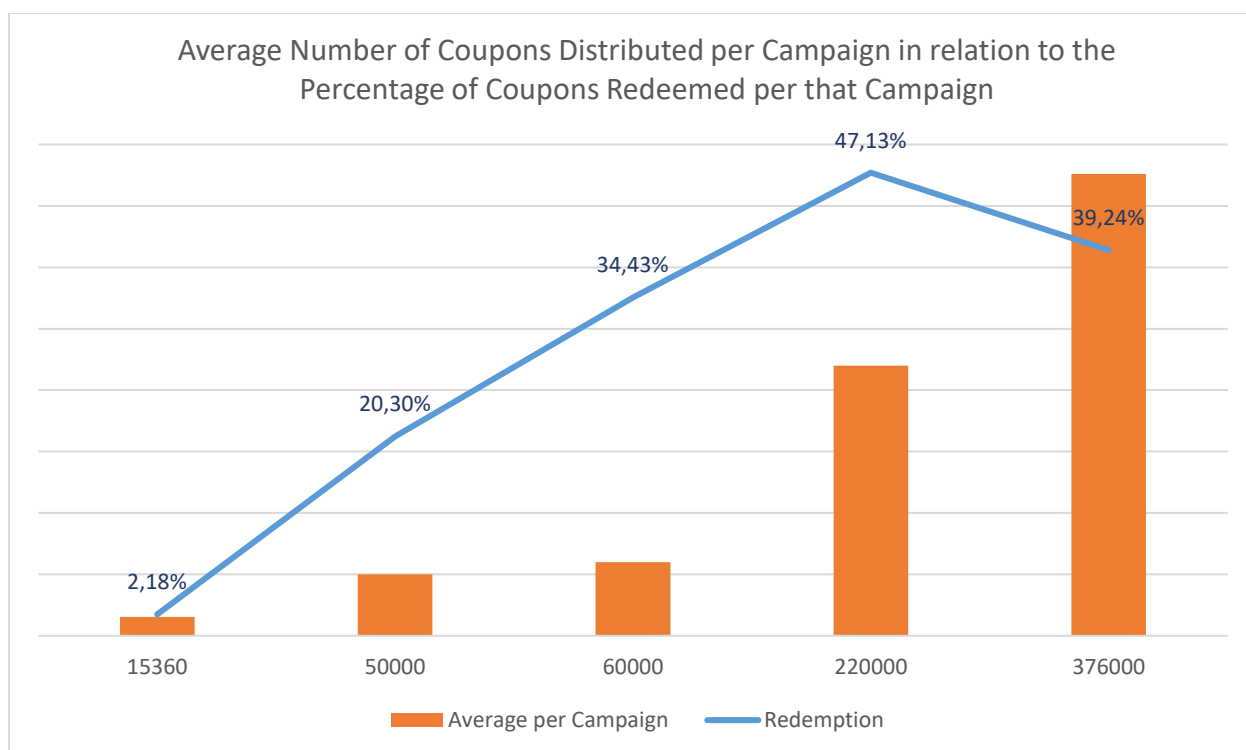


The Optimum Number of Coupons to Distribute

Why you should increase the number of coupons that you distribute when running a coupon campaign.

The following graph shows the number of coupons distributed in a particular product category's coupon campaign and the resultant percentage of those coupons redeemed by shoppers (These are actual figures from our historical database).



You can see that if you only distribute a comparatively small number of coupons, like 15 360 in the graph, you will achieve quite a low redemption, like 2.18%.

However, if you distribute 50 000 coupons, you achieve 20.30% in this example and just under 50% redemption if you distribute 220 000 coupons.

A coupon also acts as an advertisement for your product. The mere act of a shopper seeing a coupon with your product on it creates an “advertising impact”. The more times a shopper sees an image of your product, the more familiar your brand will be to her/him.

Conclusion: Your coupon campaign will be more successful if you increase the number of coupons that you distribute.

Looking at the cost of mounting a coupon campaign, increasing the size of your print run adds a very small cost to the total project cost because of the economies of scale of larger print runs. Of course, the redemption costs will increase but the increase in the number of coupons distributed will result in measurably more of your products being sold and an increase in your revenue. Also your campaign will be much more successful with more of your products being sold. Finally, do not ever forget the increase in repeat purchases of your product that will take place as well.

Would a 100% redemption ever be achieved? Answer: Never! To illustrate this, the following is a selection of average redemption percentages for coupons for very popular brands from our historical database (the volumes of coupon distribution were substantial):

Product Category	Average Redemption	Distribution Method
Household Cleaners	27.97%	On-Pack
Fabric Softener	25.47%	Neck Tag
Air Fresheners	38.01%	On-Pack
Nappies	11.58%	In-Store Demonstrator
Polish	18.67%	On-Pack
Hair Care	24.20%	Store Printed
Deodorant	20.34%	On-Pack
Soap	38.08%	On-Pack
Potato Crisps	22.17%	Store Printed

As the number of coupons distributed increases, the number of potential shoppers who would buy your product increases as well and the cost of reaching each one falls.

The final bonus is, that as the number of coupons redeemed in the industry increases, the unit processing charge as billed by CCB falls because of the economies of scale of processing large volumes of coupons.

For more information, please do not hesitate to contact Melissa at melissa@ccbsa.co.za or Mike at mike.aitken@ccbsa.co.za .

Coupons Work!