

## **Price-drop motivation. Shoppers' enthusiasm for low-value coupons increases**

Supermodels say they won't get out of bed for less than £10,000 and it seems that consumers also have their price when it comes to what they believe to be an acceptable incentive – but, surprisingly, that price is dropping.

A snapshot of results drawn this week from the third PM/CCB fastMAP Marketing-GAP tracking study – results will be reported in full in the November 30 issue – shows that half of consumers won't bother to redeem a coupon worth 20p, while 70per cent will redeem coupons or vouchers worth £5 or more.

Since three fifths of coupons are delivered by direct mail (*Valassis 2007 Coupon Report*), consumer responsiveness to this promotional device is of great interest to the DM industry.

As the coupon face value increases so does the percentage of those willing to redeem it: 57per cent will cash a 50p coupon; and 68per cent one worth £1.

These figures reveal a massive increase in enthusiasm for coupons since 2006, when only 17per cent said they'd redeem a 20p coupon; 23per cent a 50p one; 29per cent, a £1; and 31per cent, £5.

"It seems that people are becoming more used to receiving and using coupons and vouchers delivered to their doors via the loyalty schemes of trusted retailers such as Tesco, M&S and Homebase. They are becoming more motivated to look for and use these rewards and the lower-value, door-dropped fmcg coupon is benefiting from this overall uplift in popularity," says David Cole, MD of CCB FastMAP which is running the online tracking study.

Both years, a mere seven per cent of marketers correctly estimated the £5 response levels and their judgement was even less astute when it came to judging consumers' attitudes to the lower-value coupons.

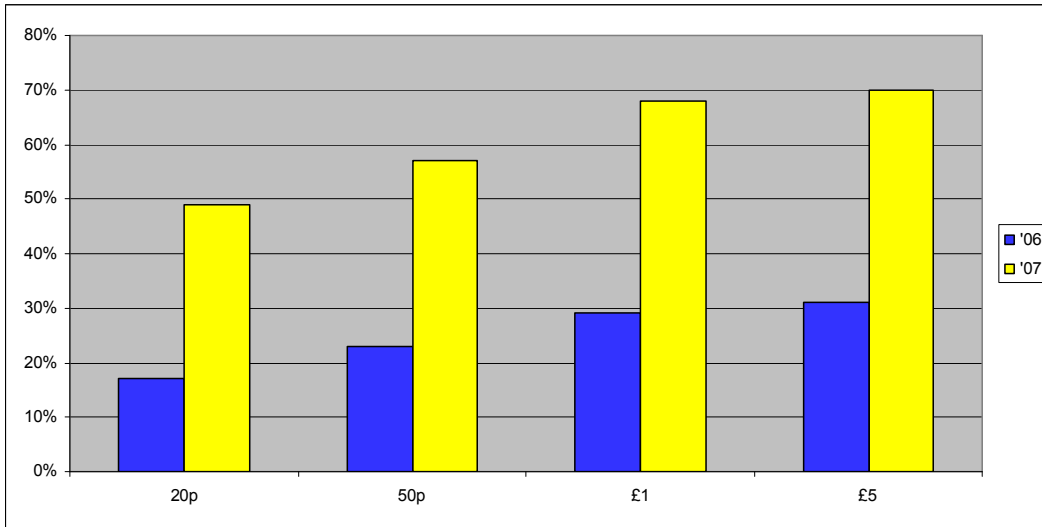
In 2006, 20per cent of marketers correctly judged that around 17per cent of shoppers would use a 20p coupon.

In 2007, only one per cent correctly predicted that around 49per cent would do so. In fact, in 2007, almost three quarters of marketers incorrectly estimated that fewer than ten per cent of consumers would bother with a 20p coupon, showing that marketers have failed to recognise the growing popularity of this sales incentive.

Marketers also significantly underestimated the power of the 50p coupon in 2007, with almost half saying that fewer than a tenth of shoppers would be motivated to use one – when in fact, three fifths of consumers would do so.

### **Do you redeem coupons or vouchers if they are over the value of....?**

Consumers	06		07	
	Yes	No	Yes	No
20p	17%	33%	49%	51%
50p	23%	27%	57%	43%
£1	29%	21%	68%	32%
£5	31%	19%	70%	30%



	Marketers '06				Marketers '07			
	20p	50p	1	5	20p	50p	1	5
0 – 10%	43%	19%	8%	7%	72%	46%	20%	10%
11 – 20%	20%	19%	14%	7%	15%	21%	18%	14%
21 – 30%	17%	26%	20%	15%	7%	18%	16%	11%
31 – 40%	7%	17%	19%	7%	2%	7%	20%	10%
41 – 50%	5%	7%	11%	14%	1%	4%	9%	18%
51 – 60%	4%	7%	12%	10%	1%	1%	10%	10%
61 – 70%	1%	1%	7%	10%	1%	0%	4%	7%
71 – 80%	1%	1%	5%	11%	0%	1%	1%	7%
81 – 90%	2%	1%	2%	8%	1%	0%	1%	8%
91 – 100%	0%	1%	1%	11%	0%	0%	1%	4%