2018 Mobile Coupon Consumer Research Results

How today's shoppers want to acquire, store and redeem coupons

Paysons
Expires: 12/31/17

$10 Savings
off of your entire
regular-priced
purchase
Valid in store or online

Coupon
Code: 6575 4160 2378 6734

Cart

Code Broker

About CodeBroker

CodeBroker has been a mobile marketing solution innovator for more than a decade, helping leading retailers and brands drive revenue and build customer loyalty with a range of innovative mobile engagement solutions.

Mobile Coupons

Retailers and brands use CodeBroker Mobile Coupons to engage consumers, generate store traffic, and drive repeat purchases. Marketers use CodeBroker mobile coupons for on-demand coupon promotions, as incentives for SMS subscriber list sign-up, outbound marketing to drive store traffic, and more. Consumers can access, receive, and redeem CodeBroker mobile coupons from web-enabled phones and smartphones across multiple digital channels, including text message, mobile app, and mobile wallet. Codebroker on-demand mobile coupons consistently achieve redemption rates between 30% and 50%, providing a great way to drive consumers into stores to make purchases.

Text Message Marketing

CodeBroker Text Message Marketing combines advanced SMS marketing capabilities with ease-of-use to help marketers rapidly build and market to subscriber lists and loyalty membership securely and at scale. Retailers use CodeBroker Text Message Marketing to deliver mobile coupons to create urgency and drive short-term spikes in revenue.

Mobile Loyalty Experience Engine

The CodeBroker Mobile Loyalty Experience Engine adds all mobile channels to a brand's loyalty program software, to improve customer loyalty by engaging consumers on their preferred mobile channels. With the Mobile Loyalty Experience Engine, brands can rapidly acquire new loyalty program members and drive deeper levels of mobile customer engagement.

We invite you to learn more at www.codebroker.com.

About the Survey Respondents

1,204 U.S consumers participated in the research.

Age range:

18 to 29:	28%
30 to 44:	36%
45 to 60:	22%
60+	14%

Gender:

Female:	55%
Male:	45%

Income Range:

Less than $25,000	27%
$25,000 - $50,000	25%
$50,000 - $75,000	18%
$75,000 - $100,000	12%
More than $100,000	18%

Key Takeaways

1. Nearly half of all consumers prefer mobile coupons over printed paper coupons.

2. Mobile coupons delivered via text message drive high levels of purchases and urgency, with 25% planned redemption within three days, and 60% planned redemption within one week.

3. Welcome coupons provide a great incentive to drive list sign-ups, with 68% saying that they are more likely to join a retailer's/brand's marketing list if they receive an instant coupon.

4. On-demand coupons drive purchases, with 78% saying that they are likely or very likely to redeem a coupon that they request in response to an ad. This is even higher than CodeBroker clients' historical redemption rates of 30%-50%.

5. Single-use coupons can enable significantly higher redemption. Consumers clearly prefer coupons with a higher discount that they can use only once versus lower-value coupons that they can use multiple times.

The Results

When you use coupons, do you prefer mobile or paper coupons?

Paper **53%** **47%** Mobile
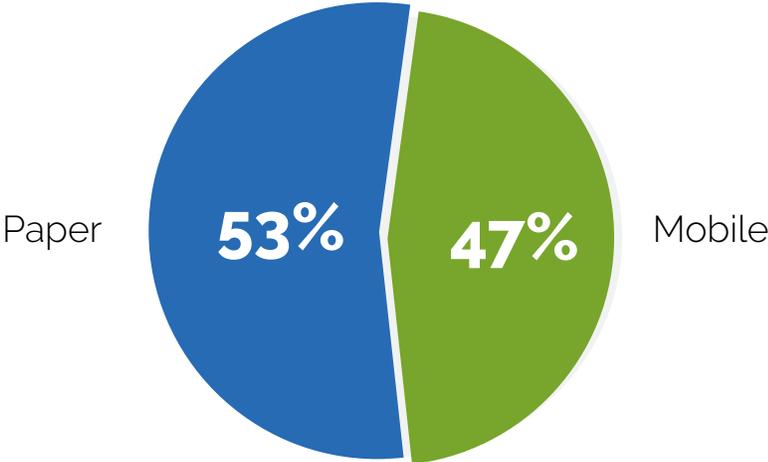
A 2018 study by the Pew Research Center found that 95 percent of Americans now own a mobile phone, with 77 percent of those owning a smartphone. It's no surprise that consumer demand for mobile coupons is now nearly even with traditional paper coupons. Consumers are embracing mobile for the entire "coupon" experience: access, storage and redemption. Mobile coupons not only give more and more consumers what they want, but they also present marketers with new and improved possibilities for collecting data, to track usage, and then using that data for ongoing targeting.

How quickly are you likely to use a coupon that you receive via text message?

within three days — 25%

within a week — 60%

longer than a week — 15%
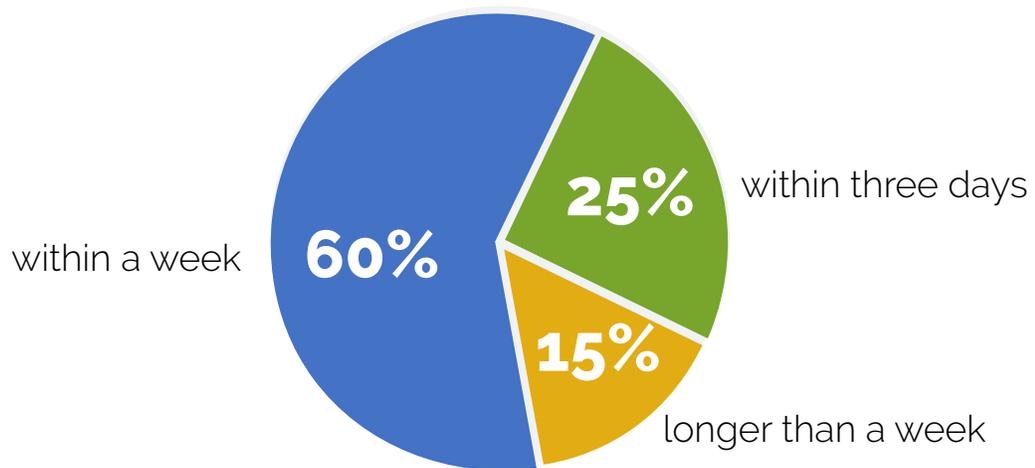
Mobile coupons delivered via text message help retailers solve two key business challenges:

1) creating urgency

2) driving short-term spikes in revenue. As we learned from the research, consumers plan to redeem coupons they receive via text within days, which makes text message coupon delivery an effective way for marketers to rapidly move the needle.

Are you more likely to join a retailer's/ brand's marketing list if you receive an instant coupon as an incentive to join the list?

No

32%

68%

Yes
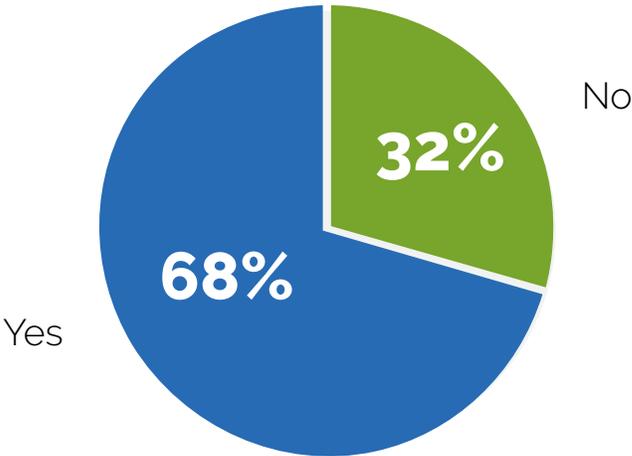
Welcome coupons not only drive revenue, but are also excellent incentives to get customers to opt in to marketing lists, whether it is an SMS list, email list or even a loyalty program. For marketers looking to expand lists quickly, an instant welcome coupon is an excellent approach considering that more than two-thirds of consumers are more likely to join a marketing list in order to receive a coupon.

Which of the following ads are most likely to get you to respond to a coupon offer?

57%
In-store signage

23%
Online ad

12%
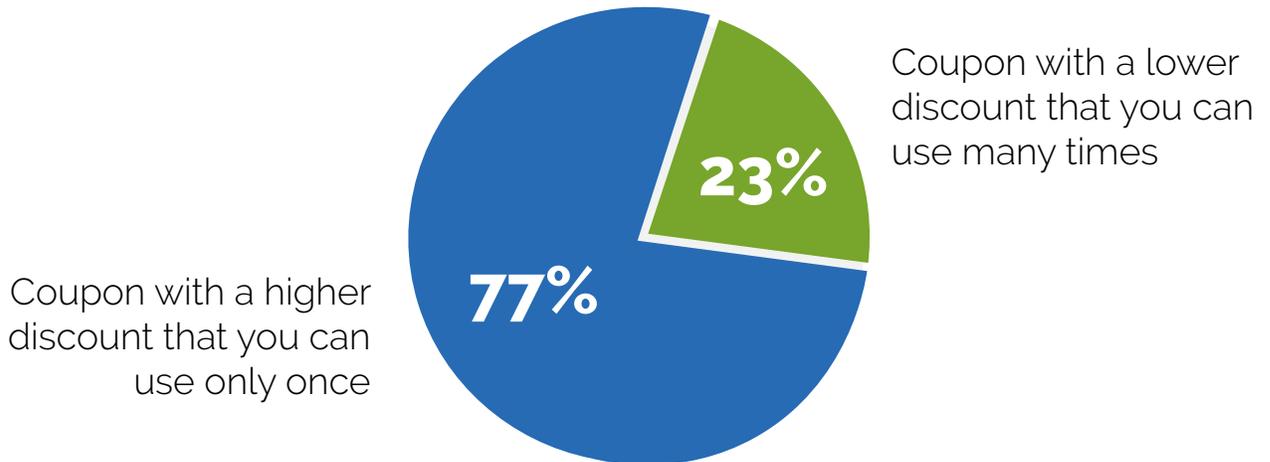Facebook ad

< 1%
Radio ad

7%
TV ad
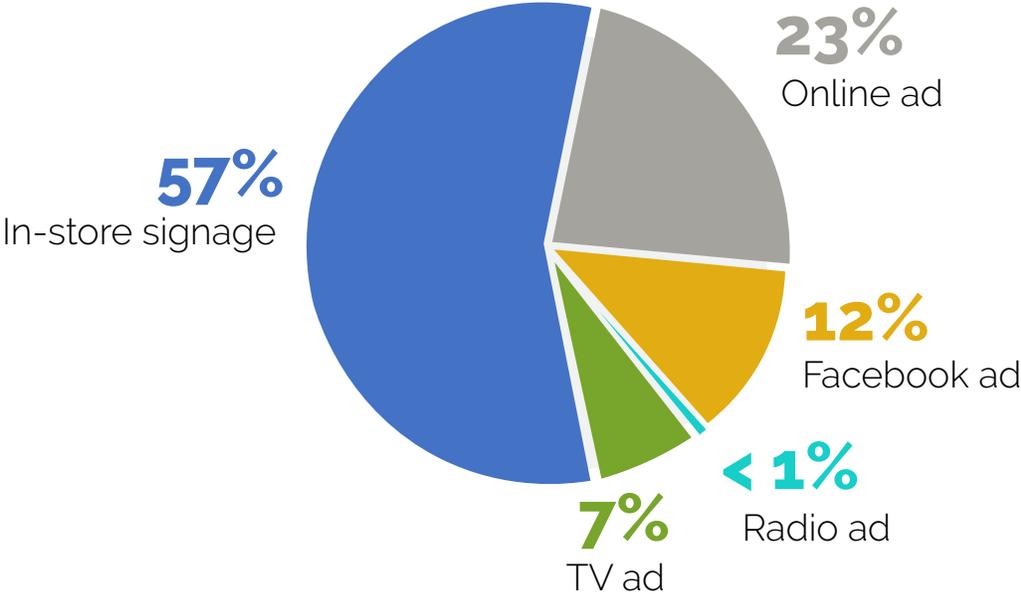
In today's digital world, it comes as a surprise that in-store signage still rules when it comes to offering coupons to customers. This is good news for retailers that offer in-store marketing programs to suppliers, and helpful insights for suppliers looking to offer coupons to drive purchases and build marketing lists. Still, online ads are highly effective, with nearly one-quarter of consumers more likely to respond to a coupon offer through an online ad.

How likely are you to redeem a coupon that you requested in response to an **out-of-store** advertisement?

Not Likely

22%

Likely or Very Likely

78%
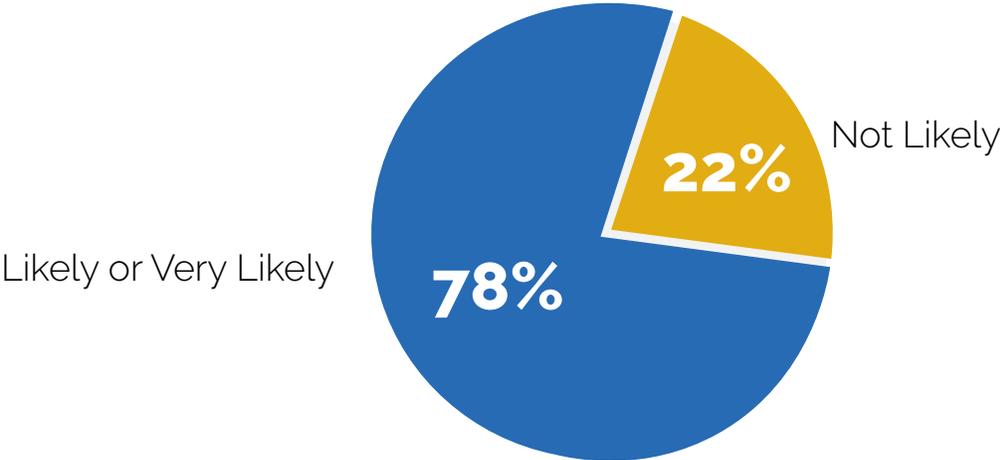
On-demand coupons work – with three-quarters of respondents indicating that they would redeem a coupon they requested in response to an out-of-store advertisement (on demand coupon). This is aligned with the historical performance that CodeBroker has experienced offering on-demand coupons for numerous large retailers – which is in the 30% to 50% range when on-demand coupons were advertised outside of the store.

Which type of coupon do you prefer?

Coupon with a lower
discount that you can
use many times

23%

Coupon with a higher
discount that you can
use only once

77%

Consumers overwhelmingly prefer higher-value coupons that they can use only once, versus a lower-value coupon that they can use again and again. To deliver single-use coupons, retailers must have the ability to generate a "smart" mobile coupon with a security model that ensures:

- The customer always receives the same mobile coupon regardless of the number of times the coupon is requested and the number of channels she chooses to receive the coupon.

- Once the mobile coupon is used, it expires simultaneously and is marked as redeemed across all distribution channels to prevent re-use.

- It is difficult for a consumer to obtain a second copy of the coupon unless specifically allowed by the retailer.

How do you prefer to use a mobile coupon?

Print and bring
to store

31%

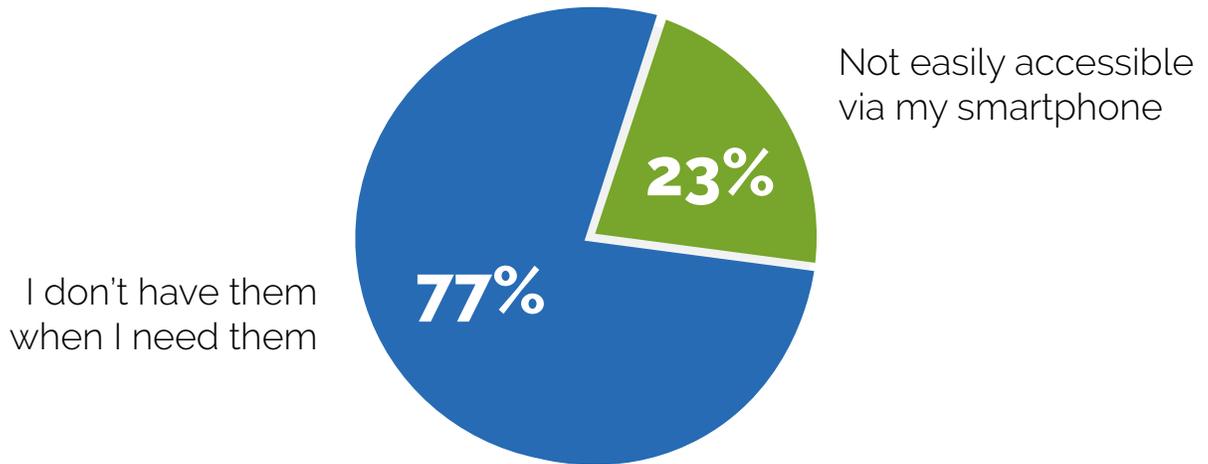Store on my
mobile phone

69%
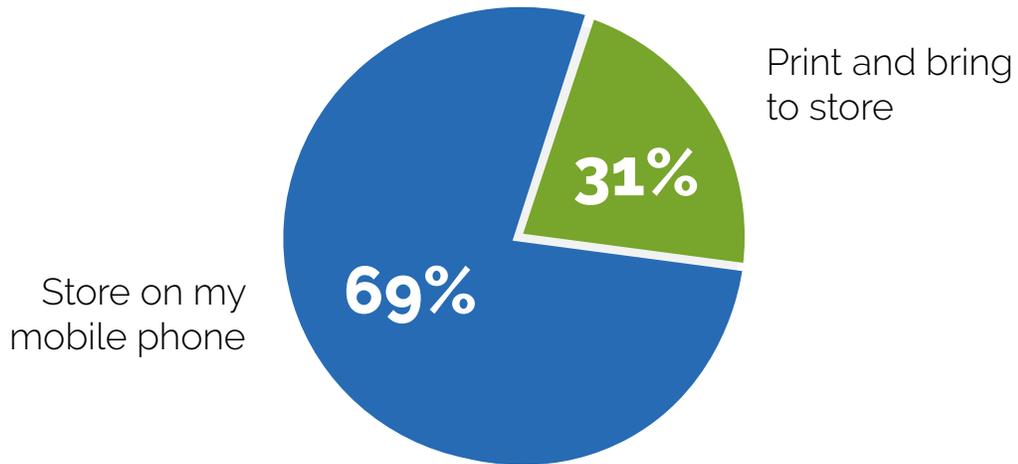
Consumers overwhelmingly want to store and redeem mobile coupons from their phones rather than download and print the coupon. As we dig further, we see that consumers have varying preferences for how they wish to store coupons on their phone – with more than half preferring a text message with a link to the coupon. As we see below, it's important to provide the customer with options.

How customers prefer to use coupons on mobile phone

57%

Save in text message
link on phone

28%

Save in mobile app

15%

Store in mobile wallet
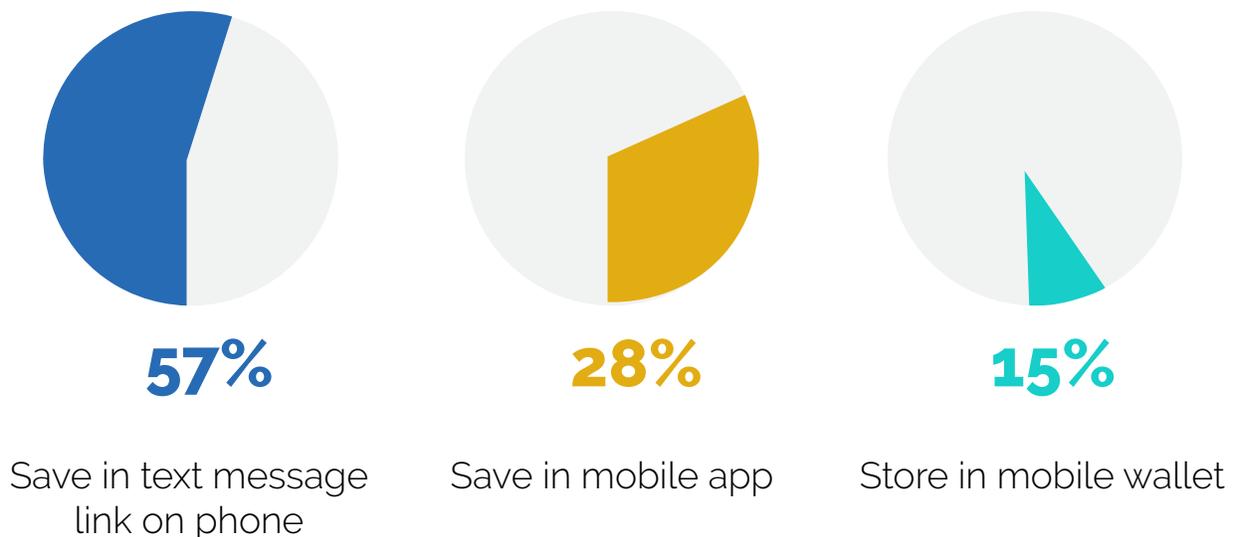
What is your top frustration with coupons?

Not easily accessible via my smartphone

23%

77%

I don't have them when I need them

Consumers' top frustrations are all about access – whether it's about timing – having the coupon when they need it – or about better access from their phone. With nearly 90% of Americans now owning a phone that can access mobile coupons, and nearly half of consumers now preferring mobile coupons, retail and brand marketers should all be taking a look at delivering mobile coupons, not only to drive engagement and purchases, but also to improve the customer experience.

Where to Go from Here

If you are looking to incorporate mobile coupons into your marketing mix, CodeBroker invites you to learn about the CodeBroker Mobile Coupon solution. Our coupon marketing platform is used by leading national retailers to address the requirements of today's consumers, helping retailers dramatically increase store visits, customer engagement and purchases.

Contact us today to learn about CodeBroker's Mobile Coupon Platform.

Email: info@codebroker.com

Phone: 800.928.7315

Website: www.codebroker.com