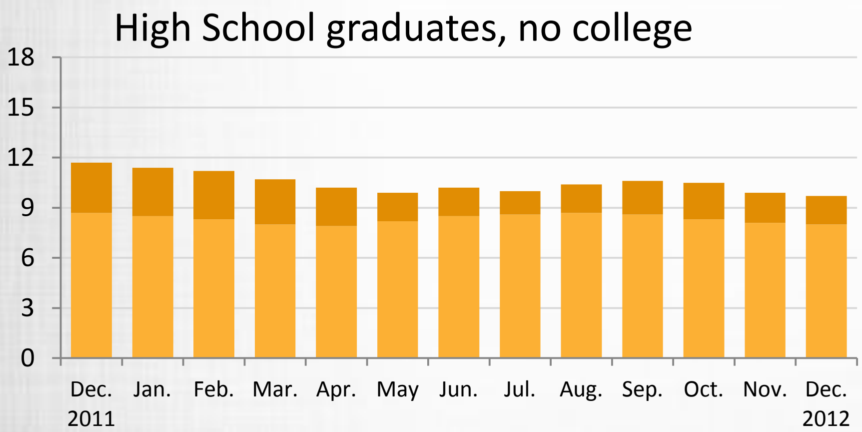


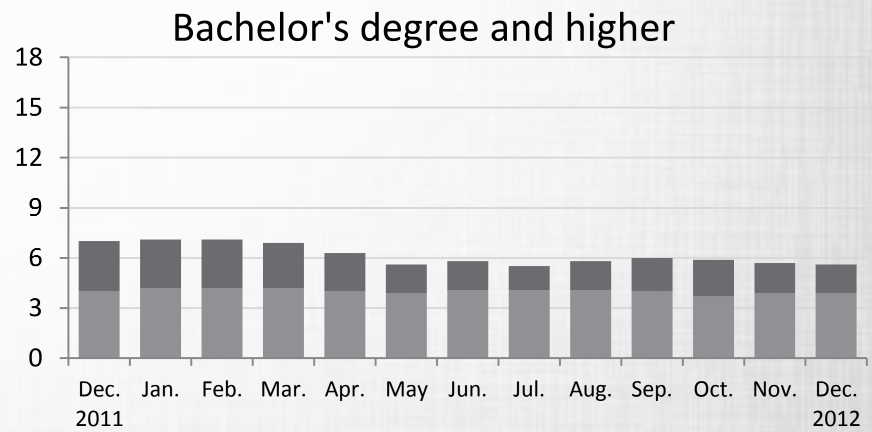
Source: Nielsen Scantrack, Total U.S. – All Outlets Combined, 52 weeks ending 12/22/2012 (vs. prior year), UPC-coded

Misery index improving…but not for younger and less educated









misery index = unemployment rate + inflation

#coupontrends

Source: Nielsen, 2012 U.S. Retail Trends U.S. Bureau of Labor Statistics; CPI non-seasonally adjusted, unempl. rate seasonally adjusted

Shoppers relying on coupons to help in down economy

54% of shoppers say they increased their coupon usage because their financial situation changed

#coupontrends

Source: 2013 Inmar Shopper Study

The payroll tax is back…

Will consumers feel the bite?

Average

$400-$2,200

a year

Source: Congressional Budget Office


Micro

Offer Attractiveness

Marketers tightening budgets after hot ’11

	2011
Q1	-3%
Q2	+4%
Q3	***+16%***
Q4	+5%

Source: 2011 Inmar Coupon Trends

Tactics Having Little Impact on Redemption

Average **_Face Value_** Distributed	Average Purchase **_Requirements_** Distributed	Average **_Redemption Periods_** Distributed
Distributed: $1.57/coupon (-1.3%)	**_Distributed:_** 1.49 units/coupon	**_Distributed:_** 2.4 months (-4.0%)
Redeemed: $1.14/coupon (+1.8%)	**_Redeemed:_** 1.61 units	**_Redeemed:_** 5.4 months (-7.0%)

#coupontrends

Redemption period by method type

2012 Coupon Fact Book

Average Redemption Period Distributed by Method (in months)

Method	2008	2009	2010	2011	2012
Beginnings Magazine	n/a	4.6	4.5	3.0	6.0
Bounceback	14.0	12.1	17.0	10.3	13.9
Color Run-of-press	2.9	2.9	1.7	7.3	2.5
Consumer Relations	13.8	10.9	11.1	3.3	5.0
Direct Home Delivery	6.0	3.5	3.5	4.4	4.7
Direct Mail	3.9	4.2	3.0	3.8	2.6
Direct Mail Co-op	3.9	3.3	3.0	2.8	2.7
Direct Mail with Sample	8.5	7.0	7.1	6.6	7.9
Electronic Checkout	4.5	4.6	4.5	4.6	4.0
Electronic Kiosk	3.5	3.5	4.5	3.8	2.1
Electronic On-cart	5.5	5.0	n/a	n/a	1.0
Electronic Shelf	2.8	3.3	3.3	3.5	3.1
Free-standing Insert	2.6	2.3	2.2	2.1	1.9
Handout	6.6	6.8	6.4	6.3	6.2
Handout Co-op	4.4	3.8	3.8	5.2	2.4
Handout In-store with Sample	10.0	12.9	12.4	13.6	8.9
Handout Off-store Location	5.2	5.3	9.8	9.0	9.7
Handout Off-store Location Co-op	14.1	8.7	10.5	4.3	3.1
Handout Off-store Location with Sample	6.2	10.8	15.8	10.3	13.2
Hospital Sample	15.8	16.7	17.2	16.2	16.4
In-ad	0.9	1.4	0.9	1.0	1.1
In-pack	15.7	15.6	15.4	16.2	14.4
In-pack Cross Ruff	15.4	16.9	18.3	14.1	12.7
Instant Redeemable	7.6	8.7	9.7	9.0	8.3
Instant Redeemable Cross Ruff	6.7	8.7	7.4	9.8	5.1
Internet	6.5	7.2	7.1	7.9	6.1
Magazine On-page	3.6	4.4	3.9	4.7	4.7
Magazine Pop-up	6.2	4.7	8.2	5.1	3.8
Military Handout	4.7	5.2	4.6	4.7	4.2
Military Magazine	5.5	3.2	4.3	3.4	3.9
Military Shelf Pad	8.1	8.3	7.7	8.0	7.7
Newspaper Co-op	5.0	2.4	3.7	1.5	n/a
Newspaper Run-of-press	2.9	1.9	2.8	2.5	3.0
On-pack	10.1	13.2	10.0	9.7	8.4
On-pack Cross Ruff	8.2	8.4	12.9	8.1	6.8
Prenatal	24.0	n/a	20.9	n/a	n/a
Shelf Box	5.0	5.9	6.9	6.5	6.7
Shelf Pad	5.1	4.8	5.1	4.7	4.8
Sunday Comics	n/a	n/a	n/a	3.0	n/a
Sunday Supplement	3.2	2.0	1.4	2.0	3.7

58% *My coupons often expire before I have the chance to use them.*

Source: 2013 Inmar Shopper Study

New product trial dampening redemption

190

Manufacturers Promoting New Products via FSI in 2012

(+9.9% over 2011)

727

New Product Event Dates in 2012

(+23.2% over 2011)

93

Categories Featuring New Product Events in 2012

(+13.4% over 2011)

"I can't find coupons for the products I want to buy" 52.83%

#coupontrends

Source: Kantar Media (Marx)

Shopper Behavior

Changing shopper sentiment: From *effort* to *entitlement*

"If I put in the effort, I can get deals on the brands I buy."

"If I shop a store a lot, I shouldn't have to work for deals I deserve."

Shopper attitudes to coupons

65% Don’t think they should have to work for deals.

80% Using coupons makes me feel smarter.

66% I would use coupons more if they were more available online.

36% I am not sure where to get coupons for the products that I want to buy.

37% I wish all coupons were digital.

Source: 2013 Inmar Shopper Study

Why shoppers use coupons

Compared to 2011, shoppers reported coupon usage in 2012:

#coupontrends

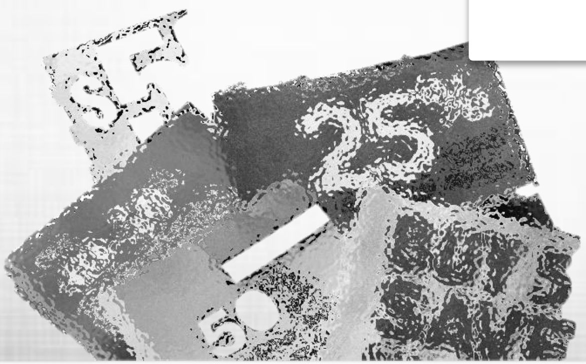
Source: 2013 Inmar Shopper Study

Shoppers want easy and personalized offers

65% "I want coupons loaded to my **store loyalty card** for products that I normally buy."

65% *"I want **stores to email** me with coupons for products that I normally buy."*

63% *"I want all available **store coupons** to be loaded onto my store loyalty card."*



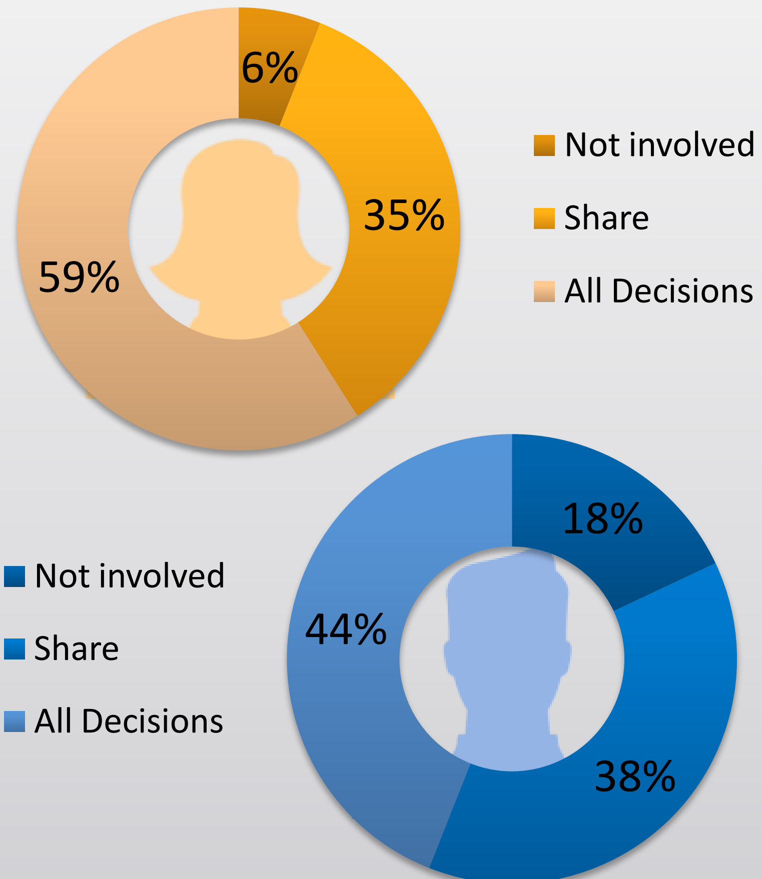
#coupontrends

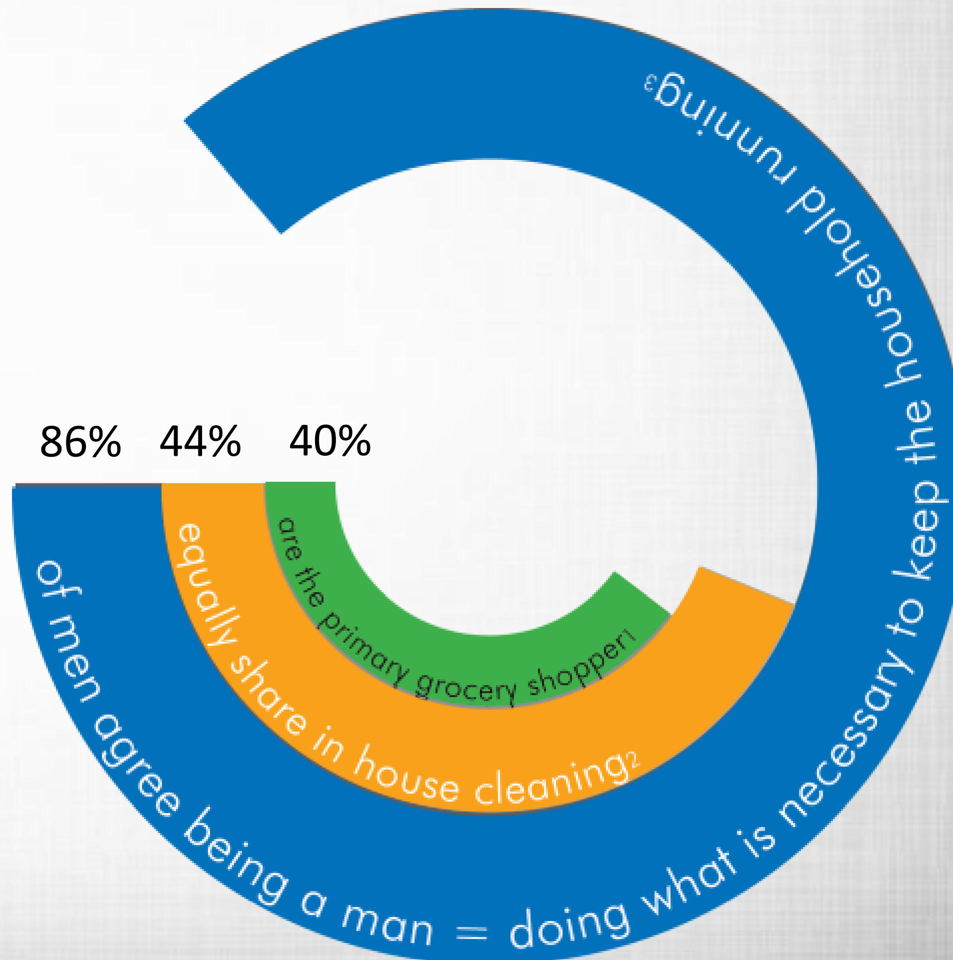
Source: 2013 Inmar Shopper Study

Rise of the Mansumer

#mansumer

Participation in holiday meal planning



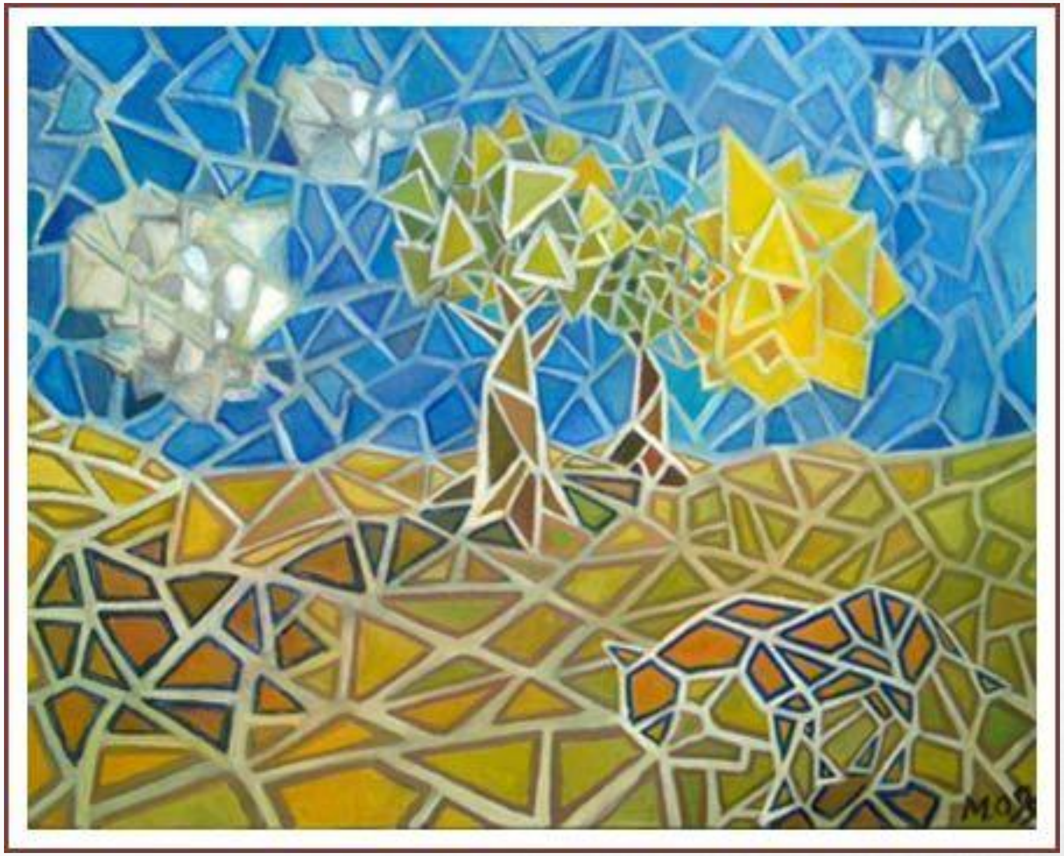


#coupontrends

Sources: 2012 Inmar Holiday Study, KSDK, Men's Health, Spike Network's 'State of Men' study

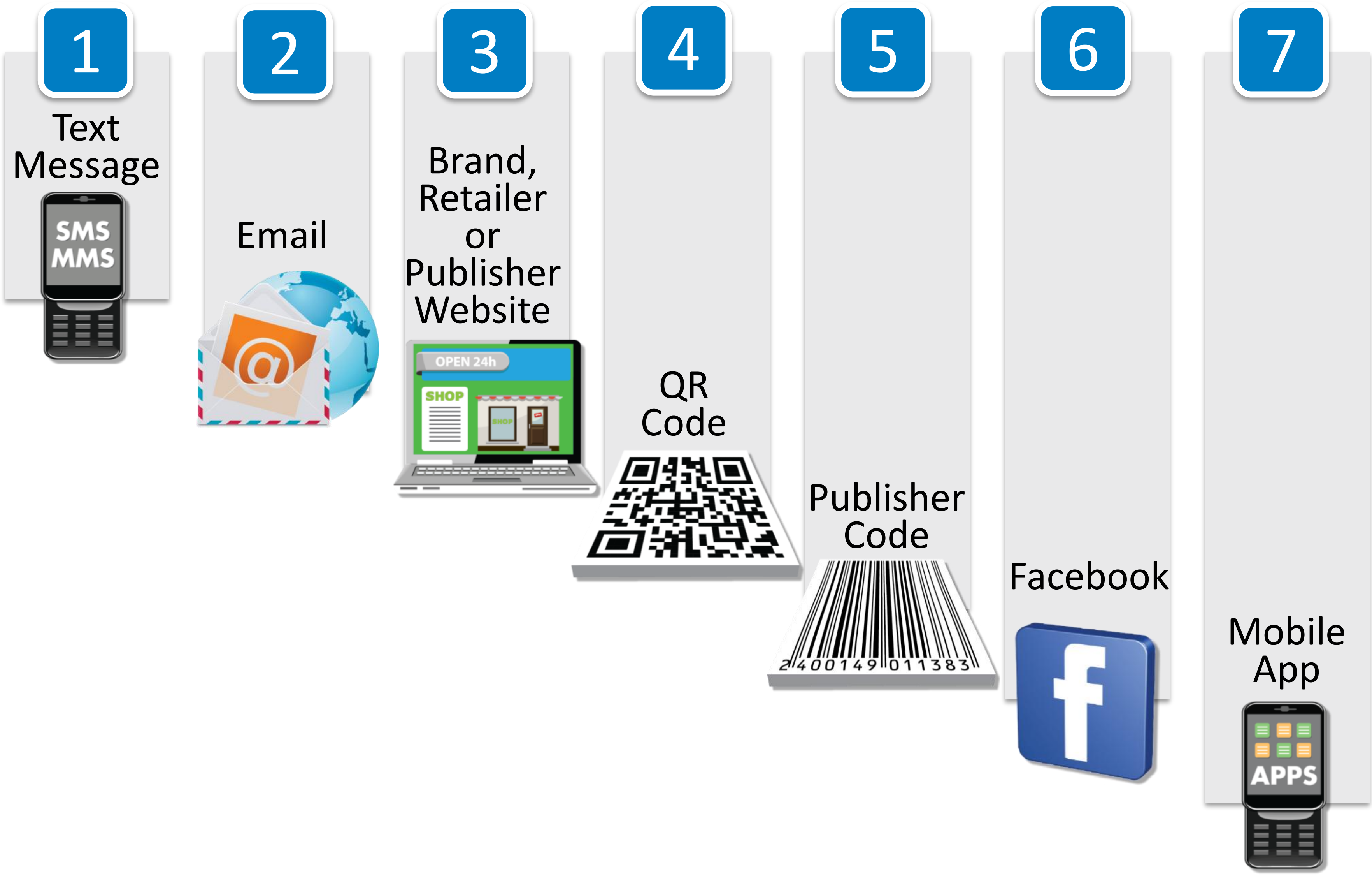
Digital Fragmentation

One word to describe the digital offer landscape



Artist credit: Morten Fangok Olesen

7 Ways to Receive a Digital Offer



#coupontrends

How can we help you?

How digitally discovered coupons are redeemed

Redeemed like paper

Text

Email

Website

Social

QR (et al)

Apps

Manifests as a paper coupon
Redeems as a paper coupon
Settles as a paper coupon

Paperlessly redeemed

Retailer Loyalty Program (i.e. eWallet/ Direct-to-Card / Save-to-Card)

Unique Identifier (10-digit mobile)

Loyalty Aggregator (AOL shortcuts, SavingStar, etc.)

"Closed" Retailer Program (Target, Walgreens, Starbucks, etc.)

Never manifests as paper
Redemption recorded separately

So many choices or too many choices?

In 2013, the number of retailer storefronts which accept paperless coupons is expected to grow 50% or more depending on channel.

Clips:

250 Million

Digital coupons redeemed:

27.5 million

#coupontrends

Source: 2012 Inmar Coupon Report

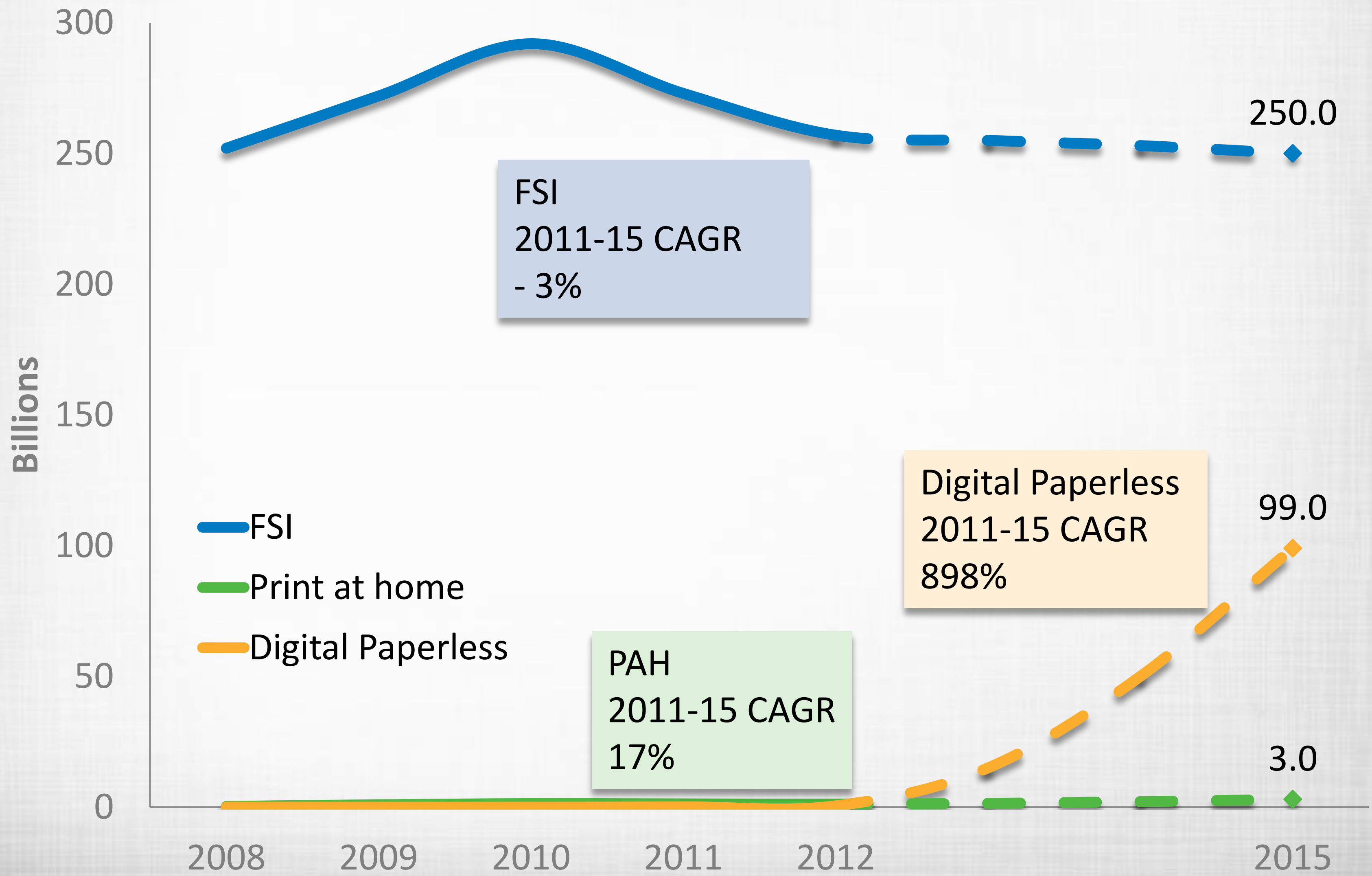
Average redemption rate: **11%**

Average face value: **$0.91**

#coupontrends

Source: 2012 Inmar Coupon Report

Digital paperless coupon distribution is on the rise



Source: 2012 Inmar Coupon Report

2012 Coupon Trends
Conclusion

2012 Coupon Trends

Conclusion

Slight to modest increase in redemption volume over 2012

Thank you.

Questions?

Don’t forget to join us in the LinkedIn Promotions Room!

Intelligent Commerce Networks®

Devora Rogers

devora.rogers@inmar.com
336.770.3495

@devoraerogers

@InmarInc