Influencing consumers along the path to purchase
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**Executive summary**

The 2K17 Valassis®
*Coupon Intelligence Report*
“*Influencing Consumers Along the Path to Purchase*”
provides detailed insight into how print, mobile and digital
coupons and discounts impact the consumer shopping journey—before,
during, and after the purchase.

Consumers are becoming increasingly adept at integrating both print and digital coupons as they plan their purchases. Overall, coupon use is holding steady with 90% of consumers using them from a variety of online and offline sources. This finding is relatively consistent across generations and other consumer audience segments, such as parents and multicultural consumers.

The undeniable conclusion: coupons are influential, impacting shopper decisions at various stages throughout the path to purchase, beginning with list-making. A majority of consumers prepare a list when shopping, factoring coupons into the process. Since the items on the list are typically the ones bought, the role of coupons on purchase decisions is an important one. Parents prepare lists prior to shopping even more than other consumers and are more heavily influenced by coupons and discounts.

The influence of coupons on the final product selection is clear—more than two-thirds of shoppers will only buy a product if there is a coupon for it. Moreover, 86% of consumers make a purchase based on a discount at the store, including those presented via in-store circulars or mobile notifications.

For shoppers, the buying process does not simply end with a purchase, as many consumers share reviews and opinions on purchases with friends and family, thereby influencing the buying decisions of others. Additionally, consumers scan receipts with their smartphone after the transaction to receive additional rewards and savings, such as cash back, points, or more coupons. Marketers can harness these behaviors and cultivate brand loyalty by continuing to find ways to delight and reward their customers.

The report focuses on consumer behavior related to shopping for traditional consumer packaged goods (CPG) categories, including food, over-the-counter medications, household items, and health and beauty products.
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KEY TRENDS IN COUPON USE

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**Overall use.** Coupon use remains high overall, with 90% of consumers reporting they use them. There are no significant differences in coupon use among millennials, generation X, or boomers (though, perhaps surprisingly, 94% of millennials say they use coupons—the only audience segment showing growth year over year).

**Frequency of use.** There has been a significant increase in consumers who say they always use coupons when making purchases. Conversely, fewer shoppers are saying that they rarely or never use coupons.

**Use by media type.** Overall, consumers are using the same or more coupons compared to last year. They continue to rely on print coupons received from traditional sources, such as the mail and newspaper. Approximately 30% of consumers report an increase in their use of paper coupons versus the prior year. In addition, more than a third of shoppers note that their use of paperless (digital) discounts has also increased.

### Coupon frequency

<table>
<thead>
<tr>
<th></th>
<th>Always</th>
<th>Very often</th>
<th>Sometimes</th>
<th>Rarely</th>
<th>Never</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>10%</td>
<td>28%</td>
<td>37%</td>
<td>15%</td>
<td>10%</td>
</tr>
<tr>
<td>2017</td>
<td>15%</td>
<td>28%</td>
<td>36%</td>
<td>12%</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Figures do not sum to 100 due to rounding and respondents who indicated they were unsure.*

### Used the same or more vs last year

- **My coupon usage**: 87%
- **My use of paper coupons I get in the mail**: 89%
- **My use of paper coupons I get from a newspaper coupon book**: 85%
- **My use of paperless discounts***: 91%

*Discounts I receive on my smartphone/mobile device and/or download onto my store ID/loyalty card*

### Increased vs last year

<table>
<thead>
<tr>
<th></th>
<th>Increased vs last year</th>
<th>Did not change vs last year</th>
</tr>
</thead>
<tbody>
<tr>
<td>My coupon usage</td>
<td>41%</td>
<td>46%</td>
</tr>
<tr>
<td>My use of paper coupons I get in the mail</td>
<td>29%</td>
<td>60%</td>
</tr>
<tr>
<td>My use of paper coupons I get from a newspaper coupon book</td>
<td>31%</td>
<td>54%</td>
</tr>
<tr>
<td>My use of paperless discounts*</td>
<td>36%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Base: all respondents

Base: coupon users
I use paper coupons such as those I get from the newspaper coupon book, in the mail, in the store, or printed from my computer

I use paper coupons I get in the mail

I use paper coupons I get in a store

I use paper coupons I get from the newspaper coupon book

I use paper coupons I print from my computer

I use paperless discounts: discounts I receive on my smartphone/mobile device, download onto my store ID/loyalty card

The percentage of consumers using discounts from paperless sources has increased. Yet coupons from printed sources still account for the majority share of use. This demonstrates that shoppers value savings whether via printed or digital formats.

Key trends

Paper Coupons & Paperless Discounts

Mail most preferred; digital preference showing greatest growth

Interestingly, the above usage trends are reflected when looking at consumer preference for receiving coupons and discounts.

Preferred sources of coupons & discounts

I prefer to get coupons in the mail

I prefer to get coupons from a coupon book found in the newspaper

I prefer discounts from the internet that I can download onto my store loyalty card

I prefer to print coupons from the internet

I prefer discounts on my smartphone/mobile device

Base: all respondents

2016 2017

not asked 88% not asked 91% not asked 87% not asked 87%

87% 86% 85% 89% 90% 85% 86% 85%

87% 85% 85% 89% 90% 87% 86% 82%

82% 82% 82% 86% 83% 81% 79% 79%

78% 79% 78% 84% 81% 80% 74% 76%

66% 71% 81% 89% 74% 79% 50% 54%

40% 44%

38% 37%

31% 37%

30% 35%

24% 32%
Thirty-five percent of shoppers have increased their use of the internet to find coupons. More shoppers are searching a variety of websites for savings, including retailer, coupon, manufacturer and savings sites, in addition to search engines and social media.

<table>
<thead>
<tr>
<th>Websites used to search for coupons</th>
<th>2016</th>
<th>2017</th>
<th>% Point Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retailer websites</td>
<td>57%</td>
<td>70%</td>
<td>+13</td>
</tr>
<tr>
<td>Manufacturer/brand websites</td>
<td>53%</td>
<td>70%</td>
<td>+17</td>
</tr>
<tr>
<td>Coupon websites</td>
<td>53%</td>
<td>68%</td>
<td>+15</td>
</tr>
<tr>
<td>Search engines</td>
<td>49%</td>
<td>65%</td>
<td>+16</td>
</tr>
<tr>
<td>Links from savings sites/blogs</td>
<td>44%</td>
<td>62%</td>
<td>+18</td>
</tr>
<tr>
<td>Social networking websites</td>
<td>37%</td>
<td>50%</td>
<td>+13</td>
</tr>
</tbody>
</table>

Base: all respondents

These trends in print, digital and mobile coupons and discounts, emphasize that it remains important for marketers to take an integrated approach to their coupon strategies. A unified plan is key to maximizing consumer reach and engagement.

Scarborough data corroborates an integrated approach to maximize consumer reach.

70% of consumers save money with print, digital media and/or loyalty cards.

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MAKING PURCHASE DECISIONS

AT HOME | AT THE STORE | EVERYWHERE IN-BETWEEN
Consumers begin their purchase process with research, primarily done at home, and tend to make decisions on most items before they head to the store. Within the food products, household goods and personal care categories, over 45% of shoppers make their decisions at home, while more than 25% make their purchase decisions in the store.

<table>
<thead>
<tr>
<th>Purchase decisions</th>
<th>Food Products</th>
<th>HH Goods</th>
<th>Personal Care &amp; Hygiene</th>
</tr>
</thead>
<tbody>
<tr>
<td>At home before my shopping trip at a store</td>
<td>53%</td>
<td>45%</td>
<td>48%</td>
</tr>
<tr>
<td>During my shopping trip at a store</td>
<td>27%</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>On my way to the store</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>I prefer to shop on the internet</td>
<td>3%</td>
<td>8%</td>
<td>6%</td>
</tr>
</tbody>
</table>

*Figures do not sum to 100 due to respondents who indicated they do not shop or were unsure

Base: all respondents

This is supported by IRI research, which found that 57% of consumers will make their purchase decisions before they enter the retail store. In addition, according to a 2016 xAd and Millward Brown study, retail shoppers in the U.S. are more than twice as likely to use their smartphones at home (54%) vs. at the store (24%) for retail information, with nearly 40% of those “at home consumers” using their phones to research a product.

Although the bulk of influence still happens in the home, there are strong opportunities to capture the attention of shoppers at the point of purchase and while they are out and about, as highlighted later in this report.

The key to influencing purchases is to reach and engage consumers via various touchpoints in advance of their shopping trip.
Over 90% of shoppers create a list prior to shopping and 84% use coupons during this process. Recent Kantar Retail survey data indicates similar behavior, with 86% of consumers saying they make a handwritten list before their store trip. Shoppers do not stray too far from their lists—most report that their purchases are at least similar to their shopping list.

This demonstrates that if brands want to be part of the consumer’s initial consideration set, it is important to get in front of shoppers at home during list creation and preliminary decision-making. For example, more than 70% of consumers report buying an item only if they have a coupon for it. Since coupons impact the list itself, one can see the connection to being in front of the consumer at the beginning of their shopping journey.

**Coupons and deals impact new product trial.** According to 86% of consumers, coupons have influenced them to try a new product. In fact, approximately 20% of shoppers said that paper coupons received at home were the primary influence that encouraged them to purchase a food or household goods brand or product within the past year that they would not normally buy. This was the top choice, even when considering other influencers such as in-store sales and promotions. Further evidence of coupons at home as drivers of product trial – redemption data from coupon books delivered via the Free-standing Insert (FSI) shows that 53% of all FSI redemptions were from new/lapsed brand users.

Typically, compared to your shopping list, how similar is the list to what you actually buy?

- Exactly the same: 17%
- Somewhat similar: 59%
- About half-and-half: 17%
- Somewhat different: 4%
- Very different: 1%
- Not sure: 3%

*Figures do not sum to 100 due to rounding.*
Coupons and deals impact store selection.

Eighty-four percent of shoppers say their store choice is influenced by coupons. In addition:

82% of consumers switch stores to take advantage of weekly specials

77% decide which store to shop based on where they can use paper coupons

67% decide which store to shop based on where they can use paperless discounts received on a smartphone or mobile device and/or downloaded onto store ID/loyalty card

When it comes to searching for coupons, deals and special offers, consumers look to a variety of sources, beginning with coupons mailed to the home and store circulars. Before going to the store:

83% of shoppers find coupons in print sources such as newspapers, coupon books, or in the mail

84% of shoppers search for deals in store circulars

75% of shoppers print coupons from the internet

Base: all respondents
Parents make their list and check it twice with coupons.

<table>
<thead>
<tr>
<th>Planning what to buy</th>
<th>All Consumers</th>
<th>Parents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare a shopping list before going to the store</td>
<td>91%</td>
<td>97%</td>
</tr>
<tr>
<td>Use coupons when planning their shopping list</td>
<td>84%</td>
<td>94%</td>
</tr>
<tr>
<td>Search for deals in store circulars before going to the store</td>
<td>84%</td>
<td>94%</td>
</tr>
<tr>
<td>Buy a product only if there is a coupon for it</td>
<td>71%</td>
<td>81%</td>
</tr>
</tbody>
</table>

Base: all respondents

Planning where to shop. When making decisions about where to shop, parents are more likely than all consumers to indicate that coupons and deals influence their store selection. Compared to 33% of all consumers, 47% of parents say they have increased their shopping at stores other than their usual store of choice due to better advertised deals.

Both print and digital coupons factor into the store decision:

- 91% of parents say that they decide which store to shop based on where they can use paper coupons; and
- 87% of parents decide where to shop based on where they can use paperless discounts received on their smartphone/mobile device or downloaded to their loyalty cards.
Hispanic shoppers purposefully plan with coupons

**AT HOME**

Hispanic shoppers purposefully plan with coupons

**Planning what to buy**

- **Search for deals in store circulars before I go to the store**
  - All Consumers: 84%
  - Hispanic Consumers: 91%

- **I find coupons in print sources such as the newspaper coupon book or mail before I go to the store**
  - All Consumers: 83%
  - Hispanic Consumers: 88%

- **I print coupons from the internet before I go to the store**
  - All Consumers: 75%
  - Hispanic Consumers: 85%

- **I download paperless discounts onto my store ID/loyalty card before I go to the store**
  - All Consumers: 68%
  - Hispanic Consumers: 81%

**At home**

- **Switch stores to take advantage of weekly specials**
  - All Consumers: 82%
  - Hispanic Consumers: 91%

- **Decide which store to shop based on where I can use paperless discounts I receive on my smartphone/mobile device and/or download onto my store ID/loyalty card**
  - All Consumers: 67%
  - Hispanic Consumers: 81%

- **Increased: My shopping at stores other than my main store of choice because other stores are advertising better deals**
  - All Consumers: 33%
  - Hispanic Consumers: 51%

- **Increased: My shopping at stores because they offer/accept paperless coupons**
  - All Consumers: 29%
  - Hispanic Consumers: 45%

Base: all respondents
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AT THE STORE

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Although making it onto the initial shopping list is important, there is still an opportunity to impact purchase decisions at the shelf. Consumers look to in-store sales and coupons, along with digital sources for additional savings, which indicates that shoppers are open to having their purchasing decisions influenced once they arrive at the store. Fifty-two percent of consumers who deviate from their shopping list do so to take advantage of a sale, advertisement, or promotion they saw in the store.

Even brand loyal shoppers (self-defined as those who purchase regardless of price) can be persuaded to switch brands when presented with the right motivation at the right time. In fact, brand loyal shoppers (79%) are just as likely as all consumers (82%) to be influenced to buy a brand they wouldn’t typically buy due to a coupon. While at the store, 69% of brand loyal shoppers will switch brands based on a discount notification they receive on their smartphone/mobile device, compared to 58% of all consumers.
Mobile use drives opportunities for in-store impact »

- Download paperless discounts onto my store ID/loyalty card while at the store
  - All Consumers: 61%
  - African American: 70%
  - Hispanic: 79%

- Switch brands based on a discount notification I receive on my smartphone/mobile device in the store
  - All Consumers: 58%
  - African American: 64%
  - Hispanic: 75%

- Search for discounts on my smartphone/mobile device in the store
  - All Consumers: 55%
  - African American: 64%
  - Hispanic: 79%

- Make a purchase based on a mobile notification in the store
  - All Consumers: 51%
  - African American: 55%
  - Hispanic: 71%

Base: all respondents
Influencing consumers along the path to purchase

EVERYWHERE IN BETWEEN
The expanded influence of coupons and discounts

Constant access to information via mobile devices provides consumers with the convenience of finding deals wherever they are. Sixty-one percent of all shoppers (and 87% of parents) use their smartphone or mobile device to save on their CPG purchases.

Use of mobile savings apps, particularly grocery and coupon apps, has increased among all consumers. Study findings also indicate a greater percentage of Hispanic and African American consumers use these types of apps during shopping trips.

<table>
<thead>
<tr>
<th>Mobile savings apps</th>
<th>2016 All Consumers</th>
<th>2017 All Consumers</th>
<th>% Point Increase</th>
<th>African American</th>
<th>Hispanic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery store savings app, drug store savings app, and/or mass merchandiser or supercenter savings app</td>
<td>38%</td>
<td>51%</td>
<td>+13</td>
<td>59%</td>
<td>74%</td>
</tr>
<tr>
<td>Coupon app</td>
<td>31%</td>
<td>44%</td>
<td>+13</td>
<td>51%</td>
<td>69%</td>
</tr>
<tr>
<td>Cash back/points app</td>
<td>30%</td>
<td>41%</td>
<td>+11</td>
<td>51%</td>
<td>62%</td>
</tr>
<tr>
<td>In-store shopping rewards app</td>
<td>29%</td>
<td>39%</td>
<td>+10</td>
<td>50%</td>
<td>62%</td>
</tr>
<tr>
<td>Shopping list app</td>
<td>25%</td>
<td>34%</td>
<td>+8</td>
<td>46%</td>
<td>60%</td>
</tr>
<tr>
<td>Deal comparison app</td>
<td>25%</td>
<td>32%</td>
<td>+7</td>
<td>47%</td>
<td>58%</td>
</tr>
</tbody>
</table>

*Figures are rounded

Base: all respondents
Impact of coupons from businesses close to work. Consumers are interested in opportunities to save near, or on their way to work, especially as they take advantage of lunch breaks to run a quick errand at a nearby retailer. Additionally, they may decide to purchase an item near their job before starting the commute home. Busy schedules provide opportunities for marketers to influence these consumers by providing them with incentives to shop their businesses while near the office.

Influence of coupons on the way to the store. Approximately 8% of shoppers make decisions about their purchases of CPG items on the way to the store. Interestingly, this number grows for multicultural consumers and parents.

### Purchase decisions made on way to store

<table>
<thead>
<tr>
<th></th>
<th>Food Products</th>
<th>HH Goods</th>
<th>Personal Care &amp; Hygiene</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Consumers</td>
<td>9%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Parents</td>
<td>15%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>African American Consumers</td>
<td>12%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Hispanic Consumers</td>
<td>21%</td>
<td>12%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Base: all respondents
Influencing consumers along the path to purchase

AFTER THE PURCHASE

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The influence of coupons and other discounts continues beyond the purchase transaction. Fifty-three percent of consumers scan their receipts with a smartphone or other mobile device to receive cash back and/or points, creating an opportunity for marketers to build positive relationships via rewards programs.

**Satisfied customers influence additional purchases.** Family and friends can be key influencers. Brands and retailers, via social channels, are able to drive influence through shareable coupons and discounts and simplify how shoppers communicate their purchase satisfaction with others. This social media sharing, or shoppers serving as influencers, can have a powerful impact on the purchase behavior of other consumers and a brand’s image, making it important to reach these influencers where they are and provide them with a positive buying experience. Sixty percent of shoppers say that they share brand reviews, along with information about how much they saved on a product with family and friends following a purchase. Among mobile coupon users, 79% do so.

**Fast facts**

Hispanic consumers and parents are big influencers.

- **I share brand reviews and how much I saved with friends/family after my purchase**: All Consumers 60%, Hispanic Consumers 80%, Parents 79%
- **I scan receipts with my smartphone/mobile device to receive cash back/points**: All Consumers 53%, Hispanic Consumers 73%, Parents 82%
Conclusion

Consumers are empowered, taking advantage of a variety of resources – print and digital – to interact with products, brands and retailers as they contemplate purchases. Most shoppers create lists and use coupons in the process of planning their shopping trips and deciding which stores to shop.

The majority of planning still occurs in the home (with mail, newspaper and other printed formats continuing to be an important way for consumers to receive coupons). However, today’s consumer is always connected, increasingly using smartphones and mobile devices to research products, make shopping lists, and obtain coupons both at home and away. These shoppers also benefit from mobile notifications of coupons and deals at all stages of the purchase journey.

Connecting with and influencing consumers throughout their path to purchase is essential for marketers. This begins with a deep understanding of their customers and how they buy. As marketers build their plans, care should be taken to account for all the ways shoppers engage with coupons and discounts, both online and offline, to ensure reach, engagement and activation occur at home, in the store, and everywhere in-between. And, special effort should be taken to identify and retain loyal customers, who in the long run have the potential to become their biggest advocates.
The study was fielded in the third quarter of 2016 in conjunction with a global, third-party market research firm with proficiency in internet surveys. The sample was derived from an online consumer opinion panel, and all participants were at least 18 years of age and living in the contiguous United States. Consumers were emailed an invitation to participate in the survey and were given three days to complete it. The survey was closed once 1,000 completed responses had been reached. The responses were weighted by factors obtained from national census data to provide appropriate representations of demographic groups at summary levels.

Sources:
1. Scarborough Multi-Market, 2016 Release 2 (includes coupons for all product categories, not just CPG)
5. Based on Response Rate Analytics from Valassis Client Results Database, Oct. 2015