



FACT SHEET

Family and Consumer Sciences

11-FCS-904

Saving Money with Coupons

Polly Loy

Extension Educator

Family and Consumer Sciences

We've all heard the sensational stories about coupon clipping shoppers getting fantastic deals at the store.

- Local mom buys week's worth of groceries for family of five for only \$8.37!
- Smart shopper combines coupon offers to get 24 rolls of paper towels for one cent!
- Man earns car with yogurt rebate offer!

While these stories are entertaining and even inspiring, they are not the norm. Each should be accompanied by a disclaimer that states, "These savings are not typical; individual results may vary."

In reality, coupons are a promotional tool used by manufacturers and retailers to increase profits. Stores are not in the business of "giving" product away. But coupons can be a win-win for manufacturers, retailers, and shoppers.

Smart coupon use can provide significant savings for consumers. According to the Year-end 2010 Consumer Packaged Goods (CPG) Coupon Industry Facts Report by NCH Marketing Services, shoppers saved nearly \$3.7 billion dollars with coupons in 2010, up \$200 million over 2009 (NCH Marketing Service, 2011).

The NCH's annual consumer survey also indicates that 78.3% of consumers report using coupons regularly, up 14.7 share points from pre-recession levels, and a third of the respondents used more coupons in 2010 than the prior year (NCH Marketing Service, 2011). Investing a little time in finding and organizing coupons can pay big dividends at the checkout. Most coupons are still distributed through newspaper inserts, but new sources

for coupons—including those printed from Internet sites and coupons that can be downloaded to cell phones and store loyalty cards—are making it even more convenient to take advantage of coupon savings.

Couponsing Hints

Follow these do's and don'ts to get the most from coupon redemption:

- Do use coupons to purchase sale items to maximize savings.
- Do use coupons to buy items you would usually purchase or new items you would like to try. Don't buy items you don't really need just because you have a coupon.
- Do compare the prices of store brand items of similar quality. Many times, in-house brands are less expensive even when applying a coupon to the national brand item.
- Do maximize coupons by looking for stores that double coupon values. Notice if stores only double coupons on certain days of the week. Not all areas have stores that double coupons.
- Do organize your coupons so they are easy to track and use effectively.
- Do watch expiration dates.
- Do write your grocery list with your coupon file and weekly store ad at hand, so that you can match coupons to sale items and pull out coupons that you will be using.
- Do stock up on non-perishable items—canned foods, paper goods, and cleaning products—if you have

coupons that match up with store sales. Don't purchase more than you can store conveniently.

- Don't purchase perishable food in quantity if you will not be able to use it or freeze it before it expires.

Where to Find Coupons

- **Sunday newspapers** are still the primary source of coupons for consumers with 88% of all coupons distributed through newspaper inserts (NCH Marketing Service, 2011). Inserts that come from marketing media companies such as Smart Source and Red Plum contain a variety of coupons from different manufacturers. Other inserts come from major manufacturers such as Procter and Gamble or General Mills and feature only coupons from their companies.
- For the truly diligent coupon clipper who wants to get a head start on the weekly grocery list, www.sundaycouponpreview.com provides a preview of coupons that will be offered through the newspapers—and online—in the coming week.
- **Digital coupon** use continues to grow dramatically in its share of coupon distribution. According to United Business Media (2009), coupons distributed via the Internet increased by 92% in 2009 and the redemption rate of these coupons is up over 360%. Digital coupon use still represents only 1% of total coupon distribution, but that percentage is expected to increase as a younger generation uses more coupons printed at home.
- **Online grocery coupons:** A quick Internet search for “coupons” using any search engine will generate a long list of websites dedicated to providing online coupons. Most are free of charge but require registration and ask for a minimum of an e-mail address. Some want more details concerning personal information. Remember that any contact information you provide will probably be used to send unsolicited offers through phone, e-mail, and/or regular mail. Also, your contact information can be sold to other marketers. Stick to the sites that ask for only an e-mail address to avoid telemarketers and junk mail. Also, setting up a separate e-mail address just for couponing will safeguard your personal e-mail account from the avalanche of spam that is likely to result from signing up at coupon sites. An Internet search for “free e-mail account” will return a number of sites that allow you to set up a useful alternative e-mail address.
- **Manufacturer and store websites and e-newsletters:** Try going directly to a manufacturer's website to find coupons for favorite products. Large chain stores also frequently provide coupons at their websites. Again, you may need to register and/or sign up as a “preferred customer” to download printable coupons or receive e-newsletters with coupon offers.
- **Store loyalty cards:** Retailers with loyalty card programs have always used the cards to track purchasing trends and reward customers with rebates and coupons sent through the mail. Now, many are providing savings that can be downloaded from home computers directly to the loyalty card. These coupons offer a couple of advantages. First, you don't have to print or clip anything or worry about expiration dates. Swipe your card at checkout and the savings are automatically deducted when you purchase the couponed items. Second, since loyalty card coupon offers are usually considered store coupons, you may be able to use *manufacturer* coupons as well—a practice known as “stacking”—resulting in additional savings. Check your store's policy to be sure you can use both types of coupons for one purchase. Visit a store's website to see if they provide loyalty card coupons.
- **Mobile coupons:** Use of coupons that download to cell phones are “gaining steam” according to Supermarket News, which reports that 2% of respondents to a 2009 survey indicate they are using them (Angrisani, 2009). Retailers differ, but mobile coupons are usually received by cell phone text after sending a text from an in-store or online display. Mobile coupons are redeemed at the checkout by scanning a barcode that appears on the cell phone screen.
- **Direct mail coupon** distribution has been on the increase as overall newspaper circulation has fallen off in recent years and marketers try to get coupons into the hands of all consumers, including those not purchasing newspapers. If you do not receive direct marketing coupons in your mailbox, most of these coupons are also available online at the marketing media company websites. Good news for the troubled newspaper industry is that there is some evidence that the recent surge in couponing has translated to an increase in Sunday newspaper sales (PR Newswire, 2009).
- **Coupon clipping services** provide the service of clipping coupons for a fee. It is illegal to sell coupons, but these online companies get around that by selling the “service” of clipping. Advantages to coupon clipping services are that you can select exactly which coupons you want and get them in quantity without spending a lot of time finding and clipping them yourself.

Disadvantages include the cost and the requirement most services have of only providing coupons in multiples of 5 or 10. So you may have to purchase more than you want or are able to use before dates expire.

- **Coupon exchanges:** Not every coupon is useful to everyone, but every coupon is useful to someone. Set up or join a coupon exchange to get more of the coupons you want and pass on the coupons you won't use. It's as simple as putting out a box or basket in a public or private place such as an employee lunchroom, the library, a gym, or a church lobby.
- **Blinkie machines and tear pads:** Watch for the little blinking machines that spit out coupons or tear pads that are attached to the grocery store shelf with coupons for use with items found at that location. Just be sure to remember to hand them over at the checkout counter to receive the discount.
- **Peelies and wine tags:** Peelies are sticker coupons found attached to products that can be peeled off and redeemed immediately. Wine tags are the doorknob-hanger-like cards that are placed over the neck of many bottled products, not just wine. Like blinkies and tear pads these are convenient and immediate, if they actually get redeemed. Be sure that you hand them to clerks to get the discount. Some clerks are more alert than others about looking for and crediting these coupons. It's frustrating to get home and find unused in-store coupons still attached to products. If that happens, take the coupon, along with the receipt to the service center for reimbursement on your next visit to that store.
- **Catalinas:** Named after the company that developed the technology, Catalinas are coupons that print off with your cash register receipt. Catalinas are usually for items you have purchased in the past, which makes them particularly useful since you are likely to buy that product again. They cannot be applied to current purchases, but can be redeemed at future visits to the same store. Watch for expiration dates as they tend to be short term.

- **Store circulars:** Weekly store fliers are a frequent source of discount coupons and because these are store coupons, they can often be “stacked” with manufacturer coupons depending on the store policy.

Coupons = saving

As families at all economic levels struggle to control spending and manage debt in a difficult economy, many have turned to coupon use as another tool for helping make ends meet. The old saying, “Every little bit helps,” is as true today as ever before and each coupon can represent another “little bit” for consumers.

Resources

- Angrisani, C. (2009). Coupon connections. *Supermarket News* 81(39).
- Briefings Media Group. (2010). *Trend Letter* (December 2010). Available at <http://www.briefings.com/n.asp?nl=tl>.
- Consumers Union. (2010). Upfront: News, trends, advice. Seven secrets of coupon pros. *Consumer Reports* (August 2010).
- Garry, M. (2009). Digital coupon checkout evolves with cell phones. *Supermarket News* 57 (46).
- Livmore, R. (2009). Pros and cons of using coupon clipping services. Retrieved from <http://www.suite101.com/content/pros-and-cons-of-using-coupon-clipping-services-a163900>
- Livmore, R. (2009). Where to find coupons for groceries. Retrieved from <http://www.suite101.com/content/where-to-find-coupons-for-groceries-a163809>
- NCH Marketing Service. (2011). 2010 Annual Coupon facts. Retrieved 5/09/2011 from <https://www.nchmarketing.com/ResourceCenter/assets/0/22/459/535/075ecfb07df44902bb773158e59b9b8a.pdf>
- Neff, J. (2010). Coupon clipping stages a comeback. *Advertising Age* 81 (39).
- PR Newswire, United Business Media. (2009). News release shows coupon use up. Retrieved from <http://www.prnewswire.com/news-release-shows-coupon-use-up-27-83049527.html>

EMPOWERMENT THROUGH EDUCATION

Visit Ohio State University Extension's web site "Ohioline" at: <http://ohioline.osu.edu>

Ohio State University Extension embraces human diversity and is committed to ensuring that all research and related educational programs are available to clientele on a nondiscriminatory basis without regard to race, color, religion, sex, age, national origin, sexual orientation, gender identity or expression, disability, or veteran status. This statement is in accordance with United States Civil Rights Laws and the USDA.

Keith L. Smith, Ph.D., Associate Vice President for Agricultural Administration and Director, Ohio State University Extension

TDD No. 800-589-8292 (Ohio only) or 614-292-1868