



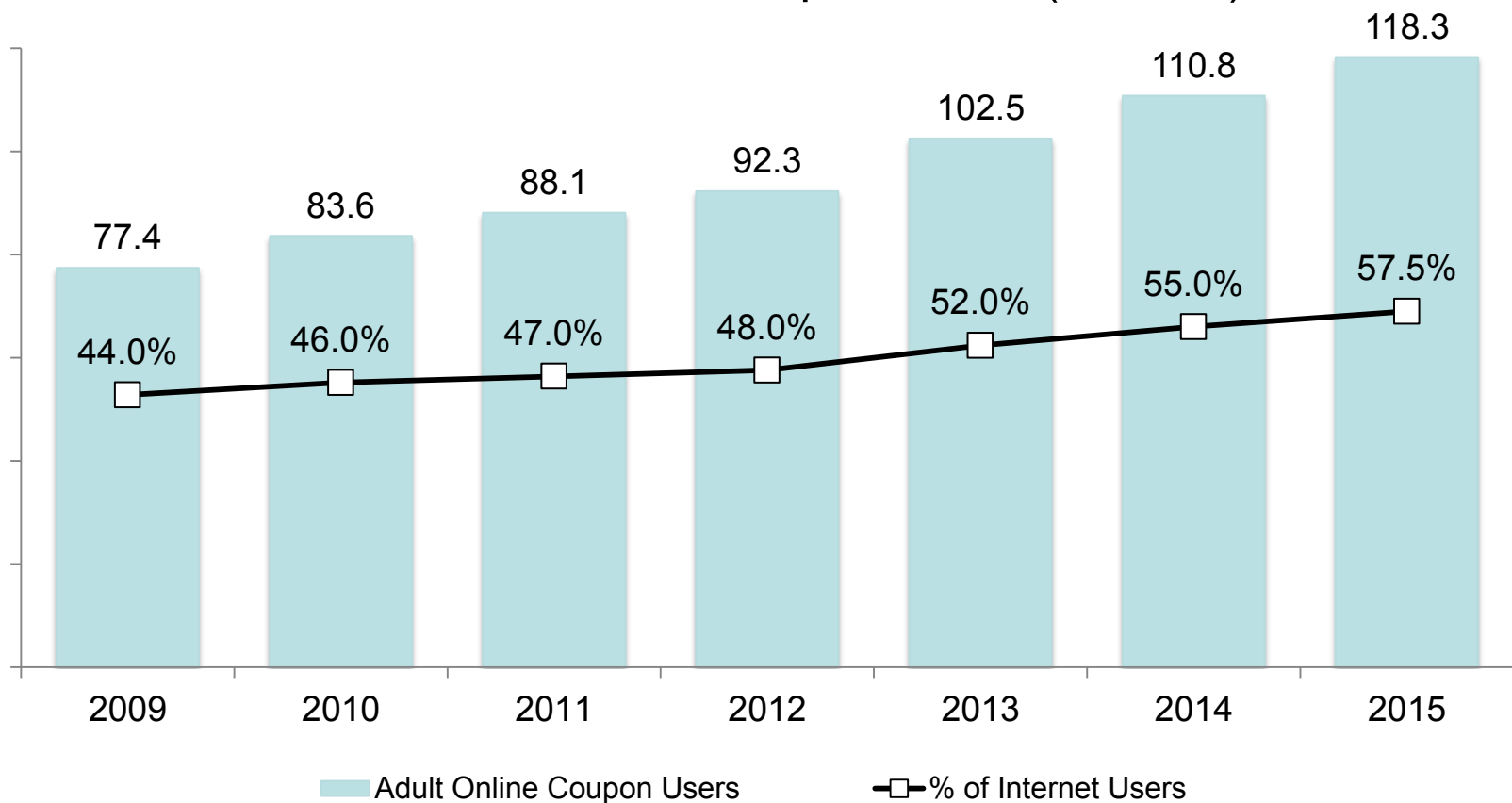
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Digital Coupon Redeemer: Shopper Trends



Online Coupon Usage Continues To Grow

US Adult Online Coupon Users (millions)



Note: Internet users ages 18+ who redeemed an online coupon/code for online or offline shopping in the past year

Source: eMarketer, April 2013



Digital Coupon Redeemer: Shopper Trends

Background

- Selected 160 Digital Coupon campaigns
- Looked at the last 52 weeks of data through December 31, 2013
- Represented the following major categories (and 32 sub categories):
 - Food
 - Beverage
 - Health & Beauty Care
 - Household care
 - Pet Care
- Looked at 2,165,499 unique households –
Flagged 63,155 as Digital Coupon redeemers





Data Source: The National Shopper Lab

- Data is collected from retailer frequent shopper programs, demographically representative of Total U.S.
- Weekly transaction-level purchase data
 - 17+ million frequent shoppers – 2.1 million frequent shoppers (research quality static)
 - By UPC, Store
 - With price and coupon redemption (by day if required for promotion evaluations)
 - The whole coupon is captured (first 5 digits are Manufacturer Code; the next 3 are “family” and the last 2 are “value”).
 - 3 year rolling purchase history





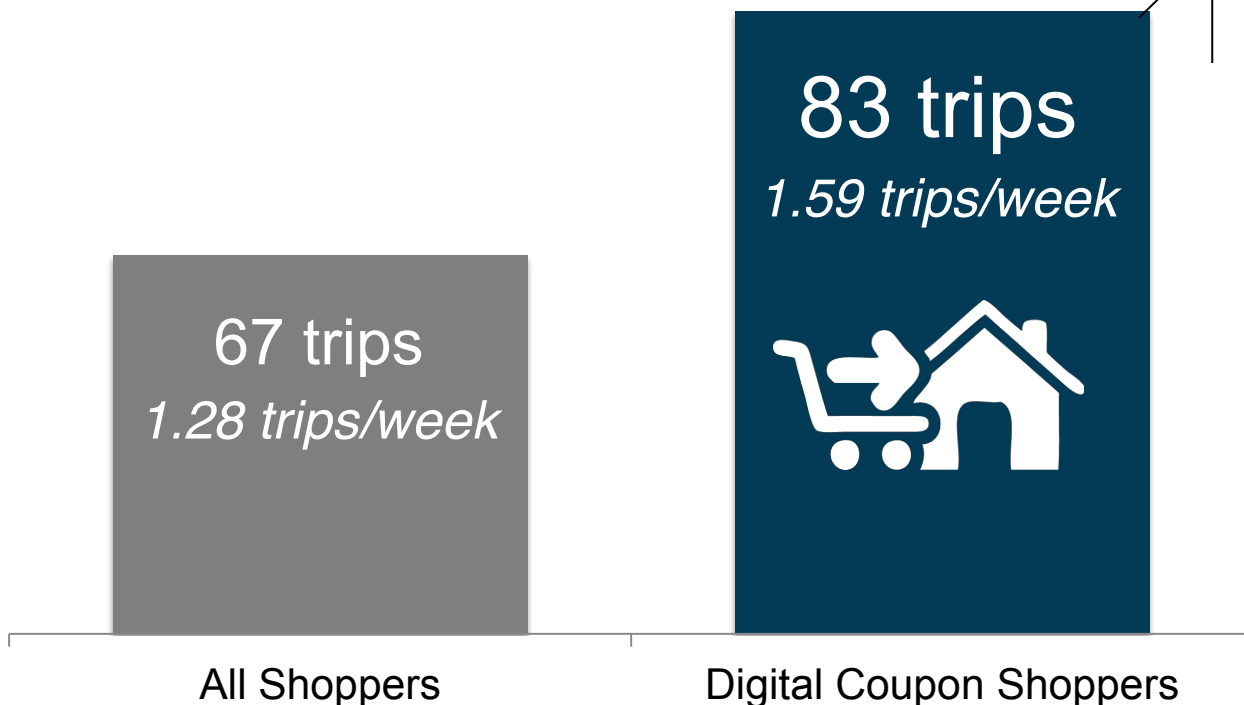
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Digital Coupon Shoppers Make 24% More Trips Annually

Average Annual # of Trips

24%

*more trips are made
by digital coupon
shoppers than the
average shopper*





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Digital Coupon Shoppers Spend 6% More Dollars per Trip.

Average Dollars per Trip



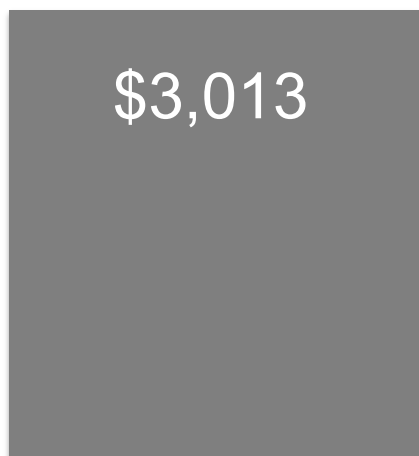
Across 160 campaigns vs. GfK database | n=2,165,499 HH's for all shoppers | n=63,155 Digital Coupon shoppers | 52 weeks ending 12/31/13



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Digital Coupon Shoppers Spend 32% More Annually on Groceries

Average Annual Dollars per Household



All Shoppers



Digital Coupon Shoppers

*Digital coupon
shoppers spend*

32%

*more than the
average shopper*



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Heavy Digital Coupon Shopper Snapshot

35%

More Trips are Made
Than The Average Shopper

90 Trips or 1.7 Trips/Week



48%

More Dollars Spent Per Trip
Than The Average Shopper

\$67.06 per Trip



Spends
Over

\$3k

More Than The
Average Shopper

\$6,008 per Year



Heavy Digital Coupon Shopper: Top 1/3 of Redeemers

Across 160 campaigns vs. GfK database | n=2,165,499 HH's for all shoppers | n=63,155 Digital Coupon shoppers | 52 weeks ending 12/31/13





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A Closer Look at Stock Up Trips

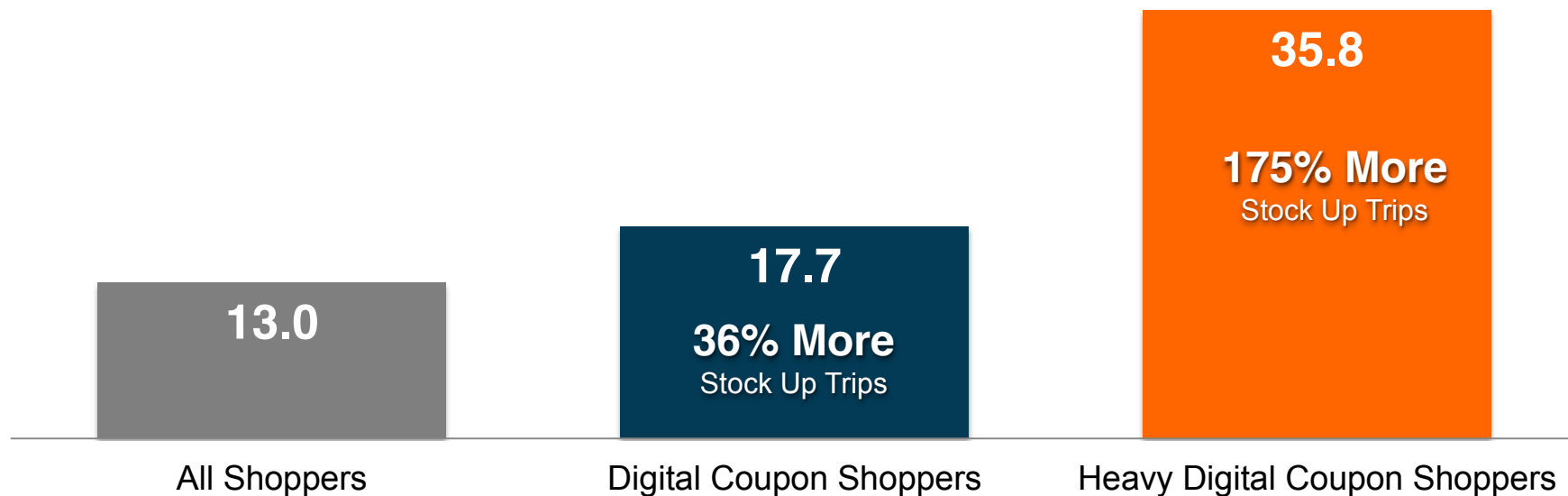




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Trip Mission: Among the Stock Up Trips >\$75.00

Average Trips per Household



Heavy Digital Shoppers: Top 1/3 of Redeemers

Across 160 campaigns vs. GfK database | n=2,165,499 HH's for all shoppers | n=63,155 Digital Coupon shoppers | 52 weeks ending 12/31/13



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Trip Mission: Among the Stock Up Trips >\$75.00

Average # Coupons per Trip



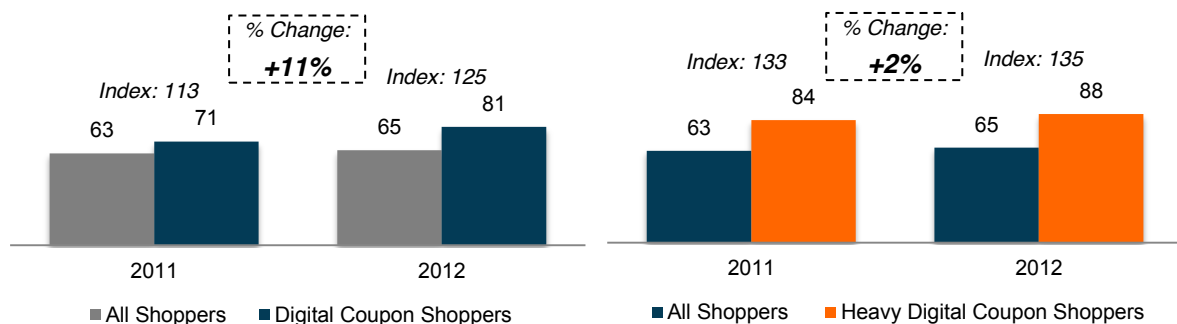
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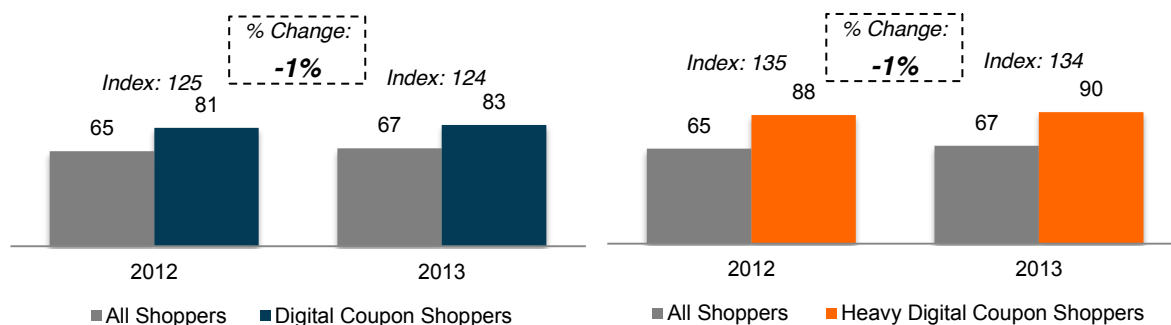
Avg. Annual Trips 2011 vs. 2012 Shopper Trends

Avg. Annual
Trips



Avg. Annual Trips 2012 vs. 2013 Shopper Trends

Avg. Annual
Trips





Avg. Dollars per Trip 2011 vs. 2012 Shopper Trends

Avg. Dollars
per Trip



Avg. Dollars per Trip 2012 vs. 2013 Shopper Trends

Avg. Dollars
per Trip





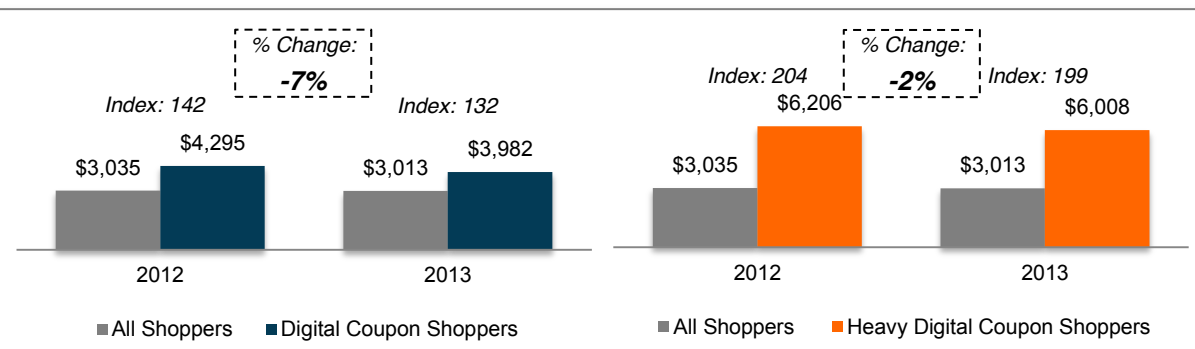
Avg. Annual Dollars per HH 2011 vs. 2012 Shopper Trends

Avg. Annual
Dollars per HH



Avg. Annual Dollars per HH 2012 vs. 2013 Shopper Trends

Avg. Annual
Dollars per HH





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Coupon Performance

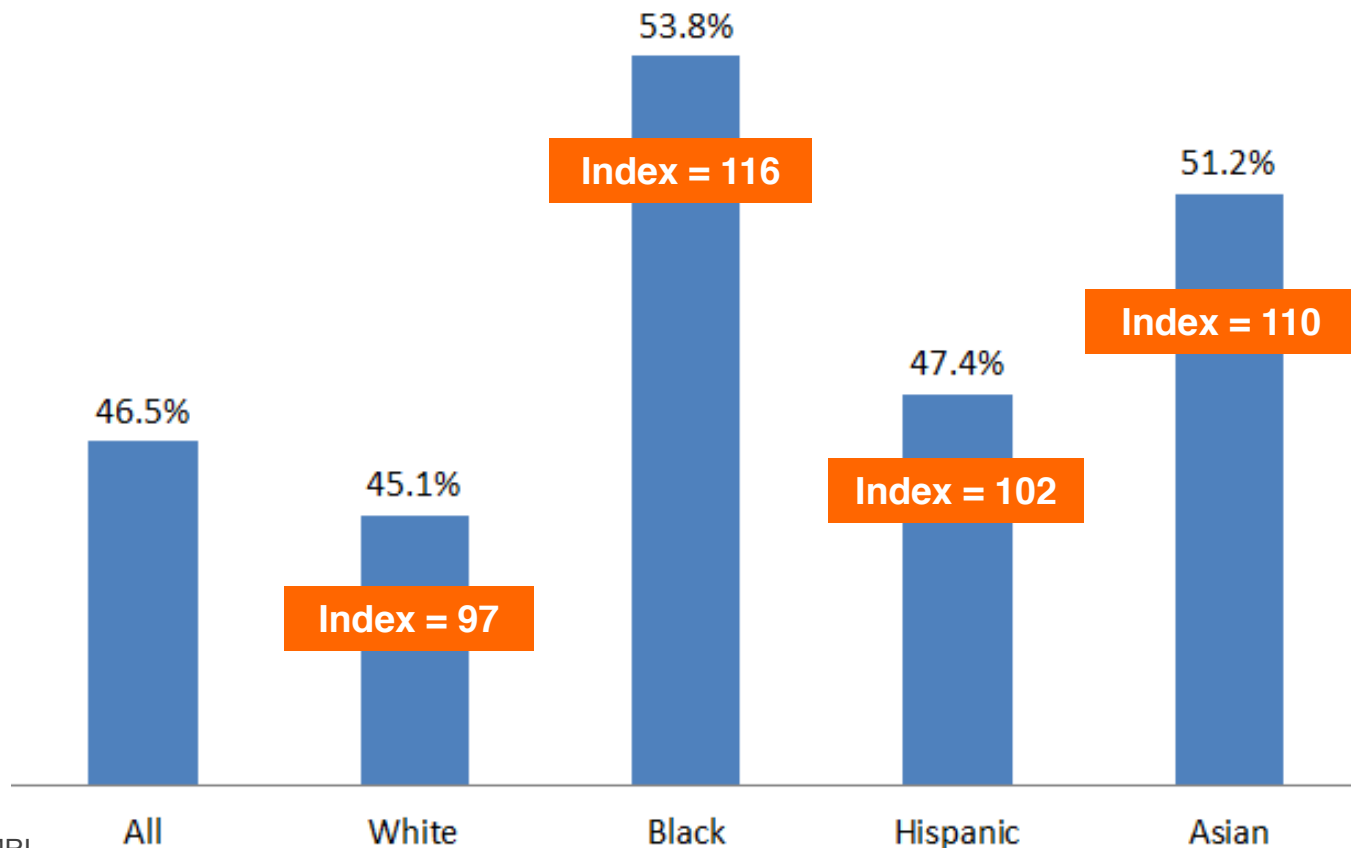




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Nearly half of all shoppers will switch brands to use a coupon... with Black and Asian shoppers being a little more inclined to do so.

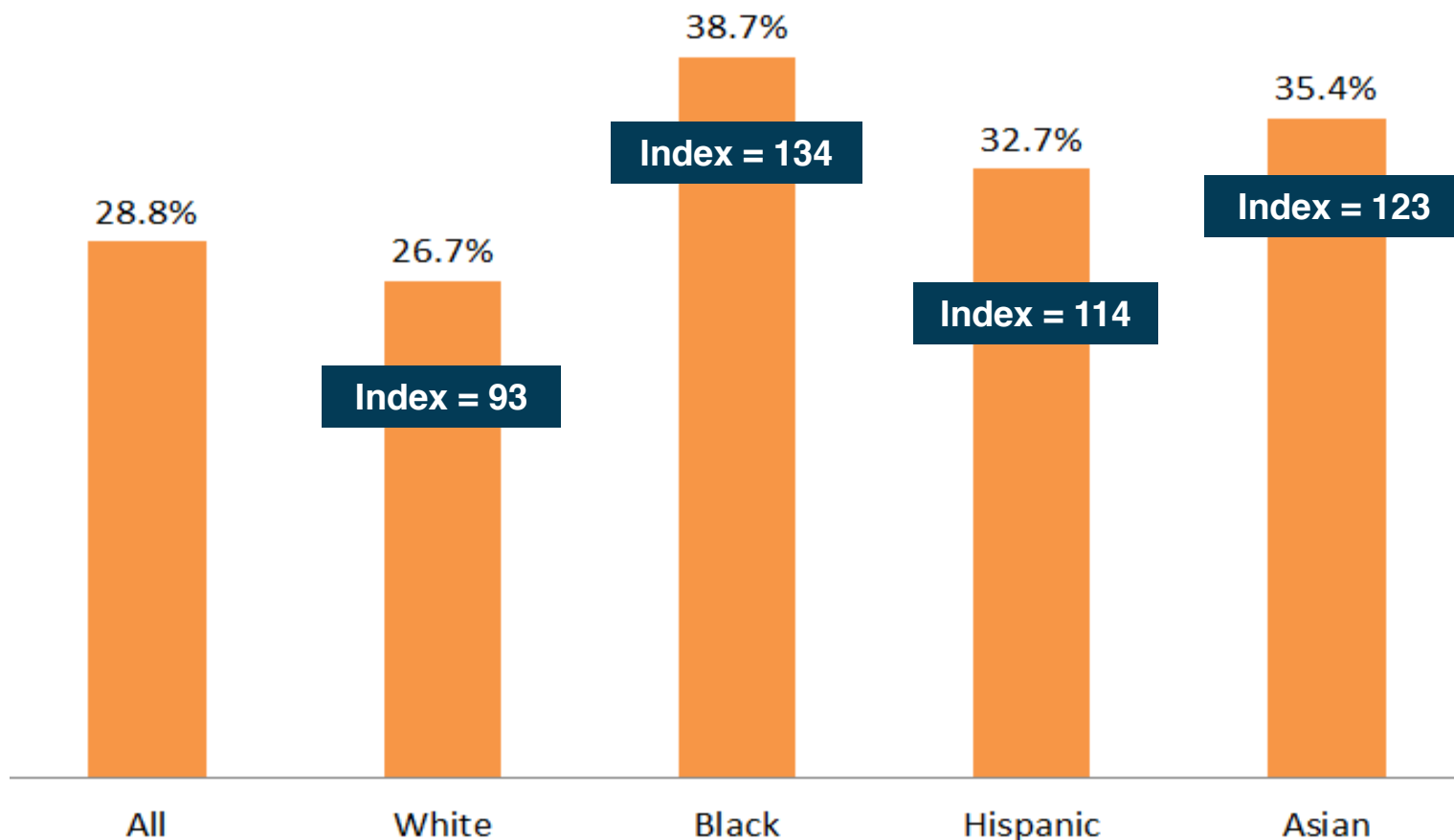
I will gladly switch brands to use a coupon.





Black, Asian and Hispanic shoppers like to receive mobile coupons via their cell phone...

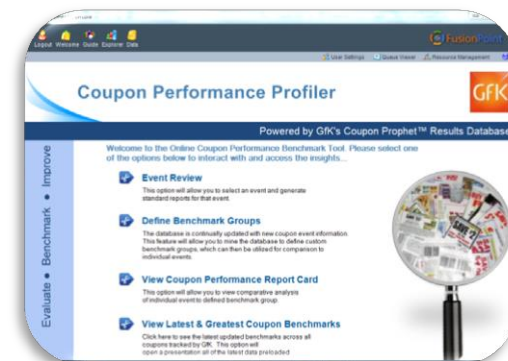
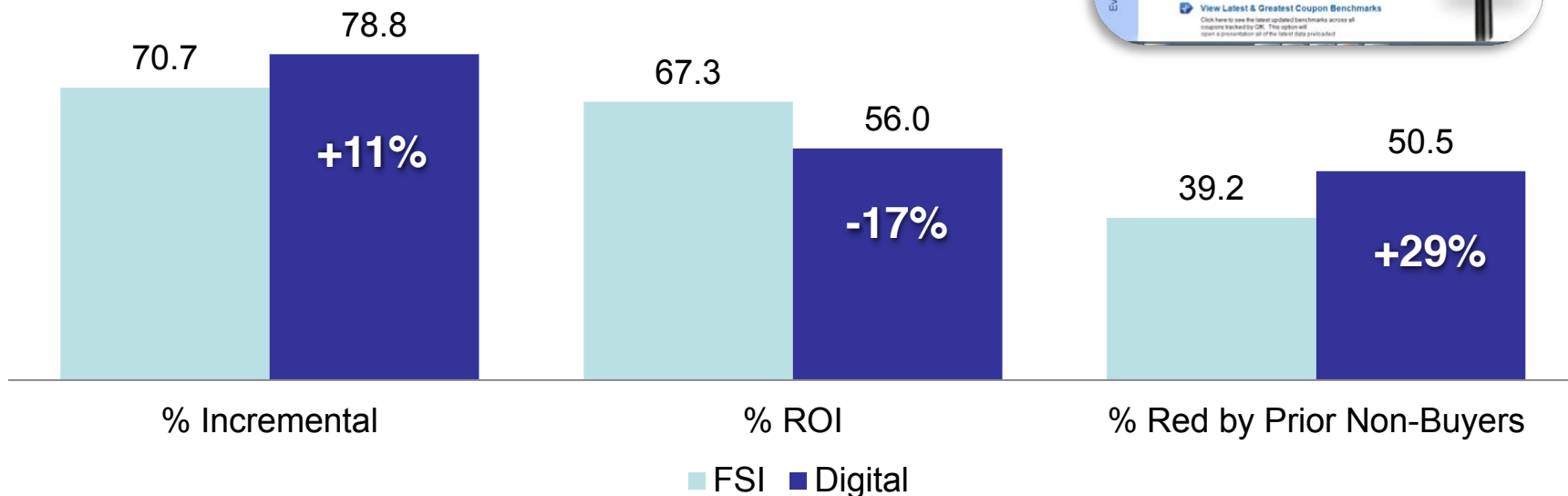
I like to receive coupons on my cell phone that are based on my location





Digital Coupons Generate More New Buyers And Incremental Volume vs. FSIs

GfK Coupon Performance Profiler Database Norms





Top Takeaways

Omni-channel shopping everywhere

- Not just in the "usual suspect" categories

... so

Integrate shopper touch points

- Across omni-channel environments
- Traditional activation silos meaningless to shoppers

Loyalty down, showrooming up

- Mobile growth suggest more is coming

... so

What makes you special?

- Bricks & mortar must create value-added experience
- Consider short and long term responses

Use of digital coupons will continue to grow as consumers become more tech savvy

... so

Understand your brand and category shoppers' coupon usage to develop the right digital and paper mix



THANK YOU!



Neal Heffernan

SVP / Shopper Analytics & Testing
GfK Shopper & Retail Strategy

neal.heffernan@gfk.com
T 513.559.3922
www.gfk.com