

Search Marketing & At-Work Coupon Campaigns – Redemption Rate Data & Five Useful Hotlinks

Welcome to the very height of coupon season. Roughly 20% more coupons are redeemed this time of year than any other. But, according to a fascinating data report from CMS (see hotlink below), your redemption rate can range from a low 0.22% to 20% or higher depending mainly on the big three factors:

- a. distribution method -- in-store instant redemption pulls the best
- b. coupon value -- higher usually does better
- c. expiration date -- longer is preferred for print coupons

Coupons are not just for CPGs (consumer packaged goods) anymore. Two new ideas are:

- o Search marketing and coupons

According to MarketingSherpa's Search Marketing Benchmark Guide, more than 60% of US online consumers use search engines to research purchases at all price points (not just high-ticket) ... which 68% of them fully intend to make offline. If you want to affect offline purchases, you have to be very visible in search results.

Offline conversions are a massive headache for search marketers. If you can't measure your conversion rate from search ad to in-store purchase, it's awfully hard to fight for the budget you really need. Adding downloadable coupons to your high-traffic search landing pages can really help.

According to CMS data as of June 2006, Internet coupon redemption rates have been rising from 0.54% in 2005 to 1.31% in 2006. That's overall; I bet your redemptions could be better for your best search campaigns. Plus, the lessons you learn about which search terms convert better than others will be invaluable.

- o At-work coupon campaigns

Again, according to CMS data, typical supermarket shelf pad coupons received a 6.05% average 2006 redemption rates; however, shelf pads at military base markets got 20.23% 2006 redemption rates. That's almost double.

The difference is the joy of targeting.

Inspired by this, I wondered if there's a way to target civilians at work as easily as you can place an FSI in the Sunday paper?

Turns out, now it's possible. In fact, Trident launched a new chewing gum earlier this year by inserting samples plus a coupon to several million office workers' hands via inner-office mail distribution. The response rate was reportedly five to 10 times what a typical newspaper FSI would have been, for roughly the same CPM.

You can select inner-office mail distribution by ZIP code, distance from retail location, and/or for some SIC codes. That kind of targeting capability makes my head swim with ideas ... now, if I could only target coupon campaigns by department!

Oh well, a girl can dream.

If you've conducted coupon campaigns linked to search or via at-work distribution, please let me know how they went for you.

If you, like me, like to review the data on campaign tactics, here are five of the most useful links I could find for you:

A. CMS Advantage Update - white paper featuring redemption data for more than 40 types of coupon distribution methods, including Internet and Sunday paper comics: <http://www.retailwire.com/Objects/Object.cfm/561>

B. CouponInfoNow - educational Web site for marketers sponsored by CMS (registration required): <http://www.couponinfonow.com>

C. RetailWire -- Extremely active, independent, online discussion forum for retailers and CPGs on topics including couponing (registration required): <http://www.retailwire.com>

D. Past MarketingSherpa special report on eCouponing, including redemption rates and best practices tips: <http://www.marketingsherpa.com/barrier.cfm?contentID=260>

E. Workplace Media - vendor offering coupon distribution at work: <http://www.workplace-media.com>