

www.clickz.com/em_mkt/opt/article.php/1470471

Coupons, Coupons, Get Your Coupons Here!

By [Al DiGuido](#)

September 26, 2002

[Last month](#) we talked about the never-ending bill parade and how marketers could use email to automate and to reduce the rising costs associated with traditional billing. If you remember, transactional mail represents almost half of all first-class mail in the United States today. This week I turn my attention to the other infamous paper barrage -- coupons!

As a practitioner and student of direct marketing, opening my mailbox at home is always an educational experience for me. The mailbox has long served as the bread and butter of the hugely successful direct marketing industry. And even though I predominantly work in the email medium, the examples and lessons that fall out of my mailbox invariably shed important light on marketing trends, consumer behavior, and communication opportunities.

Like millions of Americans, several times a month I receive coupons from a variety of sources. These coupons are generally produced and sent on behalf of consumer packaged goods (CPG) manufacturers, grocery retailers, or other retailers. Some are marketed to the masses and fall like rain from my Sunday paper, others seem more relevant because of their placement, and still others are personalized and targeted based on my patronage at a particular retailer or service establishments, such as Jiffy Lube. For many years, coupon mailers have driven considerable revenue from these efforts.

By offering discounts and incentives, coupons help marketers meet several challenges, including acquiring new customers, generating sales in a competitive marketplace, building long-term loyalty and brand preference, and upselling/cross-selling across brand portfolios. But in my constant quest to help marketers integrate, automate and optimize, I have to ask the inevitable question: How can we make these efforts more efficient and effective with the tools we have today? In short, what is the opportunity, challenge, and need for marketers today using the various tools and media at their disposal? I believe the opportunity is tremendous and at the center of it all is email.

Consumer Demand: The Opportunity

Recently, the coupon has gained increasing traction in the email medium, particularly among grocery retailers and CPG manufacturers, and for good reason. An August 2002 [survey and report](#) from Forrester Research points out why email users make up an incredibly attractive segment for marketers:

- Email users both earn more money and spend more on groceries. The average household income for email users is \$47,047 compared to \$43,173 for nonusers. Users spend \$6,976 annually on groceries versus \$6,558 for nonusers.
- The overwhelming majority of primary grocery shoppers -- 92 percent -- indicated

it would take advantage of email services such as coupons and meal suggestions from CPG manufacturers.

- A strong portion of shoppers -- 31 percent -- uses deals when buying groceries.
- Survey respondents were most interested in subscribing to email notices about new products.

When you combine email users' income and spending data with the high level of interest in email among overall grocery shoppers, it's quite evident that CPG manufacturers and retailers have a significant opportunity in front of them using the email medium. Here's why.

Relevance and Efficiency: The Challenge and Need

Like most industries, CPG manufactures and local supermarkets are constantly competing to acquire new customers, drive sales in a competitive market place, upsell/cross sell, and build long-term loyalty among new and existing customers. In addition, the technological advances in checkout systems, combined with the rise and usage of loyalty cards, have further empowered marketers to build more relevant offers for their customer bases over time. Furthermore, the additional insight gained from these large and growing databases has enabled supermarkets and CPG manufacturers to consider the efficiency and effectiveness of integrating and timing relevant email communications with their existing offline efforts -- to stimulate demand, encourage product sampling, and increase usage/loyalty.

The beauty of this opportunity is that, as we've have learned from Forrester Research, coupons fall directly into email's sweet spot. It's no secret email provides a highly one-to-one experience that is more cost effective than any other medium. The speed, flexibility, and customization capabilities of email enable marketers to deliver individualized electronic coupons based on each recipient's profile. These coupons can be printed for in-store redemption or used at e-commerce sites. Unique bar codes can even be generated to protect against fraud. Furthermore, these coupons can be tied to the individual profile to enhance the knowledge base and back-end return on investment (ROI) analysis upon redemption.

Best of all, with email these communications and promotional initiatives can be personalized and automated throughout the customer lifecycle. Time-delayed reminder alerts can be easily set up to help drive product purchases. Viral marketing can be implemented to encourage additional usage. Super-personalized communications can be delivered to help retain customers, boost redemption, and reactivate lapsed buyers cost effectively.

Getting Started

Like all direct marketing techniques, the keys to building a successful email program lie in first understanding your audience and your data, then delivering relevant and valuable content. Focus on building an email strategy to optimize your communications and automate where possible. As an example, topics such as recipes, meal planning, cleaning, and decorating allow marketers to deliver added value and content along with the corresponding relevant discounts and incentives. Furthermore, you can sequence and automate offers based on email response and on whether the coupon was redeemed. Co-market brands to create more relevant upsell and cross-sell opportunities. Integrate and test online and offline efforts to measure their impact on loyalty, incremental revenue, and ROI.

Finally, get started today if you haven't yet. Thousands of retailers have already recognized this growing market opportunity and are building competitive advantage by

tackling their challenges and addressing individual consumer needs through the integration and automation of email communications into the marketing mix.

Until next time,

AI D.

[Back to Article](#)

Copyright 2004 INT Media Group, Incorporated. All Rights Reserved.
[Legal Notices](#), [Licensing](#), [Reprints & Permissions](#), [Privacy Policy](#).

<http://www.internet.com>