

Making the most of coupon marketing



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31 Aug 2015

No doubt that coupon codes, flash sales and promotions associate with a positive customer experience - those who have ever saved money during sales or by using coupons know that there is a satisfaction in saving money. The popularity of coupons in retail marketing is increasing mostly because coupons are great tools when it comes to gaining new leads, boosting sales, growing mailing lists, building customer loyalty and, finally, keeping competitors at bay...

The studies made on coupons and promotional offers do make one thing clear: customers love the idea of saving money. RetailMeNot has conducted a [study on shoppers' trends](#) (RetailMeNot Shoppers Trend Report: 2014 Holiday Shopping Retrospective and 2015 Outlook) in which it reveals an increased demand for discounts among online shoppers.



Online customers have become more savvy and hungry for all kinds of offers and incentives. Today's target customer is a conscious shopper who enjoys the idea of saving money and is well oriented in the world of promotional offers located online. The survey conducted by the popular marketplace platform also shows that 64% of consumers want retailers to offer more coupons and deals in 2015 than they did in 2014.

If you are finally convinced and have decided to implement coupons into your marketing strategies, you must decide on the right approach: how to distribute coupons to reach your target audience and achieve your goals. In this article, I'll review some of the most popular ways to distribute coupons and to achieve your goal in the most effective way.

Creating the right discount

The first step is to choose the right type of promotional offer, that is one that fits your business model and your range of products or services. Consider several types of discount codes and pick the one that fit our business. The most common types include:

- Amount or percentage coupon codes apply to all the products at the store and reduce the price of an order by a specific money amount or percentage;
- Coupon codes for specific groups of products are ones that apply only to a certain group of products or categories, or a single product or brand;
- Free delivery coupon codes allow to save on shipping costs, we can further subdivide it into free delivery coupon codes with no minimum threshold or coupon codes that lower the minimum threshold;
- Coupon codes for specific customers, e.g. for first-time shoppers or for savvy students; and
- Coupon codes for free give-aways or freebies: buy one, get one free (BOGO offers) or freebies with orders over a certain amount (or with every order).

Distribute your discount using different channels

Find the proper way to distribute your coupon so that it reaches the preferred target audience and helps you achieve your goal. When choosing the promotional channels, it's important to have your goal in mind.

- Homepage exposure: The easiest way to advertise your coupon code is to give it a homepage exposure. Coupons can trigger customers into a buying mode. If you want to increase the number of sales, let's say, around hot shopping season, a time-limited coupon will encourage your first-time customers or visitors to make a purchase decision;
- Social media networks: Coupons can be a great incentive to increase the number of your Facebook fans and create

a buzz on social media, naturally. The potential clients who join your Facebook fan page will feel more welcomed when receiving a reward for becoming a part of your community. It could also result in strengthening the bond between the customer and retailer. Once customers take advantage of the coupon, see how easy the process of using them is, they will definitely get hungry for more.

A company that successfully implemented this strategy is eDreams, an online travel agency that has managed to grow its community to approximately 658,000 fans. By offering monthly and occasional coupon codes the company has built a database of valuable fans who follow the retailer's Facebook activity and stay up to date with the latest promotions. In addition by encouraging Facebook users to spread the word you're getting the desired word of mouth;

- **Newsletter:** If email marketing is an important part of your overall marketing strategy, you are probably working hard to build a long email list. Here, coupons can appear extremely helpful too, if you want to increase the database of subscribers and then keep them satisfied with your service. The RetailMeNot report confirms that there has been an increased demand for discounts among online shoppers who know the ways to save money (coupon websites, comparison websites) and hunt for the best deals.

Promotional offers and coupons can be used to show customer appreciation, reward new clients and build customer loyalty - those retailers who occasionally distribute discount codes in their monthly emails can count on higher open rates. As we all can agree that for a retailer it's crucial to have a network of loyal and satisfied customer, it is definitely crucial to reward them. The same study by RetailMeNot shows that 54% of buyers wouldn't mind a reward or a gift from the retailer after making a purchase in his store.

If you want to increase your database of emails, you can create a gift voucher to encourage new customers or visitors to sign up for emails or create an account. You will therefore increase the number of email sign ups and registered customers.

The best example of this strategy is Zando, South African fashion retailer that provides ongoing promotion related with newsletter sign ups. In the first newsletter, the customer receives three voucher codes to be used within 30 days after receiving the email.

Once in a while it is also good to offer a coupon in the newsletter - the user will be more willing to dive into your emails if he knows there is the promise of a discount.

- **Coupon websites:** Coupon websites are designed to help you distribute your discount and drive valuable traffic to your website. Sites like Picodi.co.za are coupon aggregators that promote coupons as money-saving tools. These sites work on a commission basis, which means that they get commission from the retailer every time a sale is made via their website. The sites develop their own channels and communities of users, build email lists - advertisers can really benefit from working with those websites.
- **Mobile apps:** A mobile presence is a must if you want to keep your competition at bay. According to the [South African Mobile Report by Effective Measure](#) (Aug 2014), about 92% of internet users own a smartphone, and around 81% use it to browse online websites. The same report reveals that one-third of South African customers make purchases from their mobiles. Yet another promising finding is that almost 50% of smartphone owners have been exposed to mobile ads. If you are planning to develop your mobile strategy, increase the number of app downloads or encourage switching to mobile, one of the simplest and most successful ways is by introducing a mobile-only discount vouchers.

Flipkart, an Indian e-commerce company, has been testing this strategy for a long time, constantly increasing the number of mobile coupons released especially during the big shopping events. Currently, the e-commerce giant considers closing its desktop version of the store and switches into mobile app after discovering that mobile can convert as well or even better than the 'regular' online store.

Testing different coupon strategies can be a bit costly if the entire campaign is not well designed and carefully planned -

one cannot just assume that implementing the mechanism is enough and it will be downhill all the way. However, it is possible to make your marketing more effective when you apply the right strategy - in the end, it's all about influencing the purchasing decision. Offering online money-off codes should not be associated with slashing down prices and lowering the value of the products and services - it is more about producing attractive offers to move customers or first-time buyers towards an online purchase. A well-adjusted coupon strategy is the key if your objective is to attract and keep new customers or even increase your brand awareness.

ABOUT MAGDALENA WERMINSKA

Magda is an English-speaking marketing manager at International Coupons, a Poland based e-commerce group that maintains a chain of coupon code sites in 12 countries. She looks after South Africa's Picodi.co.za - a coupon code website that collects online codes and deals from popular online retailers.
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