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Consumers Use Over \$3.5 Billion in Coupons, Drive 27% Increase in Redemption for 2009

Spurred by a sour economy, coupon redemption is up while distribution soars to record highs

Winston-Salem, NC, January 25, 2010 — Inmar, the nation's leading promotion transaction settlement provider, reported today that annual coupon use is on the rise for the first time since 1992 and coupon distribution hit the highest level recorded since the company began tracking trends in 1988. For the first time in 17 years, consumers used more coupons than they did the year before, with 3.3 billion consumer packaged goods coupons redeemed, an explosive 27% increase over the 2.6 billion redeemed in 2008.

The rise in coupon use started in October of 2008, coinciding with news of the U.S. financial crisis. That has led to five consecutive quarters of double-digit growth (based on percentage change from the same period of the previous year).

The increase in redemption goes hand-in-hand with an increase in distribution. Despite the tight economy, marketers invested heavily in coupons, boosting the number available to the highest level in over 30 years. Brands issued 367 billion coupons, at an average face value of \$1.44, indicating that they were committed to promotions in 2009.

News America Marketing, the company behind the SmartSource Magazine coupon inserts and consumer coupon site www.smartsource.com, says the data supports what they saw last year.

"There has been a noticeable increase in page count over the past year," said News America Marketing EVP of Marketing, Jesse Aversano. "Manufacturers understand that in a tough economy, coupons are an effective and efficient way to spend their advertising dollar."

"Brands saw coupons as a key to maintaining brand strength," adds Matthew Tilley, Director of Marketing for Inmar's promotion services division. "If they reduced their promotional presence, they stood to lose sales to lower priced competitors and store brands – so they doubled down hoping to create brand loyalty once the economic dust settles."

News America Marketing also reported an increase in retailer promotion pages in its free-standing insert (FSI), driven primarily by the shift in advertising and promotion dollars to Shopper Marketing initiatives, according to Aversano.

Online coupons also contributed to the rise in coupon distribution and redemption, with Internet distribution up 92% and consumer redemption of these coupons up over 360%.



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“The weekly prints from SmartSource.com are more than double what we saw a year ago, which was double what our 2007 numbers were,” said Aversano. “However, in spite of the meteoric rise in online and digital couponing, the traditional newspaper-distributed FSI still accounts for 89% of all coupons distributed and over half of the coupons redeemed. Consumers expect to find coupons in their Sunday papers, and we’ll continue to be there for them. But they’ll also find us online, in stores, on cell phones and anywhere else that they want to find them.”

As coupon numbers across the board were on the rise in 2009, brands were forced to mitigate the cost of increased redemption by maintaining face values and keeping expiration periods in check. In 2009, face values declined by a penny, reversing a multi-year trend of increasing values. Expiration periods were shortened by 10% last year, despite years of virtually no change.

“This is an exciting time to be in the coupon business,” said Tilley. “Of course, we don’t know how long this upward trend will continue, but it is evident that coupons are back on shoppers’ radar; the economic downturn has instilled a drive to be smart and frugal about spending and coupons definitely have a role in fulfilling it.”

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About Inmar. Inmar[®] is a business process improvement company focused on delivering technology-driven solutions for the critical reverse logistics, promotions and revenue recovery operations of leading retailers, wholesalers and manufacturers. The nation’s most comprehensive provider of promotion settlement services, Inmar serves over 1,200 businesses and processes more than 3.5 billion transactions annually, including nearly half of the US’s redeemed coupons.

For more information, visit www.inmar.com.

About News America Marketing. News America Marketing[®], a division of News Corporation, is the leading single-source provider of consumer marketing services. The company’s product portfolio, marketed under the SmartSource[®] brand name, consists of the first branded free-standing insert, known as SmartSource Magazine[®], various in-store marketing products, merchandising services, database marketing tools and the online consumer coupon site www.smartsource.com. These products and services allow marketers to deliver a brand message to over 200 million consumers each month via a network of 1,500 newspapers and over 50,000 supermarket, drug, office, mass merchandisers and dollar-store locations across the country, including Kroger, Safeway, Publix, Food Lion, CVS, Rite Aid, Walgreens, Staples, Family Dollar and Dollar General.

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