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AAD 610

Marketing, Media, and Communications II

9 February 2016

**Marketing Strategy: Coupon Marketing**

**Introduction**

There are many different types of marketing strategies that promote a product or experience and allows the audience to indulge. Creating a tantalizing experience is essential in encouraging involvement and participation and increases awareness of the product. According to the businessdictionary.com marketing is “The [management](http://www.businessdictionary.com/definition/management.html) [process](http://www.businessdictionary.com/definition/process.html) through which [goods and services](http://www.businessdictionary.com/definition/goods-and-services.html) move from [concept](http://www.businessdictionary.com/definition/concept.html) to the customer. It includes the [coordination](http://www.businessdictionary.com/definition/coordination.html) of four [elements](http://www.businessdictionary.com/definition/element.html) [called](http://www.businessdictionary.com/definition/call.html) the [4 P's of marketing](http://www.businessdictionary.com/definition/four-P-s-of-marketing.html): [selection](http://www.businessdictionary.com/definition/selection.html) and [development](http://www.businessdictionary.com/definition/development.html) of a product, determination of its price, selection…to [reach](http://www.businessdictionary.com/definition/cumulative-audience-Cume.html) the [customer's](http://www.businessdictionary.com/definition/customer.html) place, and development and implementation of a [promotional strategy](http://www.businessdictionary.com/definition/promotional-strategy.html)” (2016). The idea of the four P’s is essential when creating a marketing strategy. The four P’s allow the marketer to establish a clear product, price, place, and promotion. With the four P’s of marketing in mind, in the paper that follows, I will be discussing the marketing strategy of ‘coupon marketing’. I will be focusing on the background history of coupon marketing, as well as the fact that coupon marketing has allowed consumers to spend more on products and experiences both in store and online and thus created more advertising for the retailer. I will also explore certain lexicon terms that can demonstrate a significant relationship between coupon marketing and keywords used in the marketing world.

**Background and History**

According to the PowerPoint Slide that was discussed in class, “a coupon is a ticket or document that can be exchanged for a financial discount or rebate when purchasing a product” (2016). This means that coupons have a beneficiary purpose in the consumerist market place. Coupons can be described as replacing dollar bills, which can be considered extremely enticing to the general public. The definition of coupon marketing is the “[Discount](http://www.businessdictionary.com/definition/discount.html) [offer](http://www.businessdictionary.com/definition/offer.html) printed in [newspapers](http://www.businessdictionary.com/definition/newspaper.html) or [magazines](http://www.businessdictionary.com/definition/magazine.html), [attached](http://www.businessdictionary.com/definition/attached.html) to a [packaging](http://www.businessdictionary.com/definition/packaging.html), or mailed out. A [consumer](http://www.businessdictionary.com/definition/consumer.html) [redeems](http://www.businessdictionary.com/definition/redeem.html) a coupon by presenting it at the time of [paying](http://www.businessdictionary.com/definition/payer.html) for the discounted [product](http://www.businessdictionary.com/definition/product.html)” (businessdictionary.com, 2016). In this regard, couponing can be seen as a way for participants to access sales and discounts through paper or virtual processes. This type of marketing uses many different ways to reach the customer. For example, companies can mail out coupons, they can email coupons to a general emailing list, or they can place coupons on their webpages and online sites. Through my own personal experience, I receive paper coupons via mail every other day. There are usually at least three different companies that send coupons to my current residence. Over the years, I have received many different types of coupons; coupons that advertise free food with the purchase of a meal, free three-ounce bottle of hand sanitizer with the purchase of a lotion, and twenty percent off my first purchase.

The revelation of couponing and the appearance of the first paper coupon in the United States began in 1894 with the Coca Cola company campaign. According to Slater (2001), “Coupons have been a promotional strategy for more than 100 years. In 1894 Coca-Cola was the first to distribute coupons offering a free glass of Coca-Cola at the local drug store” (p. 3). This campaign offered a free coke to the customer, stating ‘have a coke on me’ directly on the coupon (Mandlik and Rhodes, 2015). Although this coupon was highly successful for the Coca Cola Company, other companies did not use coupons until thirty years later, when Procter and Gamble (P&G) created a twenty-five cent coupon that was contingent on receiving customer personal information (Slater, 2001p. 3).

The introduction of couponing created frenzy in the United States, allowing mass production of the paper certificates and promotional advertisements for companies. In 1965 three hundred and fifty companies were distributing more than ten billion coupons annually (Slater, 2001 p. 4). This is a substantial amount of coupon distribution in the United States at one point in time. These companies were using a marketing technique that was not only promoting a general awareness of their business, but also an eagerness to buy more of their products. However, fast-forward thirty years later, in 1999 only two percent of the coupons that were distributed were redeemed in stores (Slater, 2001 p. 5). This means that ninety-eight percent of the remaining coupons that were sent out to potential customers were not used or redeemed. Slater (2001) makes a valid point when she questions the use of coupon marketing in today’s society. She states, “Because of the high cost and low return, companies such as Procter & Gamble have experimented with reducing or completely eliminating coupons” (p. 4). This raises the question as to if coupon marketing is a justifiable and essential marketing strategy for organizations and companies today.

Going forward through the years, couponing has made a valiant comeback in terms of commercial marketing. Slater concludes her article by deciding that coupons are in fact a valid marketing strategy. This was contingent on the information found from a study that was done by P&G to prove whether or not couponing was an effective marketing strategy. They found that consumers like to use coupons. It is more than just the monetary gain but also the fact that “…coupons not only involve the consumer in the purchase decision prior to the shopping visit, coupons also give the consumer an element of control over the transaction. In fact, consumers feel as if they are beating the system. Therefore, some of the reward of coupon use is beyond monetary savings” (Slater, 2001 p. 7). According to this statement, it seems as though coupon marketing has not been eliminated from marketing strategies. The production of coupons benefits the company through general awareness and revenue and the consumer for monetary savings and control in product purchase.

**Lexicon Term Analysis**

In the beginning of this paper, I discussed the history of coupon marketing and how this type of strategy has decreased and increased in the consumerist world. In the portion that follows, I will attempt to evaluate and compare certain lexicon terms that were provided by the class last term, which can relate to the use of coupon marketing.

The first lexicon term I want to discuss is **resources**. The dictionaryreference.com definition of resource is, “a source of supply, support, or aid, especially one that can be readily drawn upon when needed” (2016). In my own personal experience, resources can be described as a collection of information or support that can be used at a moment’s notice and that is of value to the user. It can essentially be described as help or relief in times of uncertainty and need. But how can this term relate to coupon marketing? One way of looking at the relationship between coupon marketing and resources is in how coupons are valued to the company producing the product and the consumer. In other words, coupons become the resource that can promote awareness of a product and encourage engagement in buying the product. This benefits both the company and the consumer. Coupons present a method that allows the customer to save money and, in a way, provide financial support or aid when buying a product.

My second lexicon term is none other than **accessibility**. I chose this term because of its definition: accessibility is “providing access, [or] capable of being used or seen” (Merriam-Webster.com, 2016). This term describes how certain items or abstract objects can be used with availability or convenience. I relate this to coupon marketing because coupons have become an extremely accessible marketing tool. Companies can mail coupons to their customers, as well as place ads and coupons on websites and through email. On certain websites that I have frequented, such as Facebook for example, there are ads and coupons that pop up on the side of the screen, promoting products that would entice my interests. Emailing coupons has also been a way for organizations to market their products or experiences. These coupons are easily accessible and can be either printed from a home computer or used on smart phones in store. There has been an increase in accessibility of promotional coupons since the addition of websites and an increase in an online presence. However, the accessibility of receiving coupons is not limited to computer access, but also to old fashioned mail. As stated before, I receive coupons for many different organizations through my mailing address. Marketing with an online coupon, as well as mailing physical coupons, allows for a more accessible and overwhelming marketing strategy.

The next lexicon term I want to relate to coupon marketing is **audience**. The word audience is an extremely related term to coupon marketing. Without an audience, whom would you send promotional coupons? Charrissa Hurt defines the term audience as “Audience means the specific target group that an organization seeks to focus on and how they present that in their marketing” (2015). I like this definition of audience because it directly relates how audience fits within the marketing world. Having an audience is key when creating a marketing strategy. Who will be your target audience for your product? In other words, who will buy your product? The relationship between coupon marketing and the term audience is due to the fact that coupons have to be sent to a group of people in order to be used or redeemed. In my own experience, the ways in which I have been sent coupons has usually been through giving out personal information when purchasing an item in stores or buying tickets online. Once this information has been given to the company, coupons can be either emailed or mailed to the customer. The mailing of coupons can last forever, unless the customer directly contacts the company to terminate this coupon relationship. In this case, an audience is essential in the use of coupon marketing.

 The fourth lexicon term I want to discuss is **play**. I find this term to be interesting because I believe it can relate very much to marketing strategies. The term play can be defined as “the state of being active, operative, or relevant” (Meriam-Webster.com, 2016). I chose this definition of play because it relates to coupon marketing. As seen in the historical background of coupon marketing, in order to continue with the use of couponing, companies will need to continue to be able to create relevant and effective coupons for their audiences. Play can also relate to the ways in which coupons are developed. In other words, the design of the coupon can be innovative and relevant to the ideas and customs of today’s society. Marketing teams can create coupons that are catchy and fun. They can also create coupons that will allow for the most use by the target audience. For example, a coupon that has more color and graphic design will be more interesting to me than one without these aspects. Or if a coupon uses the word ‘free’ in the description, I will more likely redeem the coupon and buy other items along with my free item. Playing with the design and monetary savings of a coupon can generate a greater interest in a product.

The fifth lexicon term is **focal point**. Focal point is important when developing a marketing strategy. What is the main point of the marketing and will the audience respond to what is being promoted? The definition of focal point can be determined as “the point at which all elements or aspects converge; center of activity or attention” (Dictionaryreference.com, 2016). I chose this definition because it relates to how all elements of a design connect to grab an audience’s attention. It also relates to coupon marketing because marketing teams have a direct focus on what they want to promote. They also have to decide what will be the main promotional advertisement they want to market. In other words, what will be the item that will be used on the coupon? What items or experiences are more likely to benefit from coupon usage? There is a distinct relationship between the term focal point and coupon marketing because of the product that will be promoted.

The sixth, and final, lexicon term I want to relate to coupon marketing is **balance**. This is an interesting term, especially in regards to coupon marketing. The definition of balance can be described as “a state in which different things occur in equal or proper amounts or have an equal or proper amount of importance” (Meriam-Webster.com, 2016). I chose this definition specifically because it suggested a state of equality and also used the word ‘importance’. Being able to use balance in everyday life is essential in order to be relatively sane in today’s society. I enjoyed reading the definition of balance by Andrea Hadsell (2015). She states “Balance is required for a brand to be memorable. As a brand is the visual aspect of an organization that a population will associate with the organization, the brand and its balance is key”. I liked her definition of balance because it connects the term to marketing and brand development. She is valid when she states that having balance is key in order to produce a well-received brand for an organization. This relates to coupon marketing as well because of the need for balance on a physical or virtual coupon. The coupon is the marketing tool, so how are marketing teams going to promote their company while also connecting to their target audience. This includes a certain amount of play when designing the coupon, but also a sense of balance. Marketing teams will have to be diligent in creating a coupon that can market to all audiences, as well as promote their product and create a general awareness for the organization or company.

 These lexicon terms can relate to one another in the context of coupon marketing and promotion of products. They are all important in the design and implementation of the coupons for certain products or events. Resources and accessibility pair nicely with coupon marketing due to the fact that coupons become a valued resource and can create access to products that maybe the consumer would not normally buy or purchase. Play, focal point, and balance can relate not only to each other, but also to coupon marketing. These three terms can be considered part of the design of the coupon. In other words, how will the marketing team construct the coupon to promote the company and entice the customer? This question leads to the final term, which is audience. Who is receiving these coupons and why? The term audience can relate to all of these lexicon terms, as well as coupon marketing. The audience is considered the group who will ultimately promote the company and its products through the use of coupon redemption.

**Conclusion**

In conclusion, coupon marketing has been used in the United States for over one hundred years. It has remained a dominant marketing tool for some companies and organizations and can still be considered relevant in the marketing world. One issue with coupon marketing is the physical paper that coupons are using to be produced. As the world becomes more eco friendly and paper conscientious, there might be a decline in the use of physical coupons. However, as the online presence becomes more apparent in society, companies will also adapt to this change by producing more virtual coupons that can be seen on websites and social media outlets.

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