

Coupon Redemption Trend Analysis: CPG Marketers are Spreading Media Too Thin

Marketers Must Balance Satisfying Consumer Demand for Savings With the Right Media Mix

LIVONIA, Mich., February 13, 2018: [NCH Marketing Services](#), a subsidiary of [Valassis](#), a leader in activating consumers through intelligent media delivery, today reports its Year-End 2017 Coupon Trends Analysis for Consumer Packaged Goods (CPG). Findings reveal that consumers achieved \$3.1 billion in savings over the last year, with the average face value of coupons available increasing to \$1.95. However, CPG marketers missed an opportunity to capture additional consumer redemption, due to shifts in coupon media allocation.

Catering to consumers' increasing digital use, CPG marketers drove a 27 percent increase in overall digital distribution. While this contributed to an additional 47 percent in paperless coupon redemption, it was less than 12 share points of total 2017 redemption, and insufficient in scale to replace volume shifted from marketers' other coupon strategies. As a result, overall CPG coupon redemption declined in 2017.

"The challenge of delivering the right coupon media mix is not new to CPG marketers, but it is now compounded by a changing retailer landscape, shifting consumer product preferences and value-seeking shopping behaviors across the path to purchase," said **Charlie Brown, Vice President of Marketing, NCH**. "Marketers are striving to continually optimize and improve results, and when it comes to coupons, that takes a bit of art and data science to build the appropriate coupon strategy. Companies who strike the right balance of print and digital media can expect improved results in a transforming CPG environment."

Additional key findings from the analysis reveal:

- **Free Standing Insert (FSI) remains the predominant vehicle to reach consumers.**
 - This media channel represented 93.7 percent of coupon distribution volume and was the top media format for redemption volume as well.
 - The average number of CPG coupons per FSI page increased 5 percent to 2.1 in 2017, per Kantar Media. NCH's analysis finds coupons appearing alone on an FSI page generate 17 percent more redemption volume, on average, compared to coupons that share an FSI page with other coupons.
- **\$573 billion was available in savings incentives to consumers in 2017.**
 - Nearly 61 percent of consumers are influenced by coupons on their grocery purchases (according to Prosper Insights & Analytics, January 2017).
- **An increasing amount of savings is offered in non-food categories.**
 - Nearly 70 percent of all CPG coupon distribution was in non-food categories, such as over-the-counter health care products and household goods.

Prior Valassis research based on consumer behavior and preferences indicates that shoppers want to receive savings in both print and digital formats. According to the [2K17 Valassis Coupon Intelligence Report](#), mail ranks as the most preferred way to obtain coupons, while smartphones/mobile devices recorded the greatest increase.

Acknowledging this trend and market need, the Valassis Consumer Activation Score enables advertisers to precisely target value-oriented audiences and deliver the deals they want to receive. Learn more about the solution [here](#).

About Valassis

[Valassis](#) helps thousands of local and national brands tap the potential of industry-leading data through intelligent media delivery – understanding, engaging and inspiring millions of consumers to action with smarter cross-channel campaigns. We've been a part of consumers' lives for decades, introducing new ways to deliver offers and

messages that activate them — whether via mail, digital, in-store or the newspaper. NCH Marketing Services, Inc. and Clipper Magazine are Valassis subsidiaries, and RedPlum® is its consumer brand. Its signature Have You Seen Me?® program delivers hope to missing children and their families. Valassis and [RetailMeNot](#) are wholly owned subsidiaries of [Harland Clarke Holdings](#).

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