



Leveraging Consumer Offers to Strategically Achieve Your Goals

LEAD Marketing Conference
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LEAD Marketing
CONFERENCE
Loyalty • Engagement • Analytics • Digital
VIRTUAL EDITION



Who are we?

- AMG connects brands and retailers to shoppers through proprietary, tech-enabled solutions and SaaS that drive loyalty, engagement and shopper behavior
- Executed nearly 3k campaigns in 2022, comprised of more than 4k individual offers, across 20+ tactic types, 58 clients and 195 brands
- Strategic partners with major vendors (Inmar, Quotient, Neptune, Ibotta, etc.) and clearinghouses



Julie Fiorini

Senior Director,
Business Development



Regina M. Haley

Senior Director,
Analytics





What You'll See Today

- 1/ Why brands use coupons
- 2/ Industry Trends
- 3/ Offer Types & Formats
- 4/ Strategic Thinking
- 5/ Summary of Best Practices

Goal Better understanding of how, when, where, and why to use coupons to help achieve business objectives

Let's Dive In...

Why Use Coupons?

From the Shoppers' perspective, coupons heavily influence the shopping list

90%

Shoppers making shopping lists

61%

Believe making a list is more important because of COVID and inflation

75%

Use coupons to determine what goes on the list

From the Manufacturers' perspective, coupons drive purchase behavior in a number of ways

- Helps steer the shopper into store to drive/incentivize purchase
- Allows shoppers to move up to a more premium product
- Introduces the shopper to new product types
- Maintains competitive pricing points
- Escalating rebates incentivize incremental purchase

Are coupons going out of style?

Inflation has driven Gen Z shoppers (young adults) to seek out coupons – effectively educating a new generation on the benefits of coupons



Lady Gaga
@ladygaga

why do people look at me like I'm crazy when i use coupons at grocery or try bargaining at retail, IM FROM NEW YORK WHERE IS THE SALE RACK

Cite coupons & discounts as important factors in making a purchase

43%

Used a traditional coupon in the past 3 months

60%

Used a digital coupon in the past 3 months

74%

Open to try a new brand with a coupon

78%

Impact Retailer Sell-In



Coupons can also be used as leverage with Retailers

- Provides retailers with incentive to give a manufacturer Feature and Display support as well as more shelf space for products
- Helps drive traffic to retailer store vs competition
- Cross merchandise and multi-purchase offers build the basket and check ring for retailers
- Help meet retailer objectives and goals

BEER, WINE & SPIRITS

To receive \$2 digital rebate when you buy 2 or more of these items. See details for details.

2/\$1 when you buy 2 or more of these items. See details for details.

3/\$4 Sutter Home Wines 187 ml - assorted varieties

\$4 after \$7.00 worth in volume or \$9 EPIC Vodka 7.5L

\$3 Beat Box Ready-to-Drink Cocktails 300 ml - assorted varieties

2/\$3 when you buy 2 or more of these items. See details for details.

\$8 High Noon Sun Sips Ready-to-Drink Cocktails 4 pack, 12 oz cans - assorted varieties

\$1 Fireball Cinnamon Whisky or Dr. McGillicuddy's 100 ml - assorted varieties

\$2 Sugarlands Shine 50 ml - assorted varieties

19.99 Miller Lite or MGD 24 pack, 12 oz cans

19.99 Coors or Coors Light 24 pack, 12 oz cans

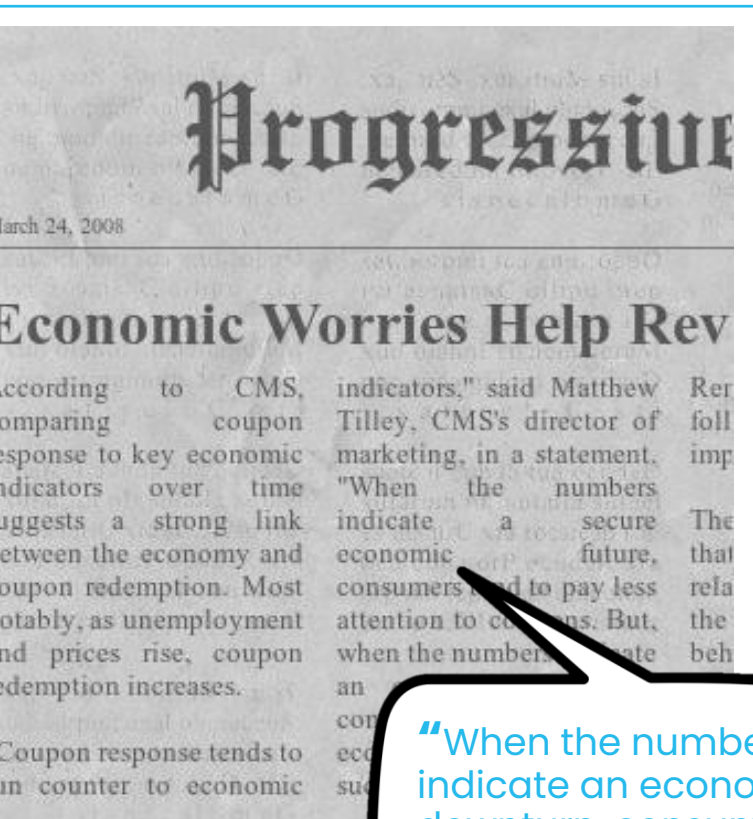
19.99 Bud or Bud Light 24 pack, 12 oz cans

Feature Support



If the offer generates a low number of redemptions but gains an incremental Feature Ad ... that's a win!

Economic Impact to Coupon Usage



Progressive Grocer

"When the numbers indicate an economic downturn, consumers turn to economizing behaviors such as using coupons."



of shoppers more likely to use coupons during an economic downturn

Valassis Survey, 2020



of shoppers actively look for deals and discounts during an economic downturn

Valassis Survey, 2020

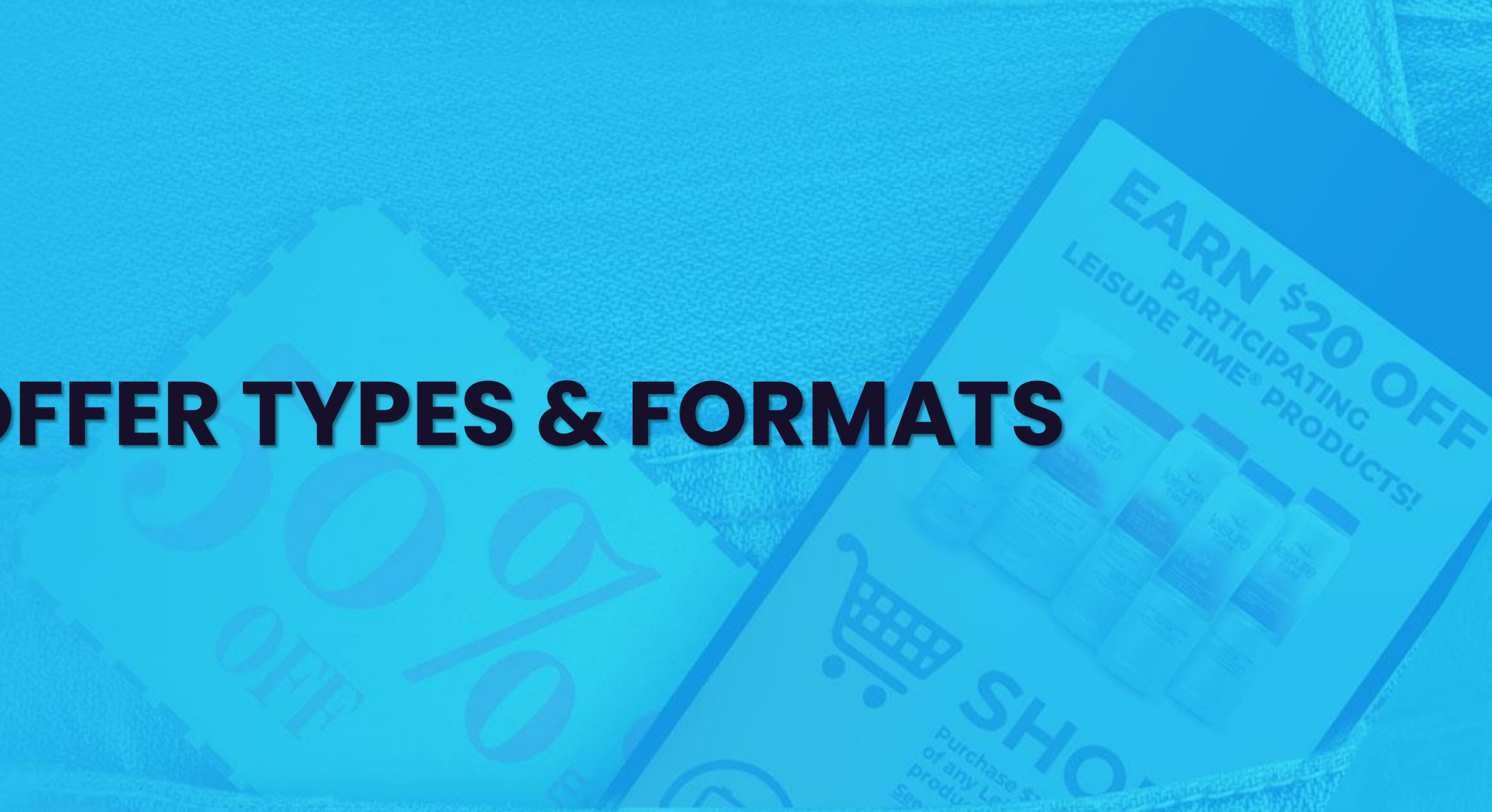


Increase in redemption rates during 1H 2020

Avid Marketing Group Historical Redemption Data



OFFER TYPES & FORMATS



Coupon Formats and Considerations



PRINT



In-Store Print

(neckhanger, tearpad, sticker)

Drives shopper conversion in-store

FSI

(Sunday paper insert)

Broad reach with geographical targeting. Pre-shop consideration.

In-Ad

(coupons within the weekly flyer)

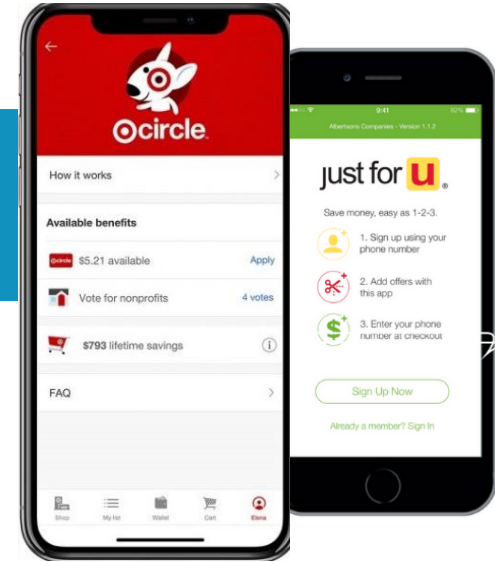
Pre-shop consideration, retailer-specific relationship builder

Coupon Formats and Considerations



RETAILER-SPECIFIC LOAD-TO-CARD

- Supports shoppers in pre-planning a trip
- Targeting often available
- Fulfills retailer spend requirement
- Can be communicated via retailer media channels
- Some data available for post-promotion analysis



Coupon Formats and Considerations



DIGITAL OFFERS/APPS



- Flexibility to reach shoppers pre-trip and in-store
- Advanced targeting capabilities
- Can layer with in-app or external ads to drive to offer
- Deeper data available for post-promotion analysis

Offer Types

IRC (instant-redeemable coupon)

- Shopper offers that can be redeemed in-store at point of purchase
- Consumer brings IRC to register upon purchase of product and receives instant discount
- Retailers submit coupons redeemed by consumer and invoice for claimed amounts to clearinghouse for reimbursement



MIR (mail-in rebate)

- Shopper offers that are redeemed after point of purchase
- Consumer purchases product and mails proof of purchase with completed rebate form to clearinghouse for reimbursement
- Modern version = digital offers



Pop Quiz: define these offer formats

1



2



PRINT

RETAILER-SPECIFIC
LOAD-TO-CARD

DIGITAL OFFERS



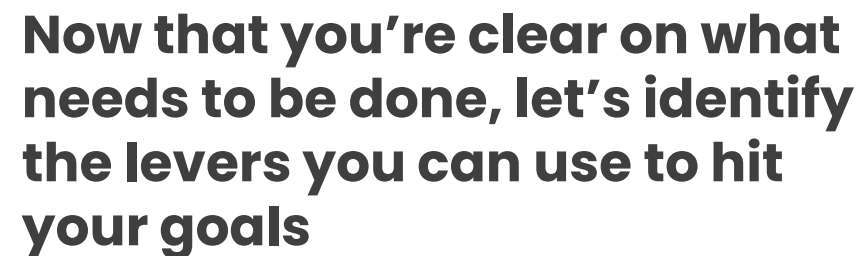
STRATEGIC THINKING





First Steps In Running A Coupon

- 1/ Be clear on WHY you are running a coupon. What is the goal of the program?
- 2/ Specify your target
- 3/ Define your goals: What are your KPIs? Do you have any specific KPIs that you need to hit? *Examples: ROI, Shopper Engagement, Retailer Commitment*



Now that you're clear on what needs to be done, let's identify the levers you can use to hit your goals



Coupon Program Levers



OFFER VALUE & OFFER STRUCTURE



TIMING



VEHICLE



CO- MERCHANDISING/PARTNERSHIPS



COMMUNICATION/MESSAGING

Offer Value and Structure



Offers Break Down Into Two Components

OFFER VALUE TYPES

- Get \$4 off One
- Get \$10 off Two
- 25% Off

OFFER STRUCTURE TYPES

- Buy 1 Get 1 Free
- Buy 1 Get 1 50% OFF
- Get \$10 off with purchase of Product A and B

Questions To Ask Yourself:

- What are you trying to achieve?
 - Trial on new flavor or item or size = Higher \$ off/1 item
 - Stock up = \$ off/2 or more
 - Maintaining loyal shoppers = Lower \$/2 or more
- Where are your shoppers' tipping points?
- How does your brand compare vs the category?
- Should the value differ based on targeted audience?
Ex: Existing shoppers can be served a lower offer value while new shoppers are offered a greater discount.
- **Keep it simple! The more complex the offer, the lower the redemption rate.**

Timing



**Timing is reflective of your business objectives:
When and how long your offer runs play a role**



Do you have “must-win” timeframes?
Ex. Valentine’s Day,
Back to School



Does your product have seasonality?
Ex. Grilling during Summer, Tailgating in Fall, Cinco de Mayo for Spring



Length of offer –
4 weeks to support a display, 12 weeks to support a season



Gap filler between the seasons – New item support or smaller budget avoiding “noise” in the marketplace

Vehicle (Coupon Distribution Method)



**How will your offer be distributed?
What is the best vehicle for your *intended audience*?**



Consider legal rules in each state – ask AMG!

Co-Merchandising



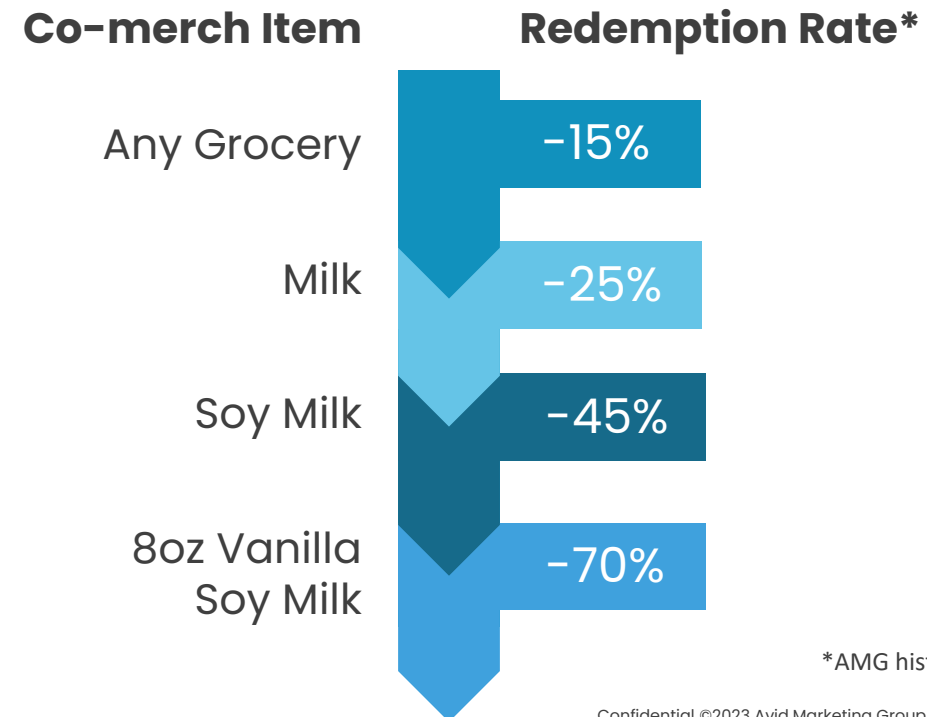
What do you hope to achieve through co-merchandising?

- Incremental Display
- Recipe Building
- Theme Building
- Larger Basket
- Scale at efficient cost



Rule of Thumb

The more specific your co-merch is, the lower your redemption will be



*AMG historical data



Communication/Messaging



Creative – Some elements, such as a cluttered ad or a confusing offer, will guarantee poor response. Others, such as relevant testimonials or simple usage ideas, may improve the likelihood of success.



“Good On” – Whether the coupon is good on the brands’ entire product line or a specific subset of the product line could affect response. Complicated offers requiring co-purchase perform differently than a “cents-off-one” promotion.



Clarity – Clearly identify offer value, purchase requirement, and directions to submit for redemption. This alleviates shopper, retailer, and clearinghouse confusion.



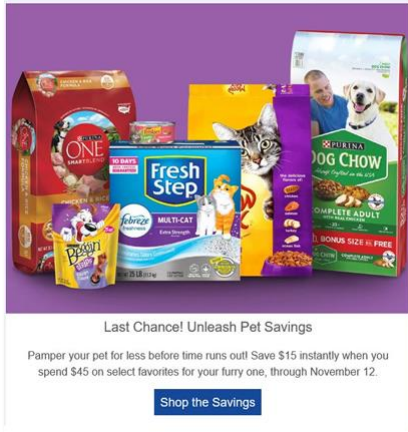
**Just because you build it,
doesn't mean they will come.
The greater the awareness,
the greater the impact.**



Communication/Messaging



Chose communication method based on your target



DIGITAL MEDIA

Can be retailer-specific and targeted to shoppers depending on level of investment

FEATURE ADS

Broad in communication to specific retailer



BLOGGERS

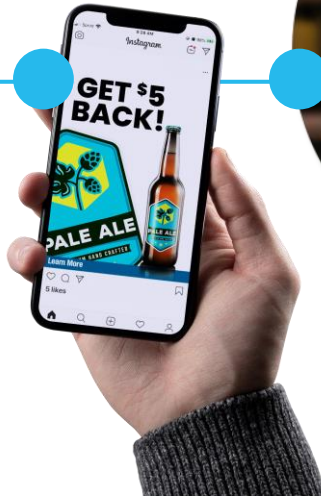
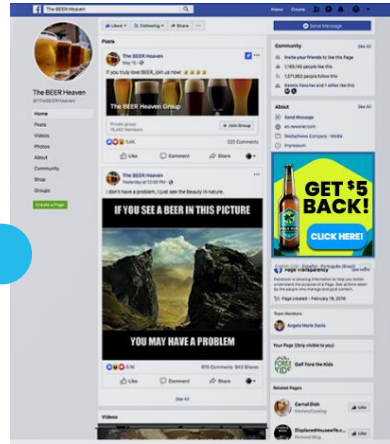
Broad in communication and retailer coverage. Can be retailer or non-retailer specific.



Leverage Digital Offers Along the Path to Purchase

Pre-shop

In-store



Tailored Mobile Engagement with Multiple Touchpoints



SUMMARY OF BEST PRACTICES



BEST PRACTICES IN STRATEGIC COUPON EXECUTION



Have a clear vision of what you are looking to accomplish

What are your KPIs?



Identify the levers that can get you there



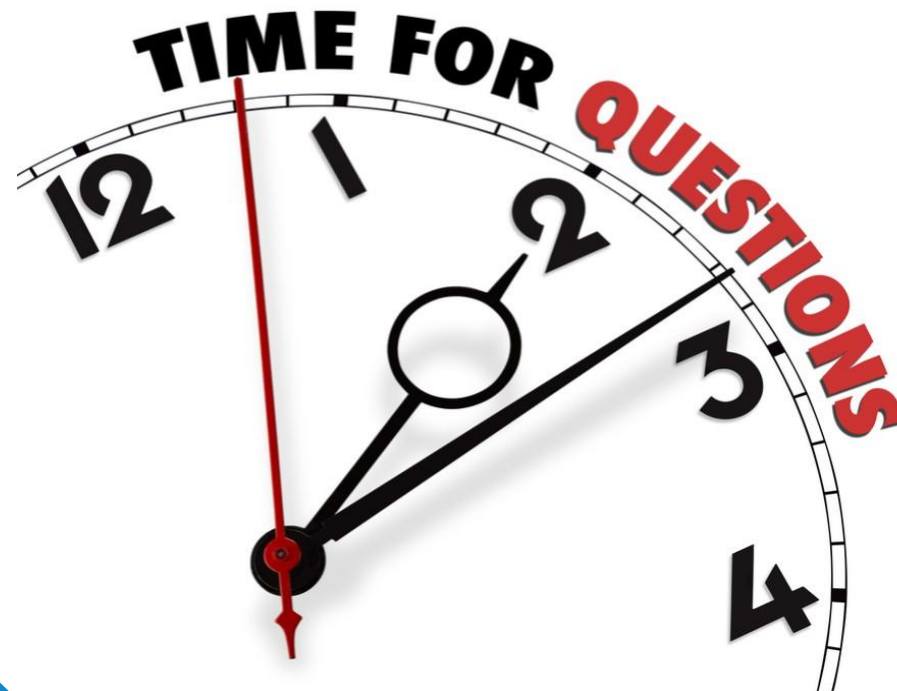
At end of program, circle back to measure your pre-established KPIs
Create an environment of continuous improvement

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Any Questions?



Thank you



Julie Fiorini

Senior Director,
Business Development



Regina M. Haley

Senior Director,
Analytics

For more information about AMG, email

JFIORINI@AVIDINC.COM