

FOR IMMEDIATE RELEASE**Coupon Facts Report Reveals Evolving Media Mix and Marketing Strategies**
Evolution Enables Marketers to Increase Coupon Use While Moderating Redemption

Livonia, Mich., Feb. 25, 2014: Valassis, a leader in intelligent media delivery, released today the annual topline report of U.S. coupon trends in 2013 prepared by its subsidiary, NCH Marketing Services, Inc. Findings in the NCH Coupon Facts Report point to an evolving mix of media and promoted products impacting distribution and redemption in 2013.

The number of coupons issued to consumers in 2013 for consumer packaged goods (CPG) products, *on the whole*, increased in 2013 by a healthy 3.3 percent, bringing the total to 315 billion coupons distributed.

Additionally, consumer interest in coupons remained strong. The 2014 Valassis Shopper Marketing Survey found that the share of consumers who reported using coupons regularly in 2013 remained steady at 80.9 percent. Among the consumers who reported using more coupons in 2013, 45.7 percent of them said they found that more coupons were available.

However, marketers at CPG manufacturers and retailers deployed strategies and tactics for coupons uniquely appropriate to their brands and banners, producing very different results across product categories, companies and retail channels.

“A wide variety of coupon marketing approaches to engage shoppers with brands and activate shopper store preferences resulted in an evolving mix of products being promoted with coupons, as well as an evolving mix of coupon media being used by retailers and manufacturers to promote those products in 2013,” said **Charlie Brown, NCH Vice President of Marketing**.

In the non-food segment, marketers distributed 5.8 percent *more* coupons in 2013, while marketers in the food segment distributed 0.9 percent *fewer* coupons. The net effect was an increase in the share of total coupons promoting non-food products that redeem at a lower average rate than food coupons.

In addition, Marx, a Kantar Media solution, measured an 18.3 percent increase in the number of new products introduced with a free-standing insert (FSI) coupon in 2013. New product promotions changed the mix of coupons in the market, which impacts redemption volume, as new products tend to redeem at a lower average rate than coupons for high market- share brands.

The evolving product mix, therefore, contributed to decreased redemption response. Among those consumers who reported using fewer coupons in 2013, the number one reason (49.1 percent) was that they could not find coupons for the products they wanted to buy.

The media mix utilized by marketers for coupons further evolved in 2013. The FSI continued to grow as the dominant vehicle for distributing coupons, accounting for 91.2 percent of all coupons distributed. Digital coupons (including print-at-home, mobile, social and downloadable coupons to a loyalty card) continued double-digit growth in 2013, although they still account for less than 1 percent of all coupons distributed.

CPG marketers continued to shorten the amount of time consumers had to redeem coupons. The average coupon offer duration declined from 9.3 weeks in 2012 to 8.6 weeks in 2013. While the average duration was shorter for *both* food and non-food coupons, it was the food segment that drove the overall trend, reducing average duration by more than a week.

Shorter durations tend to suppress redemption. In fact, 28.7 percent of consumers who reported using fewer coupons in 2013 said that coupons expire before they have a chance to use them, the second most cited reason for reduced coupon use.

While the divergent strategies and tactics of individual marketers produced different results across categories, companies and brands, their net effect was to manage redemption. In the food segment, overall redemption remained flat from the prior year. In the non-food segment, the media mix, products promoted and short duration of offers resulted in a 100 million decrease in redemption volume. As a result, the total volume of CPG coupons redeemed in the United States in 2013 fell by 3.4 percent to 2.8 billion.

The moderate decline in redemption volume was experienced in some degree across all of the major retail formats. However, the products promoted and evolving mix of coupon media affected redemption volume differently within the retail channels. With a steady volume of food product redemption and paperless coupon adoption at specific retailers, the Grocery Store channel experienced the smallest decline in redemption volume (-0.7 percent) compared to the non-food impact on total redemption volume in Mass (-6.3 percent), Drug (-2.8 percent) and Other retail formats (-11.7 percent). As a result, Grocery Stores were able to regain some of their previously lost redemption share from competing retail formats.

For more information about the 2014 *NCH Coupon Facts* report, visit www.nchresourcecenter.com.

About Valassis

Valassis is a leader in intelligent media delivery, providing over 15,000 advertisers proven and innovative media solutions to influence consumers wherever they plan, shop, buy and share. By integrating online and offline data combined with powerful insights, Valassis precisely targets its clients' most valuable shoppers, offering unparalleled reach and scale. Valassis subsidiaries include Brand.net, a Valassis Digital Company, and NCH Marketing Services, Inc. RedPlum® is its consumer brand. Its signature Have You Seen Me?® program delivers hope to missing children and their families. For insights on intelligent media delivery, visit www.valassis.com. Valassis is a wholly owned subsidiary of Harland Clarke Holdings Corp., www.harlandclarke.com.

Contacts

Dan Brennan
SHIFT Communications
dbrennan@shiftcomm.com
617-779-1814

Mary Broaddus
Valassis
broaddusm@valassis.com
734-591-7375