

The Mobile Coupon Boom – Tap In or Tap Out

In 2010, just 13% of mobile smart phone users were using mobile coupons –totaling around 7.2 million Americans. By 2011, this more than doubled to over 15 million smart phone owners redeeming mobile coupons. Growth projections indicate this number should reach 26 million by the end of 2012 and 34 million by 2013.

Mobile web analysts anticipate that over the next four years, annual mobile coupon redemption will top \$43 billion in the US alone. Nearly 70% of smart phone users say that mobile coupons are useful and nearly one-third of Americans will search for mobile coupons using their smart phone or other mobile device. Over 25% of smart phone users indicate interest in proximity based marketing, saying they would like to get mobile coupon offers when they are physically in or near a business.

Booze Allan Hamilton, an international marketing firm, has this to say about mobile marketing, “As smartphones change shopping, merchants face a stark choice: Fall in behind their newly enabled consumers or fall behind altogether.”

Even if your target customer is an older adult, don’t assume they don’t own and actively use all the features of a smart phone. In fact, 83% of smart phone users are age 25 and older. Statistics also reveal that smart phone users are in higher income brackets – meaning they may have more disposable income – making them a desirable customer.

Among adults earning more than \$75,000, 60% have a smart phone and in the \$50,000-\$75,000 bracket, nearly 40% own a smart-phone. Yet even high earners love to get discounts and mobile coupons and they have the money to redeem them and then, based on a positive experience, come back to your establishment and pay full prices.

When it comes to finding mobile coupons, smart phone users have very specific preferences. A recent study by Microsoft showed how consumers like to receive mobile coupon offers. The results are:

- Most prefer to receive them via text message
- The second most popular option is via email checked on the mobile device
- The third option is to be texted an offer while they’re in an establishment
- The fourth most popular is to find mobile coupons using an app
- The fifth most popular option for getting a mobile coupon is scanning a QR code
- The least popular option for getting a mobile coupon is in exchange for a social media check-in

However, what may not be evident from these results is that while QR codes and social media check-ins are the least popular methods in the survey, they are on the rise. Many survey participants may have rated these lowest simply because they are inexperienced with using QR codes and location-based aspects of social media.

Microsoft research indicates that mobile coupon use will have doubled between 2011 and 2013. Their recent study shows that 10% of all cell phone users redeem mobile coupons but the rate is 20% among smart phone users. They project these numbers to be 16.5% and 30% respectively by 2013.

Nancy Cook, Vice President at Valpak - one of the top firms in couponing, both mobile and paper – said recently, “A strong offer will work in any space and mobile even more so, because it can be relevant when a consumer may actually be ready to make a purchase.”

The numbers don't lie – mobile coupons are a powerful and growing segment of mobile marketing and marketing in general. Tap in to this growing trend or look to find your customers tapping out on you.