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A STUDY OF THE EFFECTIVENESS
OF COUPONING IN
NEW ZEALAND

A thesis presented in partial fulfilment
of the requirements

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Marketing at
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ABSTRACT

The increasing role played by Consumer Sales Promotions in the Promotional mix has not been matched by an equal interest shown in the marketing research with regard to their effectiveness.

Existing evidence of Sales Promotions impact on sales and profitability presents limitations stemming from the nature of the data utilised.

Improving the quality of the data used for the purpose of the assessment of Sales Promotions effectiveness ultimately depends on the researcher's ability to gain control over the other influential factors affecting sales during the promotional activities. This means that such research should follow the principles of experimental designs.

One area of sales promotion experiencing growth amongst grocery products is couponing. Yet, very little experimental research has been undertaken in that area.

This thesis reviews the existing promotion and coupon literature and describes an experiment allowing a better assessment of coupon effectiveness and profitability in the New Zealand case.

In recognition of the managerial difficulties encountered in the routine application of an experimental approach, this thesis also utilises a cost effective consumer survey in order to investigate a number of coupon related issues.

A nationwide experiment was conducted in New Zealand using magazine insert as a means of coupon distribution. The sales of three fast-moving consumer goods were monitored over an eight week period for a representative sample of supermarkets within each of three geographically defined treatment units enjoying different levels of discount.

The results of this experiment did not allow the positive identification of a significant sales increase as a result of the couponing activity.

The conventional consumer-survey method would not have enabled the product managers to forecast accurately the sales response to the alternative coupons distributed, although it did indicate that in some instances, the lower discount level would trigger a higher redemption.

The study therefore suggests that experimentation should be more readily used by promotion decision-makers to assess the effectiveness of the different activities with which they are involved. Magazine-distributed coupons, for instance, failed to generate a significant increase in sales with obvious implications for the profitability of the products concerned.

PREFACE

Marketing is a young discipline. As such, it goes through periodic identity crisis and experiences chronic growing pains. One of the issues of debate is whether Rigour or Relevance should be predominant in Marketing Research.

Most of the academic marketing research output is of little relevance to the practising marketers and likewise, most of the concepts and principles used by marketers are questioned by marketing academics.

A study like this one is evidence that such a conflict can be solved. A scientific approach allows a better assessment of the impact of coupons and as such, enables marketers involved in the promotion of a large number of grocery products to make better decision, and therefore to maximise the return of their promotional investment.

As marketing matures, perhaps a balance can be struck between rigour and relevance which will be beneficial to both practitioners and academics involved in this area of business.

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CHAPTER I- INTRODUCTION

1.1 Introduction

Coupons are a form of Sales Promotion and must be studied within the larger framework of promotion.

In this chapter, promotion is defined and a brief description of the most common Consumer Sales Promotions is provided. The research objectives are stated, together with a series of hypotheses suggested for investigation.

A background description of the specific circumstances of New Zealand in respect of couponing, which encompasses information about geographic characteristics as well as industry structure, with a particular emphasis on the Grocery Industry and its related servicing industries, is included to set the scene.

Finally, this chapter provides an overview of the thesis structure.

1.2 Sales Promotions

There is a great variety of activities which qualify as promotions, also called below-the-line activities, and they are enjoying a faster growth than their advertising counterparts (Kessler, 1986).

Kotler (1988) defines Sales Promotions as "short-term incentives to encourage purchase or sale of a product or service". They form a separate category within the Promotional Mix, along with Advertising, Selling and Publicity .

Advertising aims at influencing attitudes whereas promotions focus on inducing a particular behaviour, on the grounds that the attitudes or beliefs formed by the experience with the product will be conducive to

repeat purchase (Hamilton, 1981).

In the United States, annual sales promotion budgets have exceeded advertising budgets constantly since 1969, and are now estimated at \$115 billion (Bowman, 1988; Ceppi, 1980). Annual expenditure on sales promotions is also growing faster than that on advertising (Boddewyn & Leardi, 1989). A number of reasons have been put forward to explain this situation.

The increased competition which prevails in many consumer goods markets has made product proliferation more common. As a result, a 'market niche' where the product enjoys uniqueness is harder to find. A promotion can provide a product with the lacking element of differentiation, for a limited period of time (Advertising Age, 1981).

Advertising does not provide a sustainable advantage over competitors. Soaring media costs, and high wastage on some media have made sales promotion a cost-effective alternative for encouraging trial (Advertising Age, 1981).

The emergence of price competition from generics and private brands has created a value-conscious consumer, likely to be attracted to the price incentives offered by a sales promotion (Advertising Age, 1981).

The economic downturn also contributed to the increased price sensitivity and concern for quality among consumers. Sales promotions are seen as a possible answer to this emerging value expectation (Advertising Age, 1981).

Sales promotions can be further classified into three categories depending on the beneficiaries of the promotions (Assael, 1985):

- promotions can be targeted at the sales force, and take the form of bonuses, contests or sales rallies in order to encourage more active selling performances.
- promotions can be directed at the trade, and take the form of buying allowances, dealers' sales or display contests and cooperative advertising allowances. Volume discounts or extended financial terms would also qualify as trade sales promotions as long as their objective is to increase sales volume during a limited time.
- promotions can be aimed at the end consumer. Consumer promotions represent the bulk of the promotional activities undertaken in the packaged goods industry .

This study focuses on Consumer Sales Promotions, and more particularly on one of the techniques commonly used by promotional planners, couponing.

1.3 Consumer Promotions

Consumer Promotions can take a number of forms, the most common of which are:

Premiums

Premiums are products offered free or at a reduced price (self-liquidating) as an incentive to buy a product. Very often, a strong relationship exists between the product promoted and the premium e.g a free video tape with the purchase of a video camera. Such premiums are also commonly advertised for the duration of the offer (Assael, 1985).

Limitations of premiums include their reputation for resulting in only short-term sales level increase, without long-term franchise benefit, and their high cost. However, there appears to be a growing interest in this

particular promotional method by packaged goods manufacturers (Assael, 1985).

Refunds

Directly concerned with providing a price incentive, refunds are an extension of a straight cash rebate. It is a technique which gained popularity in times of recession as consumers very often perceive them as price reduction, although they might not be necessarily claimed (Assael, 1985).

Sweepstakes

These are competitions aimed at creating excitement. They appeal to the gamesmanship of consumers (Assael, 1985). Although limited by legal requirements, they encourage an increase in sales by providing chances to win with every purchase of the product.

Cents-off packages

Another strictly price-orientated device, cents-off packages carry a printed price discount, and like refunds, can be considered as an immediate price reduction. A lasting use of this technique can lead to a perceived 'established price', which may be difficult to overcome. An adverse effect on brand loyalty can be expected, as for the other price incentive techniques (Assael, 1985).

Samples

Samples are an important means of encouraging trial and as such, are used for the introduction or re-introduction of a new or improved product. They provide the consumer with an easy opportunity to experience the product; and, if the superiority of this new alternative is compelling enough, repeat purchase can be expected. However, the costs involved in

a sampling campaign make it necessary to ensure a well-segmented distribution and the avoidance of wastage (Assael, 1985).

Coupons

Coupons are by far the most commonly used consumer promotion device, accounting for about 62% of all sales promotions in 1981 in the United States (Advertising Age, 1982). Although they have the reputation for increasing short-term sales (Engel & Warschaw, 1971) they are also expensive. The extant literature on coupons is reviewed in detail in Chapter 2.

1.4 Research objectives

Despite the widespread use of coupons in the promotion of a large number of products, little is known about their effectiveness on sales. There is a lack of evidence that the couponing effort has achieved its objectives. This is due to the difficulties encountered when attempting to isolate the effect of one single element in a dynamic market situation.

This situation is also the result of the confidence the industry has built for this particular promotional device. Grocery manufacturers and retailers are convinced of the potency of couponing and often neglect to even attempt to monitor its effectiveness.

Coupons are often aimed at increasing sales. Therefore, assessing their effectiveness entails measuring their effect on sales.

The main objective of this research is to assess the sales effectiveness of a series of grocery product coupons, i.e identifying the changes in sales which can be directly attributed to a coupon. This requires the separation of the coupon effect from any other effect likely to influence the sales levels observed for the products.

In addition to the assessment of the overall effectiveness of one particular form of coupon, the study aims at identifying the potential effect of product category and discount level on the coupon sales response.

This research also investigates the relationships between redemption rates and sales, as well as the relationships between intended redemption rates and past purchase behaviours. More specifically, by contrasting the findings from the analysis of sales records with those obtained by the more commonly used redemption figures, the research determine the degree of confidence which can be placed on redemption figures as surrogate measures of sales response.

The following hypotheses were tested within the framework of this study:

- H1: Coupons have a positive effect on sales volumes. The promotion period sales volumes are significantly greater than the pre-promotion sales volumes.
- H2: Redemption intentions are a good predictor of redemption.
- H3: Redemption rates are good indicators of sales response.
- H4: Past brand purchase behaviour has a significant effect on redemption intentions.

In order to achieve these objectives and test these hypotheses, this study used an experimental approach to assessing coupon effectiveness. This approach is described in detail in Chapter 3.

1.5 The New Zealand Situation

To complete the background, it is necessary to briefly review the conditions prevailing in New Zealand with regard to coupons.

The New Zealand situation is based on geographic and demographic factors, together with specific traits of the Grocery Industry and its servicing sector (market research commercial companies as well as coupon clearing companies).

Geographic and demographic aspects

In a country with a little more than 3.3 million inhabitants, the number of retail outlets of substantial size (>1000 sq m) is small. The smaller outlets are unsuitable to enable the identification of significant changes as a result of promotional efforts, because of the small sales volume they generate.

Moreover, this small population is spread unevenly. In fact, about one third of the total population lives within the extended boundaries of Auckland, while another 1 550 000 live in the next four biggest urban centres of Wellington, Christchurch, Hamilton and Dunedin. This concentration of the population in a limited number of urban zones does influence the distribution of big Grocery Retail Outlets i.e supermarkets, in a pattern of a few isolated clusters of competing stores.

Grocery Industry Structure

The suppliers of packaged goods for grocery retail outlets are known as Grocery Manufacturers. They have created an association, the Grocery Manufacturers Association (GMA), which actively negotiates with retailers and wholesalers and synchronise planning and monitoring services. The GMA is recognised by its members and their business partners, is active

(it organises two annual conferences a year to discuss issues of common interest), and has been increasingly involved in negotiation activities particularly with the retail trade.

On the other hand, the retailing industry is divided into competing groups, according to the ownership of the different chains in operation. The competitiveness in this sector increased substantially when a previously local chain (Foodtown) decided to adopt a national strategy, thereby alienating the long standing bigger chain of Woolworths. A chain of individually owned supermarkets, New World, which depends on the wholesale organisation, Foodstuffs Ltd, constitutes the third biggest grouping. There are also a myriad of family-sized superettes or corner stores and dairies, sometimes operating under a common banner, sometimes independent, some of which are also supplied by Foodstuffs. A proportion of these banner stores, along with the New World chain have created an association, NARGON (National Association of Retail Grocers and Supermarkets of New Zealand), which discusses matters of interest with the GMA, and attends their conferences. However, they are not representative of the supermarket trade, which generates a large majority of the national sales volume. In addition, NARGON has no power of enforcement and is only sporadically regarded as a common voice by its own members.

Proceedings of past NARGON conferences and interviews with practitioners suggest that over the last five years, coupons have been a major source of conflict between manufacturers and retailers. Each party has questioned the right of the other to generate coupons, as both have undertaken this activity in the past, in an unco-ordinated manner. The issue of the costs and fees involved is particularly sensitive. Manufacturers and retailers cannot agree upon what constitutes fair compensation for the handling tasks involved for the retailers in relation to the additional promotional support they enjoy.

From this situation has emerged both an opportunity and a problem. The manufacturers are anxious to obtain more definite answers about the real

worth of their couponing activity and would therefore welcome and possibly support a field experiment. On the other hand, retailers, being competitive and secretive about their results, as well as suspicious of the manufacturers, declined the opportunity to participate in a research programme.

Grocery Industry Servicing Industries

In the sector servicing the Grocery Industry, some support was expected for the present study. The situation in New Zealand is once again atypical in the sense that only one Clearing House Company is in operation in the country, ensuring the redemption and tracking of all coupons issued, which are not handled internally by the manufacturing companies or retail chains themselves. Moreover, their records provide accurate and detailed information on, for example, the number of coupons redeemed in any given store on any given day, and, of course, any aggregation of these is possible.

The commercial market research companies provide a sales monitoring service, by product, on a weekly basis, and these figures are obtained from a number of selected supermarkets providing national representation. The uneven spread of population and stores across the country means that about 25% of the sample of stores are based in the Auckland area. It is impossible for them to provide accurate and representative sales records for geographical areas too small to include a sufficient number of stores. The smallest breakdown made available by Nielsen NZ Ltd is shown on the map in Figure 1.1, and divides the country into three areas, upper North Island, lower North Island and South Island.

Coupon distribution methods available

New Zealand enjoys a small number of possible vehicles for coupon distribution. The number of available magazines is limited, however, they are all nationally distributed. Newspapers are numerous and can be

easily related to an area, but their reach is very often much greater than the urban zone of primary audience. Coupon distribution organised by retail chains is sometimes national, sometimes local, supported or not by additional activities such as advertising.

Some methods of distribution practised overseas do not exist in New Zealand: in-store distribution which, understandably, shows very high rates of redemption in other countries is only at the introductory stage. Similarly, cooperative home delivery of several coupons from a number of manufacturers is not available and is indeed prohibited by law. In/On pack coupons very often face the veto of retailers who refuse to carry out unusual tagging tasks or inventory alterations.

The four methods of distribution generally available to manufacturers and retailers in New Zealand are Magazines, Newspapers, Drop-in mail distribution and In/On Pack coupons.

More methods of coupon distribution might be introduced in the relatively near future: tests are being conducted to assess the effect of In-Store distribution machines, which provide the store patrons with the opportunity to help themselves from a range of ten products' coupons. This is still at the very introductory stage and could be terminated after the initial test period. As this trial is limited to a number of Woolworths supermarkets, it did not interfere with the experiment this research involves.

These particular circumstances were taken into account when designing the methodology which would best ensure the fulfillment of the research objectives.

1.6 Thesis outline

Chapter II of the thesis begins with a in-depth description of couponing. The beliefs held by the industry with respect to the advantages and

disadvantages of coupons are described. A number of issues relevant to the study of coupons are examined in the light of previous academic work conducted in that area of marketing.

The methodology is presented in Chapter III. The problems related to the measurements of sales are described, together with the methods previously used to fulfill the same objectives. A factual description of the data collection undertaken is provided, followed by the rationale for the choice of every feature of the fieldwork.

The results of the two alternative methods used are detailed in Chapter IV. The conclusions and recommendations are presented in Chapter V.

1.7 Summary

In Chapter 1 the growing importance of Consumer Sales Promotions has been demonstrated.

The research objectives, focusing on the most widely used consumer sales promotion device, coupons, are of immediate relevance to the business community. The Grocery Industry, in particular, annually invests vast budgets in this promotional activity, in the hope of increased sales results.

Marketing academics, on the other hand, are concerned with the need to test empirically, hypotheses related to sales promotion effectiveness. Couponing presents a number of characteristics which make this task more immediately achievable than do other types of promotions, such as advertising.

The particular circumstances prevailing in New Zealand, which represent opportunities and constraints are described, and finally, the structure of the remainder of this thesis is outlined.

CHAPTER II- COUPONS

2.1 Introduction

The growth of couponing is well-documented (Peckham, 1981) and coupons have benefitted from the broader stream of research devoted to consumer sales promotions in general. They have also been the subject of a number of specific studies.

In the first part of this chapter, coupons are described. The range of distribution methods used in couponing is detailed.

Industry practices and its beliefs about coupons are summarised in the second section of this chapter. This encompasses the type of information which should be printed on the coupons and their design, but also the beliefs commonly held by marketing practitioners within the grocery industry about the advantages and drawbacks of alternative coupon decisions. This section is the summary of a number of interviews conducted by the author in Canada, France and New Zealand in 1989. A list of the interviewees and the positions they held in the distributorships and retailing industry is detailed in Appendix 1. A number of confidential reports were also made available to the author by a several Coupon Agencies and Clearing Houses, which provided some of the information contained in this chapter. A series of coupon variations is listed and illustrated with real case examples.

The issues raised in the literature are reviewed and discussed and the intrinsic difficulties involved in the study of coupons are presented in the light of previous academic work.

Finally, a list of variables alleged to influence the sales response to coupons is generated, based on findings detailed in the coupon literature.

2.2 Definition of a coupon

Much of the information provided in this section stems from a number of confidential reports put together by clearing houses and coupon agencies for the benefit of their clients. These reports are based on past coupon campaigns results and a variety of undisclosed data compilation techniques.

Coupons are one form of consumer sales promotion. They belong to the category of promotional tools known as sales incentives. Their main purpose is to elicit a fast action from the recipient of the coupon, in the form of an enquiry, a call, or a purchase. Coupons would be appropriately defined by the term "purchase incentive", a distinction reinforced in the French literature (Castagnol, 1979).

The International Chamber of Commerce (ICC) defined coupons in its Code of Sales Promotion Practices (1986) as follows :

" A coupon is a certificate given to consumers, which entitles them to an immediate price reduction when they purchase the stated item. Coupons may be distributed through the mail, in public places, door-to-door, in newspapers and magazines, and in, on, or near packages".

It is a common technique, often combined with advertising. It obviously shares a lot of characteristics with a pure price reduction but presents a few advantages over the latter. It is temporary, can discriminate consumers by a selective distribution, and allows a greater degree of monitoring by the analysis of redemption rates.

A coupon is perceived by the consumer as a valuable item which can be redeemed at the check-out point of any particular store.

Unless fraud has occurred, the redemption allows the monitoring of the sales impact of the couponing campaign in that a count can be made of purchases made with the coupon. In this way, coupons are almost like a currency produced by the manufacturer or retailer. The retailers honouring the coupons offer some credit services in the sense that they accept these coupons as the equivalent of cash in their till, but will turn to the manufacturer for a refund of this advance. In addition, they will claim a handling fee to cover the extra administration required to handle, record and send back the coupons.

As a result, the manufacturer initiating a couponing campaign must be prepared to pay for the price reduction enjoyed by those consumers presenting the coupons, as well as a proportionate administration cost.

Most companies do not administer the refunding themselves. They subcontract to a intermediary organisation called a Clearing House which will check, count and group the redeemed coupons and present a cumulative account to the manufacturer. For this service, a clearing house charges a clearing fee, directly proportional to the number of coupons "cleared".

Each coupon redeemed costs the manufacturer the nominal value of the discount offered by the coupon to the consumer, the retailer handling fee, and a clearing fee.

The fundamental principle underlying a coupon promotion is that these costs will be covered by the profit margin generated by the sale of the item. In this sense, the promotional expenditure is self-funded.

However, discussions with marketing managers seem to indicate that these expenditures are all accounted for as straight promotional expenses i.e the assumption is made that the margin is "given away" to consumers and retailers for promotion purposes.

The main issue lies in the nature of the sales occurring with redemptions. If these sales would have occurred anyway, then the industry is entitled to write off these expenditures as promotional costs. If these sales are brought about by the coupon, and would not have occurred otherwise, then whatever slim margin remains, after the discounts and fees have been paid, is profit and the promotion is contributing to its own cost.

2.3 Methods of Coupon distribution

Coupons are only worthwhile once they have reached the potential consumers. This makes the decision about the type of distribution to adopt absolutely critical in terms of future redemption. Each method of physical distribution of coupons, presents advantages and disadvantages which make them more suitable in some situations than in others.

Direct mail

There are different ways of getting a coupon into consumers' mail boxes . A direct mail campaign, for example, uses the postal network to send by mail a coupon within a letter, personally addressed to a list of consumers. However, this method is not only costly, it also allows no discrimination in terms of the specific supermarkets these consumers are likely to purchase from. This spreads the number of recipients over a great number of stores and dilutes the potentially identifiable effect of coupon on sales. The cost of an extensive coverage would be beyond the normal promotion budget and would make a campaign unprofitable purely in terms of choice of media distribution.

The other way to get coupons into people's mail boxes is to physically distribute it, in conjunction with other distributors, such as community papers, or as part of a coupled promotion.

The direct mail method includes both the sending of the coupon as part of a mailing to a selected list of consumers, and the mail-box distribution of coupons to selected geographic areas.

In the U.S.A. and Canada, a weekly service of delivery of coupons in most cities is usually available, for manufacturers and retailers who want to distribute their coupons, and who do not mind being part of a multiple coupon package. (Mouland, 1986)

In France, coupons are usually distributed alongside a sample of the product, mostly by manufacturers. In New Zealand, mail distribution is almost entirely restricted to retailers who take the initiative to group several manufacturers' coupons together and distribute them under their own banner. (Coupon Promotion Co, Report, 1989).

The advantages are similar to those associated with other direct marketing practices, allowing a more personal communication with the consumer, isolated from any competitive stimulus. Direct mail distribution relies on good quality lists or thorough geographical distribution.

In these circumstances, direct mail distribution is thought to:

- reach predetermined target markets,
- avoid wastage wherever the product has not penetrated,
- create a good product awareness for the recipient,
- obtain a good return in terms of redemption.

In practice, postage mailing of coupons is undertaken for a very selected clientele, with a precise update list, and for specific products. Postage can also be made less costly by establishing a group of

non-competing coupons to be sent at the joint expense of the manufacturers involved.

A grouping method has also been implemented by more common types of grocery goods which use box distribution instead of posted mail. This can be undertaken in conjunction with other distributions, such as community newspapers, or as part of a coupled promotion, with a sample, or on its own. The cost, however, remains prohibitive and stores and distribution companies have designed catchment areas which rely on a set travelling time to get to a central shopping location, such as a supermarket. Historically catchment areas were defined as a distance radius, but the reality of urban traffic has made the time definition of a supermarket catchment area much more accurate.

Another problem lies with the cooperation and organisation required for success. Compromises have to be made in terms of dates of sending, or number of coupons sent, with the result that neither manufacturer or retailer feel they have optimised their individual chances. In U.S.A. the cooperative effort between manufacturers and retailers is almost routinised. It should be noted that in France the unwillingness of retailers to cooperate drove coupons out of the market. In New Zealand, the attitude of retailers towards coupons might lead, in the long run, to the same situation. (NARGON Proceedings 66th (1988) and 67th (1989) Conferences).

Newspapers

Newspapers, require less organisation and planning and therefore are a much more popular means of distribution. They can also provide two alternative formats:

- Run-Of-Press (ROP) refers to coupons printed with the rest of the information contained in the issue, by means of bromides used in the middle of page contents.

- Free-Standing-Inserts (FSI) refers to coupons printed individually and which are, at the folding stage, incorporated into the body of the newspaper. This method is known to have a better response, as both visibility and ease of detachment are ensured.

Both formats present the same advantages:

- One insertion allows a wide coverage and a high distribution.
- The process is extremely fast, and if bromides are ready, they can be produced overnight.
- A high readership can be expected and even undetached coupons included in advertisements are thought to have a beneficial influence.
- A certain degree of selectivity is permitted if the newspaper has some statistics on its readership.
- Very cheap contact costs are permitted by a nil distribution cost (the space is rated the same as for an advertisement).

Users, however, identify substantial drawbacks with this method:

- Monitoring the diffusion of the coupons can prove difficult, with coding made virtually impossible,
- Fraud is more likely to occur, at the retailers' level, by disguising a lower quality printed detail of conditions. On a larger scale, by obtaining a great number of unsold papers, or in certain cases, even the printed material, huge numbers of coupons can be presented for redemption without related purchase. The practise of printing coupons worth more than the price of the

newspaper is a major factor encouraging this particular type of fraud.

- Consumers may be reluctant to cut the coupon, for a variety of reasons (effort required, scruples about destroying the paper etc.).
- no discrimination can be made in terms of the specific supermarkets from which these consumers are likely to make their purchases. The cost of an extensive coverage would also be beyond the normal promotional budget.
- There is a lower redemption rate observed with this distribution method (even though FSI would appear to perform significantly better than ROP).

In Store distribution

This method represents a very small proportion of coupons in most countries, except France, where almost all package goods manufacturers combine it with Point-of-Sale activities. The administration of the coupon effort is therefore undertaken at the same time as the store activity. (Castagnol, 1979).

In the USA, Canada, and in New Zealand until recently, this additional task is not considered worthwhile in light of the other available methods and consequently this type of coupon distribution has remained marginal. (Mouland, 1986).

The advantages of in-store distribution are:

- Retailers are able to witness the promotional effort of the manufacturers and are therefore more willing to respond to the demands of the coupon administration.

- Demonstrators are more motivated, as the coupons are a means of providing real incentives to the customers.
- The whole store can benefit if the promotion appeals to a greater number of people, thereby increasing the store traffic.
- It provides a close proximity to the purchase decision itself.
- It gives a 100% certainty for the housemaker, as the retailer could not possibly decline to redeem coupons in this situation.

The reasons against the use of in-store coupon distribution are:

- It is impossible to organise a national campaign of this sort, which erodes the novelty factor.
- To select a few stores invariably creates problems with the other distributors, who could even call for court intervention as in the case of the United States (Robinson-Patman Act).
- Fraud is a major risk, as retailers might be willing to transfer the coupon appeal store-wide, and redeem without discrimination, regardless of product purchase.

In order to counteract some of these disadvantages, there have been different versions of In-Store distribution ranging from a pile of the mail-distributed flyers made available at the entrance to the store (USA), to the more elaborate coupon dispenser system. (Mouland, 1986)

New Zealand is currently testing one of these self-serve carousels in one prominent retail chain's 60 locations throughout the country. The trial is organised in conjunction with a clearing house organisation which sells the space to manufacturers selling their products in these locations (only 10 non-competing brands are available at any given time).

Results are not yet public but one would intuitively suspect record redemption rates as consumers would pick coupons for products they know they intend to purchase, in the very near future. More questions could be raised about the true profitability of such promotions and also the possible encouragement of fast brand switching by the store patrons on a much more regular basis.

In and On Pack

This method of distribution implies that a coupon is incorporated into the packaging design, introduced into the package content during the packaging process, or that a special form of coupon is designed to be fitted at the end of the process (bottle neck or adhesive coupons).

There are three distinct categories of such coupons:

- Same product/next purchase type.
- Ruffed type (often same manufacturer/other product).
- Cross ruffed type (two manufacturers or one manufacturer with two brands with reciprocal coupons on each brand).

Whatever the type, all In/On Pack coupons have similar advantages and drawbacks. The advantages are:

- Distribution costs are lessened since it uses the product distribution system.
- The offer is made to only potential users or to those who already purchase the brand.
- Offering a discount adds value to the carrier product.

- Redemption rates are not as negligible as it may at first seem if one takes into account that the contacts made were within the target segment.
- The special package can be an argument to secure more shelf facings.
- Fraud is rare.
- A ruffed type coupon allows the leading brand to be used as a support for a newly-launched brand by any manufacturer.
- All other positive aspects of other POS activities apply to this type of coupons.

The disadvantages are:

- Fraud will still occur if the coupon is not secured into the package or printed on it. Thefts happen in the case of adhesive or other removable alternatives.
- Special printing costs have to be included in the promotional budget.
- If the coupon is printed on the package, the housemaker will probably have to wait until the pack is finished before cutting the coupon out and redeeming it. In some cases the coupon will have been forgotten by then, or be out of date.
- Some forms of packages make printing impossible (plastic, glass).
- Avoiding the temptation of thieves by putting the coupon inside the package has only a mixed benefit as it also hides it from view, unless a package is specially designed to announce it, with the same

ultimate cost of printing.

- There is the risk that the coupon will be perceived as a premium for the carrier product, which might not have been the aim of the couponing product manager.
- There is an intrinsic selection of consumers benefiting from the offer: the coupon will be exposed to existing consumers rather than the new trier, which cuts the profit margin achieved on each sale.
- Retailers are even more wary of this type of coupon, because the handling constraints are more complex than with relatively standard paper coupons. They also resent being forced to carry an additional product if the coupon is cross ruffed.
- These coupons also create greater merchandising disturbance for the retailers. Stock fluctuations are likely to occur, if the turnover of the promoted products increases.

Despite these rather numerous constraints and disadvantages, there have been a number of practical solutions put forward by practitioners in a attempt to improve this type of coupon. By complying with a number of rules, the industry has worked towards streamlining of in/on pack coupon campaigns. (Coupon Promotion Company Report, 1989).

2.4 Industry Practises

To achieve any of the goals set for them, coupons must comply with a number of very specific details. The major aim of this is to eradicate fraud, and the rules have been developed over the years by manufacturers, clearing houses and brokers, particularly in the USA. (MCB Report, 1986). In New Zealand a Code of Practice was developed by the Grocery Industry, which can be found in Appendix 2.

Information carried by the coupon

The coupon must be easily readable and should have two vital elements, the name of the product for which the discount is offered, and the amount of the discount. Unless the consumers exposed to the coupon receive these two pieces of information, no attention will be given to the offer. An appropriate space must therefore be allocated to them, even if this is at the expense of additional copy content. In general, a visual representation of the product will be printed on the coupon and the discount offered will be in bold characters. Common wordings are "Save X cents", "X cents off" or sometimes "Worth X cents".

A check list of all the information that needs to be on the coupon includes:

- The name of the product benefitting from the discount. It can be a very specific product (e.g. discount on Brand X Coffee Beans) or it can be on any product of a given line (e.g. 20 cents off the range of coffee from Brand X). In some cases, coupons can be valid only for multiple purchases (e.g. 10 cents off two packs of Brand X Coffee). Most of the time the visual representation of the product will help for identification and will also give the coupon a secondary advertising role.
- The amount of discount offered. Usually in oversized characters, this information is the motivating element of the offering.
- Instructions for the retailers. The manufacturing company communicates to the retailer the following information:
 - * the coupon must be considered to be worth the printed amount (e.g. 10 cents),

- * the retailer receives, in remuneration for the work, a certain agreed amount (the handling fee),
 - * the retailer will be refunded by a specific organisation (own marketing department, clearing house or broker),
 - * that invoices for stock purchased might be requested for checks,
 - * that the consumers will have to cover all sales taxes usually collected,
 - * that any law might nullify the offer,
 - * that the offer should be limited to one per consumer.
- The expiry date. This must be clearly spelt out and no redemption should occur after a specific date.
- The penalties for fraud. These, even if they have a limited enforcement power, will still act as a threat to misredeemers. It is almost always specified that the redemption of the coupon on any other product is an act of fraud. Controlling fraud is a rather demanding process which requires the establishment of a network. One of the main activities will be to detect fakes or unlawful prints of coupons. Additionally, the manufacturer can ask for a random check of some retailers' stock situations as proof of pre-redemption purchase of the product. If the pre-campaign stock does not allow for as many sales as claimed by the number of coupons presented for redemption, there is a strong case for suspecting large scale fraud.

The coding of coupons is easy, which enables the level of redemption to be monitored. Redemption in a geographic area of coupons

distributed somewhere else is an indication of fraudulent activities. Bar codes have already considerably enhanced the tracking capabilities of clearing organisations. They provide such precise details that fraud should be minimised wherever retailers and manufacturers agree to cooperate and share the scanner data obtained.

Design

France is the only country to have achieved, through the management of the Institut de Liaison et D'Etudes Commerciales, a standardisation of the coupon-title. The size (.15 x.08) is designed to make handling and storage easy for both housekeepers and retailers. Coupon examples can be found in Appendix 3.1.

In other countries, the format is much more flexible and depends upon the coupon initiator (manufacturer or retailer). Negotiation between these two parties is sometimes successful in designing a standard-sized coupon, but the enforcement of any rules depends solely on the mutual goodwill of both parties. In Canada and the United States, cooperative efforts prevail, whereas in New Zealand, the format is one of the many sources of conflict between manufacturers and retailers. (NARGON 66th and 67th Conference Proceedings).

As a result, coupons tend to have a number of different formats around the globe, as illustrated in Appendices 3.2 and 3.3.

If the product and the discount level account for most of the success of a coupon campaign, there are other elements which can help increase the response from the consumers. Much care and effort on the part of coupon initiators is taken at the conceptual stage, since well-designed coupons can trigger high redemption rates, whereas poorly designed ones will be unnoticed.

Much has already been said about copy, however, it is important to point out that a certain level of conformity is desirable to enhance the perception of value by the consumer, because of his/her familiarity with the concept of coupon. The clearer and shorter the discount statement, the more likely the comprehension of the purpose of the offer.

The lay-out is also important, including the visual reproduction of the product as well as the graphic sizes and colours which are all important features (MCB Report 1986). The overall coupon dimension should convey as strong an impression of money as possible, for example, copying the most common bank note format is a current practise. In France the dimensions of a cheque were adopted, whereas in Canada, a much smaller size seems to be successful, (see Appendix 3.3).

Colour also plays a part, insofar as some colours are more commonly used and therefore reinforce the 'feeling' of a coupon even before it is read in detail. Originality, on the other hand, creates unfamiliarity and impedes recognition.

Many other elements can be influential at the design stage. Free-standing versus On-page printing choices will depend on the product manager's assumptions about the effort consumers are prepared to make in order to benefit from the offer. Even the paper quality and weight must be carefully evaluated. Strong paper ensures retailers' goodwill while gloss and texture can convey a quality image.

2.5 Industry rules about coupons

This section is based on practitioners' opinions about coupons, extracts from professional brochures and reports prepared for clients by clearing organisations as well as articles published in trade magazines. This compilation focuses on a user's perspective, in Canada, France and U.S.A, investigated during a number of interviews conducted by the author in 1989. A list of the interviewees can be found in Appendix 1.

Some studies (Teel, Williams and Borden 1980, Strang 1981) suggest that coupons might also perform well in the non-user segment. This is particularly likely when coupons are used during a new product launch.

The Dun and Bradstreet Corporation of USA published a study about improving coupon campaigns for the benefit of the big Packaged Good Companies in the States (MC3, 1986). These rules are just as valid today as they were then, and probably hold quite well for other countries in the world.

- the promoted product should be of the expected quality,
- for older products, coupons should be regarded as purely defensive instruments,
- the promotion should capitalise on a new idea (new flavour, size, package etc.),
- consumer promotions will tend to show eroding responses if repeated too often,
- a promotion should be made obvious to the target audience, by the appropriate merchandising effort, the POS display etc.
- couponing relies on a pre-sale of stock to the trade, and coordination is critical in the channels of distribution,
- regular analysis of previous promotion activities should allow for the identification of any particular aspect of the product,
- coupon campaigns should be tested as often as possible to determine optimal distribution and design,
- redemption should occur within the shortest time.

These rules are the results of long experience and are said to improve results. They indicate errors to avoid as well as ways to minimise fraud. Some of these items, however, can be equated to 'wishful thinking' and have, to this day, never been followed up in the strictest sense.

Fraud appears to be the overwhelming concern of the industry, yet some basic precautions are seldom taken. It is an obvious precaution for the discount offered never to exceed the value of the medium selected for distribution. Yet, there has been in New Zealand, a case where the manufacturer, in order to increase the appeal of a newspaper page, gathered approximately \$40.00 of coupons on a page of a newspaper costing 40 cents! (Interview with Coupon Promotion Company Director).

It is also a common mistake to leave the coupon campaign unannounced. A low awareness level results in poor redemption rates.

2.5.1 Advantages of couponing

As an adjunct to a sample, a coupon is said to complete and prolong the effect of the sample. A consumer who tried and liked the sample will supposedly more readily purchase the product if the price is reduced for the first purchase.

The coupon also represents a tangible amount of money which a value-conscious person will find hard to discard. However, because only value-conscious customers will use the coupon, a more profitable margin can still be achieved with the rest of the customers.

Couponing is a fast, competitive weapon which allows almost immediate response to a competitor's aggression. It does not take a long time to organise and, depending on the distribution method chosen, can materialise in less than a week.

For the housemaker, the advantages of coupons can be summarised as follows:

- * ease of use (no effort is needed to obtain the price reduction other than keeping and presenting the coupon),
- * reliability (the certainty of benefitting from the discount is much greater than for other forms of promotion, such as games and lottery),
- * saving opportunity (the purchase price already reflects the discount obtained).

For the coupon initiator (very often the manufacturer), the advantages of coupons are also very clear:

- * Flexibility (the possibility of making the coupon available to selected segments of the markets, according to certain criteria relevant to the manufacturer)
- * The product impact on the consumers,
- * Fostering retailers' support (in the form of more facings granted to the product and bigger orders),
- * Self-funding capacity as the money paid corresponds to the number of units sold with presentation of the coupon, which ensures a minimum return.
- * The promotion can move new products as well as existing products, as even existing stock can be subject to coupon activity.
- * The sales representatives' motivation is often enhanced by the knowledge of a forthcoming coupon campaign.

- * Coupons ensure that a price reduction is specifically available to the purchaser. This is therefore a guarantee for the manufacturer that the incentive will be passed on to the consumers.
- * The results are controllable. There is the possibility, within a limited frame of time and space to actually measure the number of coupons exchanged.
- * The production of coupons can also be taken as a statement of the manufacturers' concern for the consumer which therefore creates favourable attitudes in value-conscious people.

It is very difficult to assess the validity of these rules-of-thumb. Yet these premises are the basis of decisions, involving enormous promotional budgets, made by product managers in the grocery industry all round the world. The accumulated experience within the company about past promotional performances, and the market knowledge developed by product managers, contribute to the general belief that coupons are indeed powerful promotional devices, presenting the above characteristics.

2.5.2 Disadvantages of coupons

The industry has also learnt that coupons present a number of drawbacks. There are a number of reasons which could deter a manufacturer from using coupons.

Misredemption i.e. the passing-on of the discount to a consumer who did not purchase the product, as well as deliberate fraud, where organised groups print or gather large numbers of coupons to obtain money from manufacturers, are both immediate risks attached to any couponing activity. In France, this has probably been an impediment to the growth of coupons. In other countries it is still a major concern, and one that has provoked much thought and regulation in order to protect the coupon initiator. (Proceedings of NARGON 66th & 67th Conference, 1988, 1989)

There are other drawbacks attached to coupons:

- * They require a complex system. Coupons need to be handled, transported, counted etc. Many manufacturers, instead of dealing with these temporary administrative burdens, rely on the help of clearing houses, but the process remains lengthy and expensive.
- * Coupons represent an added cost on top of the price reduction (retailers' fee, clearing house fee etc.)
- * There are costs involved in the physical distribution of the coupon to the beneficiary e.g. media space, mail box distribution.
- * It is difficult to determine whether people who redeemed the coupon only bought because of mere interest in the bargain or if they can be expected to buy the product again.
- * It is also difficult to know whether people who bought with coupons would not have bought anyway, with a better margin,
- * In the case of partial or problematic distribution, coupons will make deficiencies even more obvious to the consumers,
- * Coupons can also create an impression that the subsequent normal price is unjustified,
- * Coupons necessitate retailers' involvement. Retailers must not only be willing to provide the consumer with a cash credit, they also face many additional tasks in the redemption process: handling, counting, and sending back the coupons to the clearing organisation.

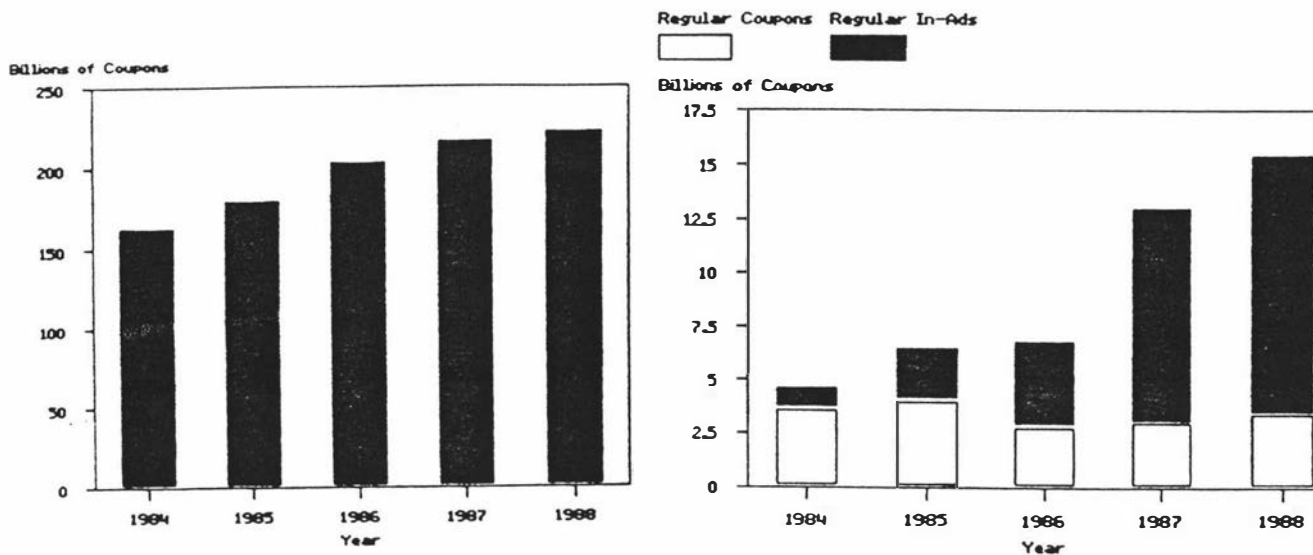
Knowing these problems, however, does not discourage the coupon initiators. It does mean though, that careful consideration

should be given before deciding on any particular method of sales promotion.

2.6 Trends in couponing

Coupons have grown very fast in importance, most noticeably on the North American continent. Even though Canadian consumers are exposed to only approximately 15% of the number of 'marketer-issued' coupons as their American counterparts (Mouland, 1989), the trends in coupon distribution, both in Canada and the USA, show similar rates of increase, as illustrated in Figure 2.1.

Figure 2.1 Number of Coupons Distributed in the USA and Canada (1984 - 1988)

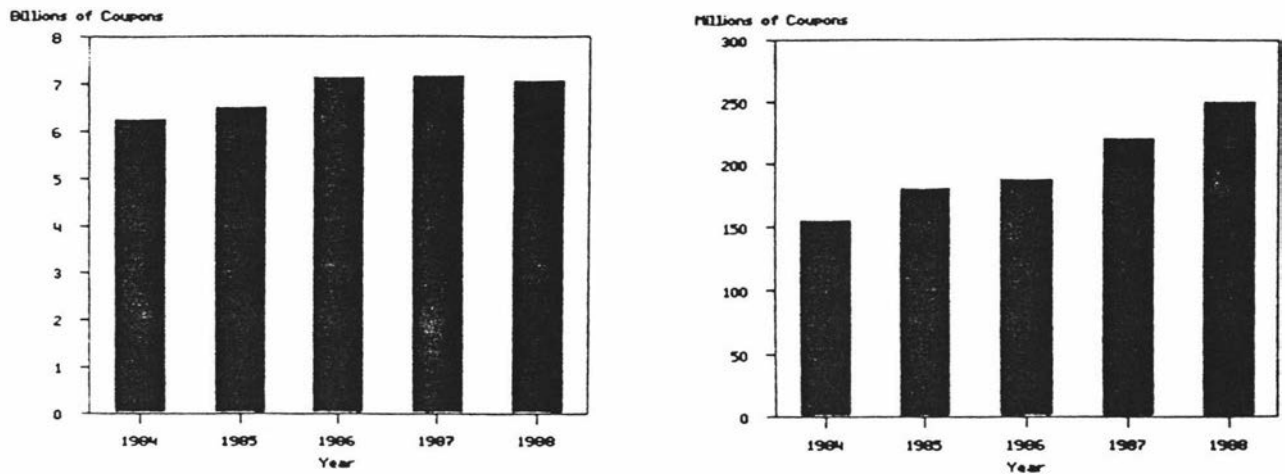


Source: MC3 Report 1989 and Canadian Premiums and Incentives of Marketing Magazine, 1989.

As far as redemptions are concerned, Canada shows a greater rate of increase, as illustrated by Figure 2.2. This can be explained by the

more novel character of this promotional technique as compared to the United States where coupons are a very mature promotional tool.

Figure 2.2 Coupon Redemption in USA and Canada - (1984-1988)



Source: MC3 Report 1989 and Canadian Premiums and Incentives of Marketing Magazine, 1989.

For a number of reasons, the use of this promotional tool has been more limited in France. Severe cases of fraud in the early seventies created a great reluctance amongst manufacturers to use coupons. The development of a particularly strong retail industry, with a heavy emphasis on price reductions in order to gain market share meant that price reductions were often used instead of coupons. The lack of any special regulation in the French law restricted couponing to a very limited number of specific applications, (Grefe, 1978). The marketing manager of a line of detergent products admitted to not considering coupons unless they were part of a sampling campaign, or linked to the launch of a new product during In-store promotion activities.

In France several marketers have expressed strong regrets about this unavailability of coupons for their promotional campaigns, as they note the results made available by their American counterparts. Mr Coppolani, Managing Director of Unilever France called it a "real shame", while Mr Meyriel, Managing Director at Colgate Palmolive, France, stated he would never take the risk of "distributing coupons out of sight of an In-store activity". Neither of them could foresee any change in this situation.

2.7 Coupon variations

As the number and frequency of coupon distributions increase, competition has created the need to differentiate brands using this promotion technique. In the United States, where coupons are by far the most popular promotional device, manufacturers have been investigating ways of increasing the value of the deal promised by the coupon, in order to create brand preference, (Cohen, 1971). The most significant of these attempts can best be described by examples.

- a) coupon pairs: instead of one, two coupons are distributed. They are of equal discount level and must be redeemed on the same product in order to increase the perceived value of the offer, thereby eliciting two purchases of the product. The same principle can be applied to encourage the purchase of two different products within the same line. The major problem encountered will be that of a double fraud if misredemption occurs.

This is different from what are called double or triple coupons where the retailers capitalise on the manufacturers' offer. They try to increase the patronage of their particular outlet by matching cents for cents or two cents for one the discount offered. As a result, the consumer can sometimes enjoy a rebate of three times the nominal value of the coupon on the product price.

An example of coupon pairs would be the campaign organised by the Delmonico company in the United States which distributed pairs of 10 cents coupons, one redeemable on a pack of " Iron -Skillet Supper " (Macaroni Cheese), and the other on a pack of " Four Season Dumpling Dinner", (Cohen, 1971).

The trend is towards greater and greater offers (three or four coupons at once). One aspect which must be considered in this case is that the total discount offered does not exceed the value of the media vehicle used to distribute the coupons. If the added discounts outweigh the cost of the newspaper in which the coupons were printed, then fraud will become not only a risk, but a logical outcome.

One United States example of the use of a bundle of four coupons to encourage sampling of a range of product is that of the brand Chung King which proposed a set of four 5 cent coupons to be redeemed on each of the four available flavours of its egg rolls line. The offer, quite insignificant individually, achieved a certain global attractiveness with a 20 cents total saving, (Cohen, 1971).

Non-perishable products are of course capitalising on this method to entice consumers to purchase several products at once. For example, Lykes, an American brand of canned meat products, offered a set of four 10 cent coupons, each redeemable on "Beef Stew", "Corned Beef Hash", "Frankfurt Sausages" and "Chili con Carne", respectively, (Cohen, 1971).

For very fast moving goods however, the cost incurred in the added redemption logistic problems is far in excess of the improvement possible in response to the coupon offer.

b) Coupons with added information: Manufacturers can be willing to spread the distribution costs over a larger number of documents delivered to the consumers. This applies mainly to mail or drop-in distribution methods. More persuasion can be used to convince the

consumer to use the product.

One example is that of young mothers who receive a mailing shortly after the birth of their babies, (Cohen, 1971). Gerber, an important manufacturer of baby products in the USA, endeavours to send recent mothers a package containing:

- * a congratulations letter
- * a leaflet detailing ingredients of the main food products (juices, cereals, biscuits, etc.)
- * a shopping list including all of Gerber's products
- * a special offer: a fifty cents coupon, valid on Gerber's products will be returned by mail after receipt of 6 proofs of purchase of Gerber baby foods,
- * a 10 cent coupon on a apple dessert product.

c) Coupon plus sample: here the distribution costs can be shared with that of a sample. The aims are to provoke a trial by putting the product in the consumer's hands, and to start a loyalty pattern by making the first purchase attractive with the coupon. Colgate Palmolive, when launching Brisk, a breath-freshener liquid toothpaste, on the U.S. market, posted a package containing a sample of the product, a leaflet outlining the benefits of using it and a 5 cents coupon. The brand penetration was almost instantaneous, with a very high redemption rate.

d) Coupon plus Sweepstake: this helps get the consumer to the point-of-sale, where redeeming the coupon will be easier, and to multiply the opportunities of purchase in the future. In one U.S. case, General Foods sent consumers a coupon worth 15 cents on its coffee brand Maxim. In addition, the consumers could qualify for a sweepstake offering more than 23000 prizes (5 cars, 1000 Television sets and 22000 cameras and radios). They were required to visit their usual shopping location to redeem the coupon and verify whether they were winners by comparing the words printed on a yellow strip on their

coupons with the poster Maxim displayed there or on the labels of the product. Four identical words won a prize.

- e) Coupon plus Competition: this follows the same principles as (d) but relies on consumers' thoughts and deductive skills rather than a random choice of winners. It implies that the consumers keep the coupon for a certain time, ensuring they cut it from the distribution vehicle used, and increasing the probability they carry it in the store. The company Rath, a North American smallgoods manufacturer, organised a competition aimed at children. They were to reproduce in colour the new package of a sausage product. The children passed on the coupon to their mothers so that they would purchase the 'model' from which they could draw. The prizes were 100 portable radios for the best drawings.

- f) Coupon plus premiums: by offering two incentives, the benefit of redeeming the coupon is made more compelling to the consumers. For example, the U.S. manufacturer of Listerine offered a seven cent coupon on its sorethroat lozenges. At the same time, a thermometer was also offered to Listerine lozenges buyers.

- g) Coupons plus rebate or refund: in this case the choice between the two offers is left to the consumer but the value offered on future purchases is significantly greater than the refund offer. In the USA, the brand Totino's, a pizza product, offered its consumers the choice between a refund of 15 cents cash or a reduction of 25 cents on the next purchase.

These are only examples, but the creativity of the U.S. manufacturers has been limitless in order to try and differentiate their own coupons. Coupons are seen as a tool to be used jointly by manufacturers and consumers in the exchange process. Each partner has to make an effort, the manufacturer by distributing the coupon, and the consumer by redeeming it. The main purpose for the use of coupons seems to be during

the launch of new products, but the synergy created by the creation of variations has also encouraged the use of coupons just for the purpose of revitalising sales, counteracting a seasonal pattern, or a competitive move.

Coupons have also suffered, and still do, from a lack of accurate records in the companies themselves. As the expenditures on coupons increase so do the management problems in relation to budgeting and planning, because of the unpredictability of the results. In an article entitled 'Fast Growth - Faulty Management', Strang (1976) commented on the complete lack of research on this particular topic. The solution lies in more systematic analysis, objective setting and pretesting of the alternative courses of action when coupon decisions are made.

2.8 Issues related to coupons

Many of the issues related to couponing are in fact issues related to sales promotions in general. In particular, the assessment of coupon effectiveness presents the same characteristics as the assessment of promotion effectiveness. Most of the issues which have been observed in the case of other sales promotions are relevant in the case of coupons.

This section explores a number of issues identified from the study of the sales effect of promotions in general and coupons in particular.

Coupons have a unique characteristic, the redemption process, which raises a number of coupon specific issues, and these are also discussed in this section.

2.8.1 Issues related to sales

Promotions are usually undertaken with the underlying objective of increasing the sales of a particular product. The assessment of the success of a promotional activity should rely on the analysis of the

resultant sales pattern.

A number of factors contribute to making a superficial sales analysis unreliable in determining the success of promotional programmes.

Timing effects of Sales Promotions

Sales Promotions can affect sales in a number of different ways. In some cases, the sales increase observed after a promotion is in fact the result of distortions occurring in the product sales pattern, (Gupta, 1988). Consumers might purchase the product while it is being promoted instead of when they really need it. If they would have purchased the same product at a later date, then the purchase is said to be 'accelerated'. If, however, the purchase is made in a larger quantity than required, 'stock-up' is said to occur, with the result that subsequent purchases of that product category will be postponed.

The timing effect, and more specifically the changes in the frequency and quantity purchased that appear as a result of a promotional deal are pertinent to the study of the sales effect of sales promotions and coupons.

Several studies have been devoted to this particular issue. Shoemaker and Shoaf (1977), Ward and Davis (1978), Shoemaker (1979) and Wilson, Newman and Hastak (1979) all selected this subject as a main focus for their studies on sales promotions. The latter is worth mentioning because it lists the problems of the timing issue studies as they relate to consumer dealing activities. Wilson, Newman and Hastak (1979) also highlight particular problems such as the confounding effect "2 for the price of 1" promotions can have on purchase quantity. More importantly, they stressed the shortcomings of panel data which provide no accurate record of other brands' activities. This allows a meaningful interpretation of the effect of deal retraction and offer on only a very limited number of products.

Cotton and Babb (1978) performed a study on the impact of deals on dairy products. They tried to overcome the timing problem mentioned above by determining 'before deal', 'during deal' and 'after deal' periods where 'during deal' corresponded to a period when only the product under scrutiny was promoted. This too, proved unsatisfactory as some products bought before could be consumed during the promotion period, possibly altering the sales pattern. Similarly, products bought on deal were likely to influence the 'after deal' sales pattern, particularly if stockpiling had occurred. The possibility also existed that more than one promotion was offered within a given time period.

On these grounds, Wilson et al (1979) discarded the causality alleged by Cotton and Babb (1978). They used the study to illustrate the methodological flaws which result from using diary panel data not gathered with a particular purpose. One of their suggested improvements would be the use of more specific data, and custom-designed panels for future research in this area.

Blattberg, Eppen and Lieberman (1981) also investigated the timing aspect of sales promotions. Their study was initially concerned with the testing of an inventory control model in which retailers and consumers both aimed to minimise their own costs. The data was a consumer panel purchase record made available by the Chicago Tribune, manipulated and coded in order to eliminate possible inaccuracies. Results on stockpiling were quite clear: people bought more on deal and postponed subsequent purchases, which was a reinforcing element for the authors' model.

Acceleration of product purchases as a result of consumer sales promotions was also the focal point of the work of Neslin, Henderson and Quelch (1985). They studied the two aspects of purchase acceleration (quantity and timing) in relation to the type of promotion undertaken, the post-promotion behaviour, consumers' degree of loyalty and finally,

possible segmenting characteristics. The data was provided by a standing panel of 2293 consumers over a 28-week period. Scanner technology tracked down individual consumers' purchases with the help of a identification card presented by the panel members at the check-out points. The implementation of scanning systems is of great significance as it completely eliminates the problem of unreliable self-reporting from consumers. In this particular case, however, there was still a major limitation, in that not all stores in the area were equipped with scanner systems. Therefore, there may have been important slippage of purchases, especially from people actively seeking deals and visiting 'non usual' shopping locations if they offered promotions.

The research investigated four methods of promotion, namely manufacturers' coupons, local newspaper advertising by manufacturers, local newspaper advertising by retailers and temporary price changes. The regression performed consistently poorly, with a very low R^2 ($<.07$) which suggests that only a small part of household purchase quantity and timing is determined by the availability of sales promotions. However, a significant product effect could be observed. Coffee, for example, was found to be particularly 'stocked up'. Brand loyalty also showed different degrees of influence depending on the product, but heavy users of a product were definitely more likely to accelerate their purchases than light users. The authors concluded that if the two elements of time and quantity were relevant to the question of purchase acceleration, quantity was more clearly salient and probably occurred more commonly than time forwarding.

Lastly, Gupta (1988) proposed a decomposition of the sales bump that follows a sales promotion. He identified three distinct elements related to brand switching, purchase time acceleration and stockpiling which he calls the "When, What and How Much" consumers' purchase decisions. Working from a conceptual model, this piece of work relies on a scanner panel data recording the coffee purchases of 2000 households over a period of two years (1980-1982). The study was limited to caffeinated

ground coffee in the Pittsfield area, Massachusetts (U.S.A.). One can suspect some problems with generalisation as previous studies have suggested that coffee seldom follows the same pattern as other grocery products (Henderson, 1985; Brown, 1974; Neslin et al, 1985). The assumption made by consumers that coffee is better when fresh is in itself unlikely to induce stockpiling. Gupta achieved, after some refinements, a highly predictive model. The conclusions drawn were very precise:

"out of the total sales increase due to promotion, 84% is accounted for by brand switching, 14% or less by time purchase acceleration and less than two percent by stockpiling".

While these results invalidate the findings of Neslin et al, (1985), the addition of a few details might help explain such discrepancies. In this particular case, different sizes of the same brands were considered as different products altogether and it appears that the high 'brand switching' would then reflect the fact that consumers traded up for the larger size, which equates to stockpiling.

Nonetheless, this approach deserves to be applied to a wider range of product, as it presents an unequalled level of accuracy in purchase monitoring and could therefore lead to a much improved forecasting of the sales effects of promotions.

Another interesting contribution was made possible by the utilisation of a computer simulated program in a study of consumer stockpiling strategies, (Meyer and Assuncao, 1990). Meyer and Assuncao organised an experiment involving respondents instructed to aim at minimising the price paid for a product over a period of 30 buying 'weeks'. Subjects were provided with price information as well as past prices, and instructed to keep a minimum supply of a regularly used drug on hand in their households. Three units of the drug were required to be consumed each week and up to 15 units could be stored. Zero inventories were not permitted. Results showed that bargain prices provoked overbuying, even when large inventories were being held. This suggested that consumers

could not resist 'bargain' purchases on the basis of stocks. However, the study was focussed on price and did not investigate the case of the bargain price being the result of a regular price less the price of the coupon. Moreover, the sample size (35) and nature (graduate students) limits the generalisation of the findings.

Brand Switching effects of Sales Promotions

One of the problems in assessing the success of sales promotions results is that a number of sales observed will result from the temporary patronage of the product by consumers who feel that the offer warrants a change in their purchase habits. These consumers might otherwise be either consistent in their purchase behaviour, or they might always favour whatever product offers some sort of promotion.

One of the aims of previous research has been to try and estimate the brand switching effect of sales promotions. In order to do this, it is necessary to identify two distinct groups of consumers, according to their brand loyalty or brand switching propensities.

A realistic approach to this problem was implemented by Massy and Frank (1965), Brown (1974), and later Shoemaker (1979) who all tested a number of hypotheses related to the purchasing habits of consumers, focusing more on a brand usage segmentation than on demographic or psychographic segmentation.

Massy and Frank (1965) relied on the Market Research Corporation of America's consumer panel data, and covered 101 weeks of purchase history for a number of families living in a metropolitan area. Families showing a stronger brand loyalty were, as expected, found to be less deal sensitive. Less clear were the correlations deduced with regard to package sizes or store types.

Brown (1974) considered this topic from a brand switching perspective. He implemented a study of coffee whereby he selected 2500 recent coffee buyers out of a panel of 6000 consumers. The survey results, based on respondents' recollections of past advertising and promotional activities, as well as price, were interpreted as evidence that purchase decisions were primarily dependent on brand loyalty. This is tautologically true if brand loyalty is defined as a greater propensity to choose one brand in the first place. Other conclusions drawn by Brown were that sales promotions provoked a faster response than advertising, but that long term buyers, or brand loyal consumers were more sensitive to advertising than to promotions. The major shortcoming of this research lies in the underlying assumption that respondents have the ability to remember, and to report accurately what they remember. It is difficult to believe that the 2500 respondents did indeed fully register the number of different advertising and sales promotion stimuli they had been exposed to during the period when their coffee purchases were recorded.

Shoemaker (1979) also used longitudinal data from two diary panels and extracted information on three categories of product (detergent, instant coffee and coffee). The test procedures allowed for some control by contrasting 'before promotions' results with 'after promotions' results. The major finding of interest was that the regular buyers of a brand, that is the brand loyal segment, tends to pay more than the others. Thus, a segmentation is possible between at least these two groups, the 'brand-loyals' and the 'switchers'. However, neither psychographic nor demographic descriptions of these segments can be obtained, which severely limits the usefulness of these findings. Also, the robustness of the conclusions, across more product categories, remains to be demonstrated.

The issue of brand loyalty is fundamental to the topic of coupons, as these can be used both by existing customers of the brand and by new buyers, who could, themselves, eventually become loyal customers. From

the manufacturers' point-of-view, the results of the couponing activity will be quite different. The implication of the promotion profitability will closely depend on these elements, and is discussed later.

Brand loyalty refers to consumers inclination to select one particular brand over it's competition and it can be expressed in terms of purchase probabilities (Brown, 1974) or frequence of purchase (Shoemaker, 1979).

The brand loyalty perspective, or the past purchase history approach, has been central to some coupon-specific studies. Shoemaker and Tribelawa (1985) built on previous work (Aaker, 1973; Neslin and Shoemaker, 1983) in order to determine the different probabilities of redeeming a coupon, comparing previous product brand purchasers and non-regular or non-buyers of the brand. A mall intercept interview survey, on a split sample of 280 respondents in the New York metropolitan area, investigated previous buying habits for five different products. Each sub-group was asked about the probability of using a 15 cent coupon for group 1 and a 30 cent coupon for group 2. As expected, the probability of coupon usage for a given product increased with the number of past purchases of the same product by the respondent, confirming the relevance of brand loyalty to the issue of coupon usage.

Neslin and Clarke (1987) expanded on this work by relating the 'brand-use' profile of coupon redeemers to brands and coupon characteristics. They used 59 brands and found results consistent with previous research. Using phone interviews, they asked consumers who had received coupons to describe their purchase habits and redemption intentions. They found that brand users are more likely to redeem the coupon than non-users, with the only exception being customer-requested coupons, which performed better for new triers. Neslin and Clarke suggested, however, that although the indirect nature of the information collection provided sampling effectiveness, it might have introduced error into the results. They stated that this work should be considered more as a pilot study for a more desirable study, where actual sales

could be measured.

Bawa and Shoemaker (1987) also aimed at correlating coupon proneness to household purchase characteristics, such as loyalty, or variety seeking. A set of data, including 300 000 purchases from 2879 households over 12 months in 1975, was used to build an index of coupon proneness. Loyalty, both towards brands and stores, proved to be negatively correlated with coupon proneness. Based on a cost perspective, the authors hypothesised that a household is less coupon-prone if it is smaller, older, less educated or located in non-urban areas and if it contains a working wife, young children and high brand or store loyalty. They found support for the assumption that brand usage was in part determined by household characteristics. The characteristics uncovered were, however, rather unexpected, with above-average education and income being positively correlated to coupon usage, which is congruent with the conclusions of Webster, (1965); Blattberg et al. (1978) and Teel, Williams and Bearden (1980). Loyalty was influential and coupon usage across product categories was similar, thus reinforcing the assumption of the existence of a coupon-prone segment.

Bawa and Shoemaker (1987) also analysed the effects of a direct mail coupon on brand-choice behaviour, from data collected during a field experiment where the participating 5192 households had each received a direct-mail coupon for a consumer product. People more likely to buy the brand were also found to be more likely redeemers of the coupon, a result congruent with findings on sales promotions in general. The likelihood of redemption correlated positively with an increase in the coupon value, until a certain threshold was reached. Above this, only low prior probability households showed some significant change in the redemption probability. This observation can be partly explained by the mere fact that probabilities of the least absolute value necessarily experience greater changes (in percentage terms) than larger initial values. The authors proposed instead that the increase in sales following a promotion can probably be totally attributed to the product's usual customers,

implying that the stated aim of increasing market share cannot be achieved by couponing.

2.8.2 Issues related to Profitability

Depending on whether the promoted product has been purchased by a consumer already loyal to the product, or by a newly-acquired customer, will directly influence the net profit of the promotion effort that was involved in achieving this sale.

Additionally, the probability that a newly acquired customer remains a purchaser of the brand in the future will also have substantial bearing on the longer term profitability of the promotional activities undertaken.

Findings like these call for the analysis of the effects of sales promotions based not solely on sales but rather on profitability. It is clear that a discount offered exclusively to current purchasers of the brand will adversely affect the profitability performance of the product.

The need to go beyond the mere sales response to promotions is not new. Very early work by Hinkle (1965) highlighted the danger of neglecting a true profitability assessment of the promotional expenditures. His study, based on the combination of a series of manufacturers' records, data sets and the Chicago Tribune panel data for the period 1958-1962, led to only very general conclusions with regards to possible effects and characteristics of price deals. Influential factors such as the brand age, its seasonality nature, competition and the product category were all mentioned as potentially significant. The issue of synergy amongst several concurrent promotional activities was also explored. Hinkle stressed the prerequisite nature of retailers' support in the success of the promotion. However, the most important conclusion, and possibly the most valid one, was that many promotions do not receive the necessary profitability assessment to which any expenditures should be subjected.

This warning remains ignored in many more recent research projects.

In profitability terms, promotions have been more readily scrutinised by trade publications than by academic journals. For instance, Monci Williams (1983) provided in "Fortune" the numbers demonstrating the fast growth of promotions. He described the vicious circle into which most manufacturers had fallen, by keeping up with the competition without any consideration for the profitability of their promotional investments.

Likewise, Kessler (1986) also in "Fortune", commented on what he called the "crazy coupon craze", the negative effect of over-coupons on the brand franchise, and therefore on profitability. Again, the competitive pressure was the main explanation offered by the author to justify such counter-productive expenditures.

On the other hand, some practitioners, in specific industries, highlighted the progress made possible by the use of coupons in assessing the effectiveness of their promotions. For example, Grossman (1986) described the use of coupons as a prospecting tool in the banking industry.

Academics also took an interest in this matter. One of the first to voice concerns about promotion profitability was Aaker (1973) who worked upon a normative model of promotional decision making. He attempted to combine every relevant factor into one massive model. The real point of relevance however is the importance he attributed to long-run impact, within which profitability plays a part, rather than pure marketshare objectives. Aaker questioned whether fast sales were of any benefit to the promoting company, if the impact was limited to the promotion period.

Farris and Reibstein (1979) investigated the link between prices, expenditure and profits. They, too, mentioned the return-on-investment appraisal that should take place to assess marketing activities, but unfortunately they limited their study to advertising only.

Strang (1976) suggested that sales promotions, if they were indisputably growing fast, were somehow "mismanaged" in the sense that an objective assessment of their profitability was seldom implemented before the budgets were committed. He emphasised the need for more research in that area if the current wastage of funds was to be controlled.

Hardy (1986) studied a large number of past promotions, defined as the "provision of any temporary incentive to buy a product". He built on the previous findings by Levy, Webster and Kerin (1983) who demonstrated that in the case of a margarine product, cooperative advertising, coupons, terms of sales to retailers and service levels had the greatest impact on sales and profits. He also looked at Cotton and Babb (1978), who found that promotion deals such as displays, coupons, multiple items discount and free gifts created a better response than the equivalent reduction in price. Hardy (1986) asked the product managers from 27 Canadian package goods companies to fill out a questionnaire and obtained information about 216 past promotion campaigns. Statistical procedures were then applied to the data, separating consumer promotions from trade promotions. As a result, success factors were identified for each category, of which the initial investment was part. It was found that even "successful" promotions showed very poor profitability results, while about 50% proved unprofitable altogether. However, it should be noted that some of these promotions might have been undertaken with objectives other than profitability. The product managers might have decided that a high turnover to make room for a new version of the product, or an increased brand awareness at the beginning of the season were more relevant objectives. Hardy took special notice of the fact that in most cases, there had been no previous attempts to assess the profitability of these promotional activities. These findings are, of course, subject to the ability of the product managers to report the details of past campaigns accurately. They remain however, compelling in their implications that vast budgets are spent without any attempt at return-on-investment estimation.

Only two studies were specifically devoted to the issue of couponing profitability. Neslin and Shoemaker (1983) thought of creating a manager-piloted computer simulation that would incorporate several criteria and estimate response rates and profitability figures in more accurate terms than mere redemption or promotion costs. They demonstrated the use of such a device by providing a real case application. The model incorporates many of Shoemaker's earlier findings in terms of pre-purchase probability, accelerated purchase and repeat purchase. The model aims at isolating the net sales gain achieved by the couponing activity. Simulations of sales were input in alternative cases of coupon campaigns. The managers' assumptions were put in a parameter form for the computer to determine its procedures. In a particular case, mail distribution, though three times more costly than the alternative distribution method envisaged, proved to be more profitable. The authors recognised the exploratory nature of their work, but suggested that it provided a solid justification for the systematic storage of information about promotional activities. One major limitation of the research stems from the absence of any competitive information which, intuitively, would play a fundamental part in explaining purchase behaviours over the promotion duration. Neslin and Shoemaker also suggested that profitability might not have been the primary objectives of these campaigns, which would explain at least some of the discrepancies identified between different promotion operations.

Lefever and Morrison (1988) also focused on profitability issues with regards to coupons, even though they limited their investigation to the restaurant industry. After demonstrating the extent of couponing in that particular sector, they provided a comprehensive inventory of the specific benefits and drawbacks of potential distribution methods in the case of restaurants, and the special considerations necessary. They concluded with a list of 14 special types of coupons which could be used, and provided a number of guidelines to assess profitability in each case. It is questionable if these can be transferred to other sectors of the

economy, but the importance granted to this side of the promotion decision certainly retains its validity across industries. It stresses the need to measure incremental business resulting from the promotions rather than the blunt increased business observed.

The profitability implications can be identified on two separate levels. The immediate effect of sales promotions is the reduction of the usual profit margin, and this will be referred to as the lost margin. Additionally, longer term effects can be expected for sales promotions which also deserve attention.

The Lost Margin

An important problem faced by any organiser of a consumer promotion is whether the profits derived from sales is going to be curtailed by the price incentive. This will be dependant on the proportion of deal sales which would have occurred regardless of a special offer, that is, at the full price, with the full margin.

Achieving a cost recovery and a potential profit from a promotion campaign is rendered even more difficult by the addition of the associated costs of couponing such as handling fees to the retailers and clearing fee to the coupon brokers.

The only instance where a sale with a coupon is profitable is when the consumer would not have purchased the product under any other circumstances.

Three distinct cases need to be identified.

'Usual sales' refer to the sales performed on a routine basis by the regular users of a brand.

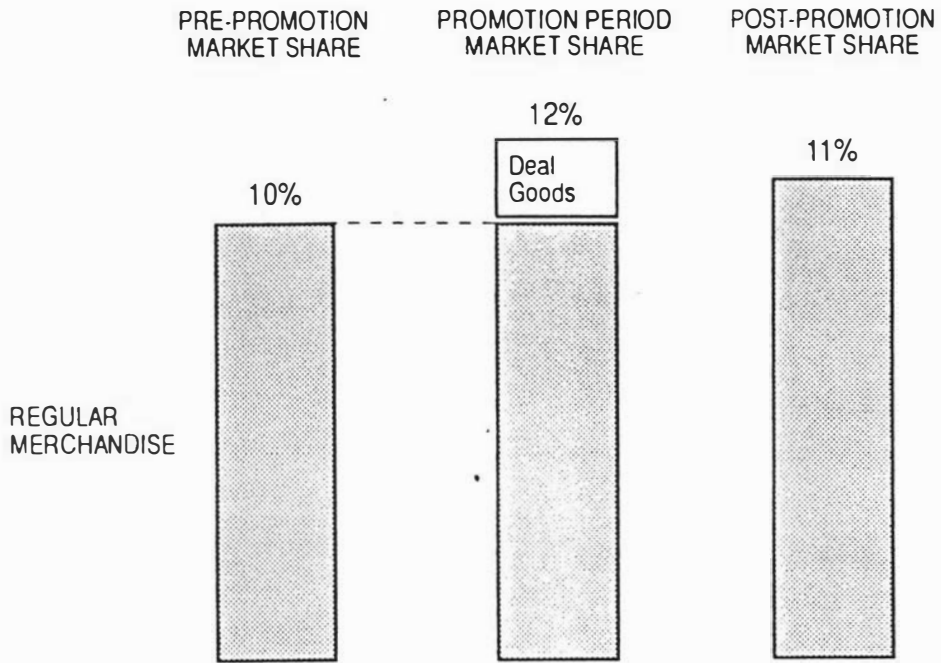
Incremental sales encompass only those sales which would not have otherwise taken place. That is, those sales attributable to the existence of the coupon activity. These sales can stem from two distinct sources.

Incremental sales can be performed by regular users of the brand who have accelerated their normal purchase or increased the quantity of the product they bought in order to enjoy the saving offered on a temporary basis.

Alternatively, the incremental sales can be the result of brand switching from the non-regular consumer of the brand. Again, two cases can present themselves. Occasional buyers were regular buyers of another brand and might, if convinced by the use of the product, become regular buyers of this brand. The second group of occasional buyers who are systematic switchers and will revert to whatever brand is promoted for their next purchase in the product class.

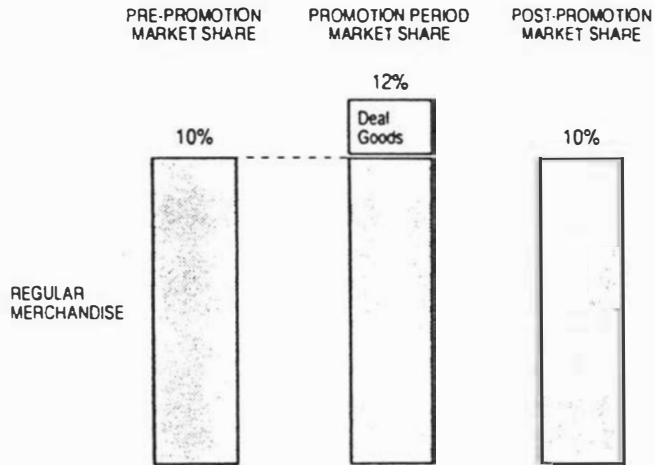
Peckam (1981) in a report summarising a great number of promotions monitored by Nielsen Canada, indicated that if the aim of the promotional planner was to achieve a stronger market position as a result of the promotion than before, as illustrated by Figure 2.3, the reality was more likely to be a stagnant or receding competitive position, as described in Figures 2.4 and 2.5.

Figure 2.3 Desirable Sales Pattern



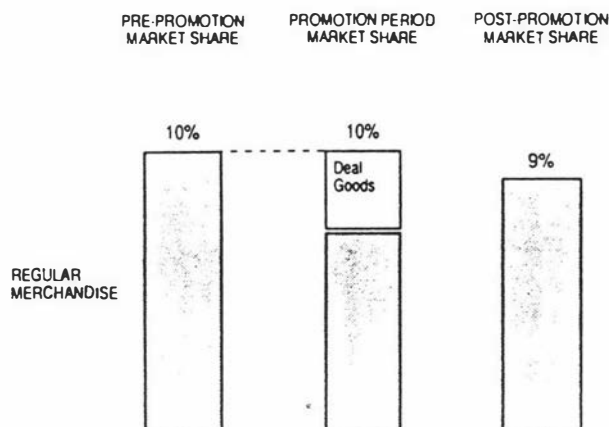
Source: The Wheel of Marketing, A C Nielsen (Ontario) Report 1981.

Figure 2.4 Neutral Sale Pattern



Source: The Wheel of Marketing, A C Nielsen (Ontario) Report 1981.

Figure 2.5 Negative Sale Pattern



Source: The Wheel of Marketing, A C Nielsen (Ontario) Report 1981.

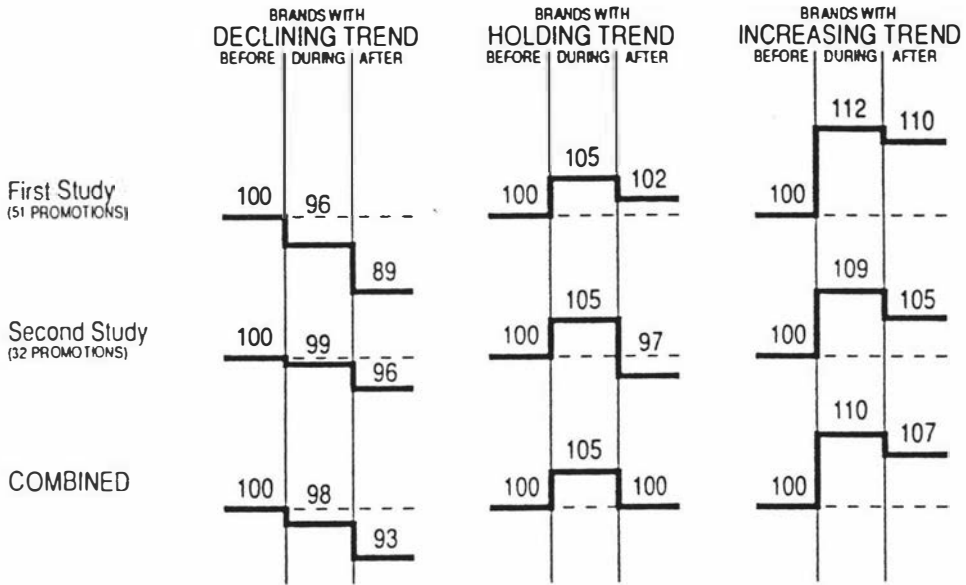
However, Peckam (1981) suggested that this result would be influenced by the pre-promotion market position of the brand. He found that where a brand was enjoying growth before the promotion was undertaken, the after promotion position was stronger than it was previously. Likewise, a declining brand would be worse off after a sales promotion than it would have otherwise been, as illustrated in Figure 2.6.

These conclusions were drawn from two consecutive studies involving 51 and 32 different promotions respectively. These promotions were graphed for declining, stagnant and increasing brands and subsequently merged, showing a consistent pattern within each group.

Peckham does not provide any background details about the methodology used in these studies, nor does he mention the different measures taken for brand positions. One suspects that many confounding factors might have prevailed at the time these studies were conducted. However, Figure 2.6 presented by Peckam in his report suggests a strong correlation between pre-promotion brand 'strength' and post-promotion position.

Peckam also mentioned that similar results could be observed in other countries. However, he supported this statement only with the case of Switzerland.

Figure 2.6 Influence of brand position on promotion sales pattern



Source: The Wheel of Marketing, A C Nielsen (Ontario), 1981.

Long term effect of sales promotions

Even when a particular sale promotion has been proven successful, the longer term effects still need to be examined. In particular, the impact of repeated sales promotions, or of a particularly long lasting sales promotion are likely to become close to what a price reduction would have achieved.

The adverse effects of sales promotions have been examined by A C Nielsen Ltd and in addition to the cases of declining brands which would not benefit from sales promotions, a number of situations were identified

where caution is required.

The following warnings can be found in the report provided to manufacturers by Nielsen Canada (Peckham, 1981):

The continuous use of consumer promotions tends to result in smaller and smaller sales increase and has little effect on market share trends.

Heavy versus light periods of consumer promotions have minor effect on market share trends for established brands.

Consumer promotion cannot 'buy' the market leading brand time in response to a competitive innovation.

Consumer promotions will not prevent the growth of a competitive brand if both brands are in a growth sector.

Consumer promotions will not help to halt competitive losses of a declining brand.

A new brand introduction presents a number of characteristics and requires special consideration of details in its implementation.

These conclusions, which are difficult to assess as little specific information is provided on the great number of past promotion results compiled, seem to point to one overall direction: the abuse of sales promotions risks provoking adverse affects, by cheapening the image of the product itself, or by destabilising the customer base of regular buyers.

2.8.3 Issues related to the redemption process

In addition to the issues concerning the interpretation of the sales impact of sales promotions and coupon campaigns, the particular process

by which the promotion is consumed by the customer, i.e the redemption, introduces several other areas of uncertainty.

The industry use of redemption results

One difficulty created by the analysis of redemption rates stems from its false precision. Owing to the fact that the clearing houses provide the manufacturers or retailers with a finite and precise number of redemptions, it is natural to equate these with sales. This is true only if the redemption has occurred without fraud, on the completion of the purchase of the product.

Moreover, there is no indication that these purchases have been performed by the brand loyal consumers, or by brand switchers, who may become loyal, subsequent to their use of the product.

The use of redemption rates as a surrogate for sales effectiveness is widespread in the industry. A number of studies which claimed to assess coupon effectiveness, do so in fact, by measuring redemption rates or even by estimating redemption intentions of consumers. (Teel, Williams and Bearden, 1980; Berneman and Carson, 1990).

The deal prone segment

Coupon redeemers are allegedly different from the rest of the consuming population. The issue of deal proneness is not limited to couponing and some studies (Cotton & Babb, 1978, Blattberg et al, 1978) have investigated deal proneness in a broader sense. However, the coupon-prone consumer has received significantly more attention in the past. In fact, a battery of consumer behaviour theories has been used in order to explain the characteristics of the coupon prone segment.

Theoretical grounds of coupon redemptions

There are a great variety of theories which have been put forward in order to explain the effects of promotions on consumers. The underlying assumption of those involved in such theoretical pursuit seems to be that if one can understand the mechanism by which people react to the promotional stimulus, then it becomes possible to predict the likely reaction of a consumer to an envisaged promotion decision. If consumer behaviour can be predicted with some degree of accuracy, then better decisions can be made. This statement, albeit tautological, appears to have guided a number of researchers in the area of promotions. (Dodson, Tybout and Sternthal, 1978; Henderson, 1985).

A number of consumer behaviour theories have been used to explain why and how promotions work .

Theory of Economic Man

A number of marketing academics have based their studies of promotions on the assumption that customers are rational, or utilitarian. For example, Blattberg, Buesing, Peacock and Sen (1978) regard consumer decisions as similar to those of an organisation trading off inventory costs and price sensitivity. Basing their research on this notion of 'economic man', they have identified a particular segment of consumers more readily appealed to by promotional activities: the deal-prone consumers. Even though their work attempts an empirical assessment of such an inventory model, modified for the purpose of promotions, the basic assumption remains that consumers behave in a completely predictable and logical manner in a particular set of circumstances.

The same assumption underlies the work of Henderson (1985) who sets out to build a model of consumer response to couponing using a cost/benefit analysis. The resulting descriptive model of consumer coupon-redemption decision-making was tested with scanner panel data from Selling Area

Marketing Inc (SAMI). The SAMI "Northeast Scanner Panel" covered consumer purchases in 15 stores over a period from April to October 1981. A paper product and a coffee product were monitored with a number of purchases totalling 18294 and 4579 respectively). The hypothesised variables included in the model however, did not contribute more than 44% to the redemption responses. While the choice of variables can be questioned, the results of this research shed some doubt on the validity of the underlying assumption of rationality.

The theory of the Economic Man has not been entirely rejected by researchers in the area of promotions, but it only contributes in a limited way to the understanding of consumers' reactions to promotions.

The Theory of Reasoned Action

The Theory of Reasoned Action is well explained by Ajzen and Fishbein (1980). In order to predict consumers' buying behaviour, they created a model incorporating both attitudinal and normative elements. The attitudinal element depends on the beliefs consumers hold about a number of relevant criteria presented by the particular product. The normative element sums up the pressure from external sources exercised on the final choice. These two elements combined form behavioural intentions which, in turn, might become purchase behaviours. This model was further developed in the context of coupon usage by Shimp and Kavas (1984). Shimp and Kavas examined the Fishbein-Ajzen paradigm and several other model variations. They suggested that coupon usage intentions are also determined by attitude and perceptions about coupons before being turned into action. The study suggests two models of coupon usage as well as possible variations.

The first model follows the conventional Fishbein-Ajzen model. It implies that affective components of attitude are distinct, but result, from cognitive components, and that the cognitive structure follows systematic and organised processes. This model implies that the

normative component is also organised and represents a composite construct of its own, independent from the attitudinal construct but jointly influencing behaviour.

The second model relies on expectancy-value components. It is the result of research into possible multidimensional aspects of the cognitive structure conducted by Bagozzi (1981,1982). This model proposes a similarly multidimensional normative structure as suggested by the work of Ryan and Bonfield (1980). The additional variations all aim to include relationships between normative and cognitive structures. A series of studies investigated crossover effects between cognitive structures and subjective norms, and between normative structure and affective-based attitudes (Fishbein and Ajzen, 1975; Ryan, 1982). They also explored the proposition that there are direct relationships between subjective norms and affective based attitudes.

A final model variation allows for attitudes to directly affect behaviour, challenging the theory that attitudes affect behaviour solely through behavioral intentions, as put forward by Bentler and Peckart (1981).

In order to test these different models, a questionnaire was administered to a convenience mail intercept sample with a bias for older upscale respondents (as judged by their physical appearance and dress style only). The questionnaire was designed to measure beliefs, attitudes, subjective norms and intentions to act. The results supported the need for crossover additions to the traditional unidimensional model but failed to provide satisfactory levels of explanation for coupon usage; the highest fit obtained by any of the models was 48%.

Shimp and Kavas's (1984) suggestion of the possible intervention of household dynamics as a contributing factor in coupon usage, does not answer the real limitations of the research with regard to the validity of the theory itself. Some methodological problems associated with the

sampling method and the measurement of intentions, rather than actual behaviours, also make the conclusions of the paper rather tautological. They fail to suggest why the Theory of Reasoned Action, captured by the Ajzen- Fischbein model, should apply to coupon usage.

Raju and Hastak (1983) limited their study to the pre-trial cognitive effects of cents-off coupons. Undergraduate students were used in an experiment involving exposure to different coupons. Scores were then obtained on beliefs, attitudes, behavioural intentions and cognitive responses. Raju and Hastak found that cents-off deals were good trial incentives but did not affect repeat purchases. Only past experience of the product was salient in this case. The unstructured answers provided by the students were forced into a limited number of categories to obtain quantitative measures, which were submitted to further regression analysis. As a result, and because of the rather unrepresentative nature of the sample, their findings are extremely questionable.

The type of research relying on the measurements of beliefs and attitudes has, in general, been impeded by methodological obstacles preventing any great validity being granted to the conclusions.

Self perception theory

The shortcomings of theories supporting a rational, economic or reasonable man fostered other approaches to the issue of promotion response. Rather than reject the concept of a rational man, Dodson, Tybout and Sternal (1978) suggested that economic utility was complementary to another theory explaining the effect of deals on brand choice and switching; the Self Perception Theory.

According to this theory,

'individuals observe their own behaviour and the circumstances in which they occur, as a basis for determining their attitude towards an object '.

Therefore, a consumer who purchased a product on promotion would be in doubt as to the reasons why he/she did so. That is, they may not be sure whether they purchased the product because of its intrinsic qualities or because of the deal offered. Thus, once the offer is withdrawn, the consumer may be less inclined to purchase the same product again. An earlier work conducted by Shoemaker and Schoaf (1977) supported this same theory without giving it a name. Once again, the underlying assumption was that the focus of prime interest during the first purchase was the potential saving to be achieved, which distracted the consumer from conducting a thorough assessment of the product's worth. As a result, the consumer will be inclined to reject the product from the set of possible purchase alternatives, on the sole ground that the saving is not possible anymore.

Dodson et al (1978) tested this theory in a research project involving the use of several diary panels and five different products within four distinct product categories. It was found that repeat purchases were more likely if the product had not been previously offered on deal. These findings corroborate the proposition that deals and promotions undermine the propensity of the consumer to buy the same product when the promotion has ended. Dodson et al (1978) focused more specifically on deals and deal retractions and concluded that both self perception and economic utility play a part in explaining consumers response to promotion.

Behavioural Learning theory

A valuable contribution to the literature on promotion comes from the behaviourist school of thought. Scott (1976) compared various purchase incentives with behaviour modification devices. The Behavioral Learning Theory is similar to the Self Perception Theory: it suggests that a purchase attributable to an incentive would actually decrease the likelihood of repeat purchases when the incentive is removed. This would

adversely affect the success of the so called 'foot-in-the-door' approach when incentives are provided to gain consumers' compliance to a small request in the hope of retaining it for a subsequent larger one.

Scott designed an experiment to test this hypothesis on a group of Chicago Tribune readers. No better response was observed with a small initial request with incentive than with no special offer at all. However, it can be argued that subscription to a newspaper, and newspaper readership, present a number of specific characteristics that prevent any findings from being generalised for a broader range of products.

The relevance of The Behavioural Learning Theory to marketing and promotions was addressed in a more formal manner by Rothschild and Giadis (1981). They employed the five major components of the behavioral paradigm as they relate to marketing:

- shaping,
- extinction ,
- reinforcement schedules,
- immediate versus delayed reinforcement
- and primary versus secondary reinforcement,

Their study relies on previous research by Nord and Peter (1980) who first introduced the notion of shaping and reinforcement into the promotion literature.

This direction of research is pertinent to coupons if one accepts that a coupon distributed with a product sample could be considered as a shaping tool because it imitates the desired behaviour (purchase) better than the mere usage of the product. Smaller discounts offered over time would then provide the necessary motivation to lead the individual consumer to the closest possible performance of the desired behaviour i.e purchase without incentive. The same logic dictates that the removal of any reward or the emergence of a competitive offer, will also ultimately

induce the extinction of the desired behaviour, i.e reversal to previously bought brands. Therefore, continuous or intermittent reinforcement schedules appear to be necessary in any sales promotion.

Rothschild and Giadis (1981) interpreted Scott's (1976) paper which was generally dealing with promotion and sales incentives from a more focused perspective with regards to shaping. They observed that the incentive was the reward in the newspaper experiment rather than the product. Therefore, the extinction which occurred after removal of the offer was predictable according to Learning Theory. The authors stressed the natural link between self perception and learning theories and emphasised their similarities at least for the 'high involvement' products, when a complex mental process is undertaken before the purchase decision is made. They do, however, call for simpler models to be used in low involvement and routine consumer purchase activities.

The apparent congruence between Self Perception and Learning Theories could however, be misleading. Only limited aspects of the Learning Theory have been applied to coupons. It could be argued that the schedule of reinforcement might also critically influence whether or not the desired behaviour could be permanently acquired by the consumers.

Gift giving theory

Lastly, there has been an original and isolated stream of research on promotions stemming from psychology (Siepel, 1971; Nord and Peter, 1980; Sawyer and Dickson, 1984). If one equates promotion with the notion of gifts and favours, the theory of gift giving does indeed gain relevance in the context of marketing. The underlying assumption is that the same consequences can be expected from the exchange of gifts and favours between a company and an individual as are known to happen between individuals i.e defiance or reciprocation, positive or negative attitudes.

Siepel (1971), in order to demonstrate the validity of the gift giving theory in the case of premiums, organised an experiment in his home country, Sweden, to test the relationship between the magnitude of the offer and the expected response. One of the noticable findings was that an offer of a reasonable magnitude created more favourable feelings and a better compliance rate than either a smaller or a higher reward, regardless of the complexity involved in performing the compliance task. This relates to the notion of "fair price" accepted in Marketing.

This research is unfortunately rather meagre and such experiments should be replicated for any promotion device including coupons, in order to assess further the relevance of the gift giving theory to marketing.

In summary, these theories rely on different assumptions about the consumer, and therefore alter quite significantly the approaches taken by market researchers. It is difficult to decide if these findings can be trusted due to the uncertainty about which assumptions concerning consumers' thinking processes are valid. A major problem with these theories is that they do not enlighten the promotional planner or the coupon decision maker. Having no predictive power, they remain an intellectually rewarding source of challenge for the academics, but offer no managerial guidelines to the practitioner (Strang, 1976).

The shortcomings of this type of approach i.e the understanding of consumers' thinking processes as a means of predicting their behaviour have enticed other researchers to overcome this by monitoring the actual market behaviour in response to promotions. Coupons are likely to benefit particularly from this approach: they present some characteristics which enable them to be monitored in a more efficient way than is possible with more intangible promotional elements such as advertising.

Characteristics of the deal prone segment

A number of studies have centred on the possible segmentation of consumers according to their 'deal proneness'.

Montgomery (1971) examined the relationships between housewives' dealing activities in a product class and socio-psychological and purchase behavioural characteristics. He created a model which incorporated such elements as deal proneness, brand loyalty, children, interests, opinions, leadership, venturesomeness, gregariousness and media exposure in the case of toothpaste. Using a set of data collected since 1960, the study was trying to identify any significant impact generated by the endorsement of Crest toothpaste in the U.S.A., by the ADA (American Dentist Association), and excluded all respondents who had bought Crest only once. Montgomery acknowledged the limitations of using non-purposely collected and aged data. However, a more serious limitation stems from the self-fulfilling nature of the findings. If there is such a thing as a positive coefficient of deal proneness, then, by definition, it will correlate with a positive reaction to a promotional activity undertaken to push a product such as Crest in the market.

Attempts to identify and describe, at least in terms of demographics, the consumer segment which is more responsive to sales promotions or deals have so far provided mixed and contradictory results.

Stockman (1957) described deal proneness as negatively correlated with age, but Webster (1965), on the other hand, obtained a positive correlation between the same two variables.

Few associations between deal proneness and income have been found, yet Blattberg et al. (1978) established a positive relationship between income and propensity to buy on deals, using a unique household resources model. Car and house ownership (no doubt positively correlated with income to a certain extent) were also shown to be positively correlated

to consumers' deal proneness. The role of elements such as car and house as prerequisites of deal consumption is intuitively logical. By providing the necessary mobility to increase store choice in response to a promotion or by ensuring the necessary storage space which will allow the acceleration of purchases as well as the stockpiling, a car and a house ownership would increase the capacity of consumers to take advantage of sales promotions. The inference that these elements are subject to a higher than average income, however, remains unsubstantiated, even if a positive correlation can be hypothesised.

In a recent work, Jolson, Wiener and Rosecky (1987) focused on the correlations of rebate proneness. Rebates are a form of sales promotion quite similar to coupons. They allow a price discount only to a purchaser of the brand, but delay the payment of this discount until a proof of purchase is sent to back to the manufacturer. A phone survey, administered in a large Eastern city to a random sample of 495 households screened those who had completed the purchase of an appliance and to whom a questionnaire was subsequently sent. A total of 294 completed questionnaires allowed the construction of a model where the rebate proneness was the dependent variable. It included, in a discriminant analysis, four factors as well as three demographic characteristics. The factors were effort/price, brand requirement, shopping efficiency and price awareness whereas the demographics selected were sex, age and income. Only income showed significance ($P < .05$) when it came to distinguishing rebate users from the rebate light or non-users. These results are far from providing a satisfactory description of a segment likely to respond favourably to this type of promotion.

Segmentation objectives also guided a number of coupon specific studies. Teel, Williams and Bearden (1980) studied the correlations of consumers' susceptibility to coupons in the case of a new grocery product's introduction. The study focused on female shoppers and the sample was selected on a convenience basis by the interviewer within the framework of Census Blocks in the town of Bangor, Maine, (USA). The results of 352

interviews revealed that 18% of housewife shoppers tried new products if a coupon incentive was provided. The only significant variables found were age (younger), income (slightly more) and family size (larger).

Narasimhan (1984) undertook a research study based on a diary panel data in order to test a model of coupon usage and identify household characteristics related to it. The purchases of 1000 consumers were analysed, covering a large number of product categories (20). There was strong support for the existence of a distinct segment, mainly described in price elasticity terms (coupon users being more price sensitive). The demographic identification was however, very unclear, mainly because the demographic variables did not hold significance across product categories. Narasimhan is the first to agree that the assumptions made at the beginning of his study might have been too restrictive. Future work in this area would require a more focused approach in order to validly label a coupon prone segment in demographic terms.

Finally, a very recent study by Berneman and Carson (1990) set out to investigate further the coupon prone segment. They undertook a pilot study to identify possible sub-groups within the coupon prone segment. Their conclusion, that there might be as many as three distinct subsegments, is the first attempt to address the discrepancies identified in previous studies with regards to the description of the deal prone consumer segments. The exploratory nature of this latest stream of research prevents any generalisation being drawn, but indicates the renewed interest in this type of research.

2.9 Coupon Variables affecting redemption

Redemption information is more readily available than sales information. Therefore, effects of coupons features on consumer response have been predominantly based on this type of data.

A particular stream of the research, devoted specifically to couponing, has focused on the features or variables of coupons likely to influence their response rate.

Methodologically, panel data and sales records of past campaigns have been analysed by the researchers in order to assess whether different elements of the coupon design were significant in explaining the response magnitude .

A.C. Nielsen Jr (1965) summarised the main coupon objectives usually put forward by couponing practitioners, and added one of his own, the use of coupons as a market research instrument, because it identifies the consumer who has performed a purchase. He also covered the great range of coupons available, with discount rates varying from 9% to 100%, and distributed by various methods. He established a list of the measurable factors which appeared to exercise the greatest influence on coupon redemption rates. They were:

- Method used to distribute the coupons
- Size of the product class,
- Rate of discount,
- Face value of the coupon,
- Brand distribution.

These factors are of course valid for any given product, which in itself constitutes another determinant factor.

Some factors were specifically identified as non-significant. They were:

- Brand share of the market,
- Competitive couponing activity,
- Age of the brand.

The difficulty with these findings stems from a generous provision of tables and averages which tend to suggest that a great number of diverse data sets have been combined. No information is provided about the source of these data, or the process by which they were compiled. Hence, it is rather difficult to deny the possibility that special conditions, unreported or unnoticed, might play a role in the particular patterns observed.

Schwartz (1966) undertook a more documented research in which he studied 81 separate coupon promotions in order to identify the influence of media characteristics on coupon redemption. It was found that there was a difference in redemption response according to media choice with direct mail performing twice as well as magazines, and four times better than newspapers. The author overlooks the fact that the primary level of attention made possible by mail is obviously much greater than in any of the other cases, and that therefore the coupon had a much greater chance to be seen, and acted upon.

Much later, Ward and Davis (1978) considered the whole range of possible factors likely to influence the level of redemption. They compiled a list of 9, which integrated the ones advocated by The Association of National Advertisers Inc (1962) and Schwartz (1966):

- 1 Size of the coupon drop or coupon effort,
- 2 Method of distribution,
- 3 Monetary value of coupon,
- 4 Size of the purchase required for redemption,
- 5 Level of general support advertising and promotions,
- 6 General consumer attitude towards the product and the rate of product usage,
- 7 General availability of the product,
- 8 Period of time since the coupons were distributed,
- 9 Level of competitive activity in the product class.

For any given product, the fourth, fifth, sixth, seventh and ninth factors would remain constant and were therefore not considered causal factors of variation in this study. A model of coupon redemption was based on the remaining elements, with the underlying assumption that some of them might capture sub-factors. Media distribution could in fact reflect elements of demographic variations, as the choice of a medium could possibly be correlated to age, income, education and so forth.

Despite the fact that redemption rates are often low, Ward and Davis (1978) documented three influential factors, media distribution, face value and time. As previously observed, the time effect of coupons seems related to the change in the purchase pattern, but the authors did not attempt any explanation for this phenomenon.

Additionally, A C Nielsen has continuously encouraged further investigation in the area of promotions and coupons. Over the years, it has put the accumulated data about hundreds of coupon campaigns, predominantly in the United States and Canada under the scrutiny of various analysts. One of them, Peckam (1981) found that the product category, brand position and strength were determinants amongst the influential factors of coupon success.

Reibstein and Traver (1982) adopted a similar model-building-approach to identify the various factors influencing coupon redemption rates. From a comprehensive list of 22 factors ever mentioned with regards to coupon redemption, the authors selected 5, namely:

- Method of distribution,
- Value of coupon,
- Discount offered by coupon,
- Size of the coupon drop and
- Market share as a surrogate for consumers' franchise.

The data was obtained from a consumer goods company with a high involvement in couponing over the years, but it concentrated on one brand only. A fit of 91.9% demonstrated the success with which the model explained the redemption rate. The model was therefore proven to have a high predictive power for that particular brand, in that particular company's case. However, Reibstein and Traver (1982) recognised that the data had not been collected for the purpose of their study. They referred back to the early recommendation, by the Association of National Advertisers, that the relative impact of different coupons be tested by means of field experiments.

The purposeful collection of data, called for as early as 1962, with realistic market conditions, and following the rules of scientific experimentation, was in fact pioneered by Klein in 1981. This clearly showed a direction for the much needed research in the area of coupons.

More recent findings are available, once again with the help of A C Nielsen. Moulard (1989) suggested that the contextual position of the coupon as well as the chosen media distribution played a role in explaining the redemption rate.

Some research undertaken in 1989 by Manufacturers Coupon Control Center, (a company dependent of The Dun & Bradstreet Corporation, a U.S market research company) also established product category, media distribution and face value as the main influential factors in coupon redemption.

2.10 Summary

Despite the trust placed upon coupons by promotion managers, particularly in the grocery industry, little empirical evidence exists that they achieve their sales objectives.

The methodological shortcomings of previous research stem from the difficulties which prohibit the attribution of a particular sales

response to an isolated factor. This lack of control over the environment in which coupons are introduced has fostered several distinct directions of research.

While aggregate sales were investigated by some researchers, redemption rates or even redemption intentions were studied by others. A particular school of thought focused on the consumers' thought processes, triggered by a coupon stimulus.

Discrepancies emerged from these different perspectives. However, a consensus seems to prevail with respect to couponing effectiveness. There is also relative agreement as to a number of coupon features which are influential in the success of a coupon promotion campaign.

An experimental approach to assessing sales promotion effectiveness has been repeatedly called for in the literature, but has not yet fully materialised.

It was therefore the aim of this research to design and implement a methodology capable of ensuring some level of control over the environment of a coupon campaign in order to assess its sales effectiveness with an improved degree of confidence.

For the purpose of this study, the most common form of consumer coupon issued by manufacturers was investigated in the New Zealand context. Consumers were provided with a variety discount savings to be enjoyed at the next purchase of a number of identified grocery products.

III- METHODOLOGY

3.1 Introduction

As previously mentioned in Section 1.4, the objectives of the study were to assess the sales effectiveness of a particular form of coupon, as well as to identify the effects of product category and discount level on sales. Additionally the study aims at investigating the relationships between redemption rates and sales on the one hand and redemption intentions and past brand experience on the other.

To fulfill these objectives, sales needed to be measured in relation to some couponing activity.

In order to accurately assess sales effect of a number of coupon variables, this research had to vary a number of coupon features and measure sales changes directly related to these. This necessitated some control over any other sources of sales variation.

This chapter examines the foreseeable problems related to the measurement of sales. In a first section, difficulties created by the sales data collection process itself are described. Secondly, a list of potentially confounding factors are described which could impede a direct interpretation of sales measures.

The time aspect which characterises sales promotions is examined in the light of couponing and its implications for sales measurements is also detailed.

The second part of this chapter reviews the range of methods used in the past and specifically exposes the shortcomings and advantages attached to each.

Finally, a detailed description of the data collection undertaken for the purpose of this research is given together with the rationale behind the different features of the methodology, in the light of the issues and problems already identified.

3.2 Problems in Measuring Sales

In the situation where a high level of accuracy is required there are several elements which make measuring sales difficult. These elements can be categorised as originating from the data collection process itself, from the existence of other factors influencing sales than the couponing effort under scrutiny, or from the particular time effect expected for most sales promotions.

3.2.1 Data Collection methods

This is an area where there has been rapid change within the last decade, and an historic perspective shows the influence of technology on this particular area.

The traditional method to measure sales is to record shipments from the manufacturing plants (or import points for imported goods). Most of the grocery manufacturing companies still obtain such records from their processing plants, often on a monthly basis.

These records are of little use in monitoring the effect of activities undertaken over a limited period, or in a limited geographical area, as the volumes registered out of a few factories will be dispatched to a number of locations where no consistency can be expected in terms of price or turnover. In fact, only nationwide intensive promotional activities directed at all retailing partners would show at the ex-factory level.

To remedy this situation, a number of commercial market research companies have begun to offer a sales monitoring service which is based on the regular stock checks of a number of stores selected for their representativeness. By extrapolating the changes observed in the stock situation of a sample of stores, these companies are able to provide their clients with weekly sales estimates of any specific product.

The prima facie reliability of such information is dependent on the selection of the stores belonging to the sample and on the accuracy which

can be ensured in the reporting system adopted. For instance, an out-of-stock situation would make an estimate of the weekly turnover performance of a product inaccurate, by distorting the sales volume that should have been recorded.

An alternative method used by the market monitoring services is to enrol a panel of consumers who are asked to record their purchases on a shopping diary. The number of consumers on the panel and their demographic descriptions are selected so as to ensure representativeness of the national population so that sales patterns observed in the sample can be generalised.

The panel data method has at least two potential shortcomings. Firstly, consumers who volunteer to take part in the involved process of recording every purchase they perform may not be representative of the total population. Secondly, misreporting is likely to occur, whether deliberately, for some sensitive products, or accidentally, as a result of forgetfulness.

Manufacturers and market monitoring companies have tried to foster the cooperation they could obtain from the retailing trade, and this has been made easier by the introduction of electronic check-out points in many retail outlets. The scanning technology has provided an answer to misreporting on the part of retailers and has made the huge task of monitoring the stock situation of a great number of stores, manageable. Market research companies now have access to compiled sales records which are representative of the merchandise movement within any given week, and they can analyse data from smaller geographical units, as the number of stores included in their sample can be dramatically increased.

Scanner data technology has also helped to improve consumer purchase panels by allowing the automatic recording of the purchase of a consumer belonging to a panel at his/her usual retail location, thus avoiding later reporting and mistakes. The consumer is provided with an electronic card which is presented at the check out counter after the different purchases have been decoded by the scanner and an identification of the household involved is attached to the list of

items bought on that visit.

These new methods offer a greater internal validity of the sales records obtained, and will allow manufacturers and market research services to obtain much more specific and precise information in the future.

3.2.2 Confounding Factors

One of the difficulties in measuring the sales effect of sales promotions or coupons lies in the fact that there are a number of other elements which can be deemed responsible for an observed change in the sales level. Most of these elements are beyond the control of the promotional manager. Some even occur without the manager's knowledge.

A non-exhaustive list of the most important factors likely to influence sales includes the following:

- The seasonality of the product is an intrinsic factor playing a part in explaining variations in sales. However, there are a number of products for which no such problem will be encountered. For those which present a seasonality pattern, past sales records allow the removal of these predictable trends in order to assess the effect of promotions.
- Other characteristics of the product, however, might make the influence of a variety of external elements unpredictably influential at any given time. For example, an unusually hot spell will increase in a substantial manner, sales of deodorant, fruit juices, fly spray etc., and the variations observed then would be independent from the more predictable seasonality trends one might have expected.
- Changes in price doubtlessly influence to some extent the sales level for most products. The straight analysis of past elasticity would not completely guarantee that an assessment of the effect of prices changes can be fully undertaken. There are a variety of prices which need monitoring, from the price of the product itself, to the prices of its close competitors within its category, to the price of more remote substitutes available. There are also a variety of prices which prevail

concurrently in the marketplace as the retailers are likely to have their own pricing strategy. Unless perfect information is obtained about all levels of price at any given location, the effect of price will be difficult to isolate and remove from the sales measurements taken.

- Advertising is also an alleged explanation for the observed sales level. Advertising refers to either advertising of the product itself, in which case it is under the control and knowledge of the promotional planner, or more often than not, the advertising element supports competitors, or substitute product and is indirectly adversely affecting the sales of the product under scrutiny. This problem is further complicated if advertising happens in a discriminating fashion, by focusing on only one region or one segment of the population. Advertising is also difficult to isolate if it is of a cooperative nature and supports national products only at selected retail outlets. Retailer advertising can support a given branded product, but ignores those customers who are not patrons of a given outlet.

- Any competitive activity in a saturated or mature market is likely to influence the sales level of a product, as market share will tend to shift between products as a result of promotions and other competitive activity. If limited regionally, these activities become even more difficult to identify.

In addition to these confounding factors, which make the isolation of the sales effect of coupon difficult, a number of problems result from the timing issues.

3.2.3 Time aspects of sales measures

Three disruptive phenomena are observed during sales promotions and coupon campaigns.

They were earlier referred to as purchase acceleration, stocking-up and brand-switching. They relate to what is defined as usual, incremental and additional sales, (Section 2.8.2).

Peckam (1981) argues that the bulk of the incremental sales occurs early in the promotion time frame. Most of the work devoted to the timing effect of sales promotions and coupons has tried to determine within which time frame the effect of the sales promotions can be felt.

This is influenced by the product characteristics such as shelf life and expiry dates but also by the consumer's characteristics, i.e household size and description. It is therefore extremely difficult to generalise the life time of sales promotions.

However, for any given product, past sales records should allow the isolation and identification of the period of sales alteration which resulted from similar promotional activities. In other words, the plotting of the sales performance of a product over time should allow the visualisation of the effect of a sales promotion and its evolution until no effect can be felt.

The frequency and timing of the sales measurement also play a part in the identification of these different time effects. If the measurements are too spaced, a sales 'bump' may occur unnoticed. Likewise, national sales aggregates could not reflect the effect of a local promotion unless the amplitude of response was very large.

3.3 Methods used in the past

The immediate reponse by researchers to the problems posed by taking sales measurements to assess promotion effect was to seek surrogate measures for consumer response. Alternative methods have been developed in order to obtain sales estimates which were as accurate as possible, for the purpose of estimating the effects of sales promotions and in particular, coupons.

3.3.1 Purchase Intention Surveys

In a number of studies, the impact of coupons was investigated indirectly by asking consumers about their coupon usage intentions rather than by measuring sales. Teel, Williams and Bearden (1980), Shoemaker and

Tribelawa (1985) and Berneman and Carson (1990) all used Mall intercept face-to-face interviews to investigate coupon usage intentions, with sample sizes varying from 20 to about 400.

These survey methods differ from the sales based panel surveys in that they attempt to predict the consumers' response to coupons by measuring their intention to redeem the coupon on their next purchase. There is a double discrepancy which can be expected between their answer and the sales result.

Firstly, respondents may be unable to accurately report their intentions, or these intentions might never eventuate in an actual coupon redemption. This could be remedied to a certain extent by the choice of questionnaire instrument, i.e by selecting a measurement scale which will minimise the difference between stated intention and actual behaviour, (Gan et al, 1985).

Secondly, respondents might belong to the product/brand loyal group which means that they would have purchased the product regardless of a coupon being offered, and thus the registered intended purchase is not caused by the coupon itself.

This type of study can provide some information about consumers' perceptions of coupons but only permits speculation as to the sales effect which would result from any of the coupon alternatives presented to the consumers.

3.3.2 Panel Data analysis

A number of researchers have taken a more direct approach to measuring coupon effectiveness by using sales records from past coupon campaigns. Panel data, i.e purchase records undertaken by consuming households, showing which items were purchased and indicating whether a coupon was used for the purchase, is the main type of information used. It enables grouping of consumers according to their past brand purchase behaviour. Ward and Davis (1978), Peckam (1981), Narasimhan (1984), Neslin and Clarke (1987) and Bawa and Shoemaker (1987) all used similar data to

study the impact of couponing.

The major problem with this approach lies in the lack of control over any other factor likely to influence the brand choice. No information is gathered concerning such aspects as concurrent advertising activities, competitive situations, or even price fluctuations. The sales impact attributed to coupons could thus very well be confounded with other factors, unknown at the time of analysis.

3.3.3 Experimental approach

In an attempt to gain control over the conditions prevailing during a coupon activity, some researchers have aimed at designing experiments which allow the measurement of sales in a set of predetermined conditions. A major contributor in this area is Klein (1981) who tested several products, while controlling the method of distribution and the level of discount. This study was made possible by scanner technology which allowed direct recording in six supermarkets of the exact purchases made by 2000 households.

Each household was issued with an electronic identification card to be presented at check-out points. This ensured the accurate itemisation of their grocery purchases and the recording of their purchases over time. The store loyalty, necessary to avoid slippage, i.e. purchases not recorded for any given household, was ensured by the fact that the Market Research Company organising the Panel (SAMI) refunded a small percentage of the total monthly shopping bill as an incentive to perform their shopping at the correct locations.

The Panel was divided by Klein into three balanced groups for each combination of store, income and family size, and the panel members were assigned to one of the three treatment cells. Six experiments using nine different coupons were carried out, providing for a rotation of the control group and the occasional provision of an additional incentive (a sample) with the coupon.

The most important contribution of Klein was the establishment of the predominance of incremental sales over the redemption rate. This was because there might have been some misredemption occurring, but more importantly, because redemption could occur on sales that would have happened anyway, as previously noted. By isolating the incremental sales, i.e. by removing the increment also observed in the control group, Klein could identify the sales increase attributable to the sole effect of a given coupon.

The method of distribution of the coupon was a direct mail to selected groups, but a range of product was used: snacks, cleaner, coffee, detergent and toothpaste. Only one level of discount was offered, which was different for each product. Coffee presented a slightly different case, as one treatment group received a 45c coupon while an other received the same coupon accompanied of a sample.

The results were very straightforward to compile by computer programs and the conclusions quite clear: a significant effect on sales was observed, and the incremental sales were the ones occurring early in the process, i.e. within two weeks of the drop, which is to be expected since one would anticipate that regular buyers would simply keep the coupon to use with their next purchase of the product, while new triers would want to enjoy the rebate sooner.

This work is the most significant experimental assessment of coupon effectiveness to date and it should be noted that there are only a few limitations to its generalisation.

Firstly, it does rely on a Panel, and even if there is no doubt about the improved accuracy made possible by the scanner technology, it does not address the problem of the non-representativeness of the consumers who engage in this sort of activity. For instance, people who are store loyal because of a monetary incentive provided as a reward for doing so are obviously more responsive to bargains and deals than the rest of the population. The sample is therefore biased in favour of 'the deal prone' segment. Moreover, no information was obtained about discount level preferences.

As far as the comparison between products is concerned, the inclusion of coffee in the range is unfortunate as this product has been documented as displaying some characteristics of its own, when it comes to promotions, (Gupta, 1988).

Finally the very uncommon distribution method was also likely to have an effect on the sales response and limits the managerial usefulness of the findings. However, the rigour and clarity of the results and conclusions remain compelling and Klein's recommendation that future research should follow that path is difficult to discard.

The restaurant industry was the object of two less ambitious coupon experiments. In the first one, Varadarajan (1984) studied the effect of two alternative treatments over the profitability of a Mexican restaurant. In the first case, the coupon was redeemable by soft drink purchasers on one serving of "nachos" for 39 cents whereas in the second case, the same offer was linked to the purchase of any "taco" or "burrito".

The two coupons were printed side by side and distributed by newspaper and direct mail. Three locations of the chain were monitored and the second treatment proved more successful, with the exception of two stores, for one week each, out of a total of five weeks.

Varadarajan demonstrated the importance of measuring pre-promotion, during and after promotion sales as a way of isolating incremental sales from usual sales.

The major limitation of the study lies with the fact that this was a promotional campaign for the launching of nachos, at that time, very new to the market. It can therefore be expected that the newness of the product under offer might have generated some considerable variations in the sales levels, regardless of the coupons being distributed.

Chapman (1986) studied Pizza, and organised a very low cost field experiment in order to help an individual retailer assess the

profitability of couponing activities, and in identifying the optimal way of implementation.

The retailer split his catchment area, identified as 27,365 households into three distinct groups. Each household was assigned to either a control or one of two treatment groups, one receiving a \$1 coupon with a menu and an information brochure while the other received a \$1 coupon with a menu only.

Since the census tracks of the area, 12 in total, varied in their mix of apartments and family houses, and since proximity clustering was required for distribution purposes, the final decision on allocation was left to the restaurant manager. The small number of staff distributing the packages made it impractical to distribute more than 5000 a week. Therefore, a rolling system was set up, which resulted in a nine week promotion campaign.

There was a noticeable increase in sales for the two treatments over the control group, but no significant difference could be found between the two treatment groups. The overall coupon operation showed a limited profitability of 5.2%.

Chapman emphasised the cost requirement which limited the scope of the experiment but argues that it still allowed some final conclusions in the sense that since both treatments performed equally, when one was obviously more costly than the other (an additional element being produced and distributed) a high degree of certainty could be claimed in the identification of the profit maximising alternative.

The author concluded that regardless of the limited results obtained, more studies should be devoted to identifying more factors likely to influence response to coupons in the future.

3.4 Rationale for the Methodology

The simplest approach consisted of measuring consumers' answers to some questions regarding their potential use of a series of coupons. This

depended on the assumption that the consumers were in a position to predict accurately whether or not they would redeem the coupon on their next purchase. Even then, the particular survey method and the question wording was likely to introduce further possible errors in the findings. However, with a sufficiently large number of respondents, this method could still be capable of satisfactorily identifying those coupons most likely to have an impact on the sales of a product.

The major advantage of this approach lies in the simplicity of the set-up as well as the relatively low costs involved. This advantage would be of a greater or smaller magnitude according to the particular survey method used.

Face-to-face interviews would probably provide the most reliable results, as it would make the presentation of a visual stimulus possible. It would also ensure respondents' understanding of the questions.

Much greater confidence would be placed on the results if, instead of asking consumers to predict their own future behaviour, an experiment was designed whereby the aggregate sales levels would be recorded after a number of appropriate coupon distributions have been organised. This would eliminate respondent error and the non-response bias that could be anticipated by the direct consumer research methods. Provided the different coupons distributed reflect the necessary range of situations and display the effect of each variable in an isolated manner, the findings could be trusted to provide the best possible information.

To assess sales effectiveness of coupons, some control had to be achieved over both external and coupon design variables. It was therefore necessary to select only a small number of coupon variables which were to be tested, and hold the other coupon features as constant as possible.

Similarly, control over the external influences needed to be obtained, by selecting treatment units and ensuring control units which would reflect the effect of any non-controllable elements.

As mentioned in Section 2.9, the coupon variables most often quoted as being influential are product, discount offered, face value and media distribution method, followed by format and a number of other elements.

The proposed design aimed at testing for product difference as well as discount level effect. All other coupon variables were held constant for the duration of the experiment. Additionally, in order to take into account all the non-controllable factors, the design relied on a number of treatment and control units.

The obvious drawbacks of such an experiment would be the enormous administration involved, as well as the magnitude of the budget required. However, an experimental approach allowed more meaningful conclusions with regards to coupon effectiveness. It should be noted that, except for one attempt (Klein, 1981), such an experimental approach had never been explored or implemented, either overseas or in New Zealand.

3.4.1 Product

Three products were selected for use in the experiment. The requirements for such products were as follows :

- The products all had to belong to the grocery goods category. This ensured that similar retailing and purchasing patterns were prevailing throughout the duration of the promotion.
- The products had to be non-directly competitive, as the research would expose confidential information manufacturers would not wish to share.
- The products had to reflect several sub-groupings of the packaged goods category so that a contrast would be possible in terms of different sales responses for different types of product.
- The products had to enjoy some managerial flexibility and an appropriate planning style so as to allow them to fit into a defined promotional programme.

- The products had to be ones that A C Nielsen Inc. would monitor on a contractual basis so as to ensure consistency in the sales measurements.

As expected, cooperation from the Grocery Manufacturers Association (GMA) and manufacturers was much more forthcoming than from retailers. In fact, the GMA was instrumental in presenting the opportunity to participate in the experiment and ensured the appropriate contacts within the industry.

Retailing chains refused their participation on the grounds of commercially sensitive information they could not possibly communicate, and only the personalised approach of individual supermarket owners under the New World banner provided a number of willing participants.

After negotiating with the Grocery Manufacturers Association and several Companies, the three products selected for use were:

- * A food product : Craig's Berry Jams 375 g
- * A personal care product : Aim Toothpaste 140 g
- * A detergent product : Drive Washing Powder 1 kg

The manufacturers expected specific findings on their products as well as further information analysis that they did not usually receive. They were prepared to meet the promotion costs and media expenses required, as well as provide the sales records which they purchased from their usual contracted market research company, A C Nielsen Ltd.

The three products present a number of similarities; they belong to the "low involvement " category, enjoy extensive distribution throughout the country and large relative market share. Thus, some generalisations might be made about other similar products.

The market research company which serviced the three products involved was prepared to provide regional breakdowns of the sales estimates, as well as the regular weekly national records they provide, usually to

their contractor.

The clearing house company, Coupon Promotion Company, was willing to open their records for the purpose of this research, allowing any required aggregation of individual stores necessary to match the market research company regional groupings.

3.4.2 Discount level

The literature takes either an absolute measurement of the discount (in cents) or a relative measurement of the discount (as a percentage of the price previously applied on the product). The law requires that this price be maintained for a certain period of time before the promotion to prevent retailers from raising the price just before such a price reduction is offered, which would have the effect of making the resulting price reduction nil to the consumer.

However both of these measurements have limitations. An absolute measure of discount in cent terms implies that the price prior to the promotion is known and equal in all the locations where sales are to be monitored. Otherwise, the discount offered does not represent the same level of incentive to the redeeming consumer. Likewise, a percentage discount can represent a variety of absolute savings and, therefore, the initial price must be assumed to be similar in all retail outlets, a situation rendered impossible by the fact that manufacturers can only recommend, and not enforce the selling price on the retailers.

The purpose of the experiment was to identify a possible influence of the level of discount offered on the overall success of a coupon campaign, in terms of sales, redemption response and profitability. Therefore, two contrasted levels were used. Even though the participating products belonged to the same price range, it was left to each of the three individual product managers to decide what they considered a 'high level of discount' and 'low level of discount' for their products. In the case where this factor proved influential, it was necessary to refine this deliberately stretched range to identify more clearly the exact level providing maximum profit for the company. For the purpose of the

experiment, the managers of the products involved were asked to provide the smallest possible discount they would envisage for a promotion and the highest possible value of coupon they could imagine selecting for a promotion campaign. This enabled the widest contrast between the "low" and the "high" figure to be achieved. Different face values were determined for the coupons due to the differences in retail prices and the particular history of each of the three brands. Table 3.1 summarises the different treatment levels of the discount factor.

Table 3.1 Different Treatment Levels

PRODUCT	LOW	HIGH
Craig's Jams 375g Berry Flavour	20 c	40 c
Aim Toothpaste 120/140g tube	20 c	50 c
Drive Powder 1 kg Box	50 c	\$1

3.4.3 Rationale for the Coupon Campaign Features

Having decided which coupons were going to be used, the next step was to place these coupons in the hands of consumers, while maintaining the control features of the design. Although some general information about media distribution was included in Chapter 2, it is necessary to review the specific vehicles available in New Zealand in terms of how well they satisfied the requirements of the experiment.

a) Newspapers

In New Zealand most towns are identifiable in terms of the Newspaper which serves them. Often there is only one major newspaper. However, the area served by the main ones is vast, which implies a lot of wastage. The problem lay in isolating an area which also provided statistical significance for the Nielsen sales records estimates, based on a sample of stores, most of which are located in big metropolitan areas only. For that reason, a trade-off had to be made. Small cities are easier and

cheaper to cover, as there is only one newspaper involved in each, and it covers a relatively compact zone. However, the sales records based on a very limited number of stores (if any) included from such a small geographical area in the Nielsen sample could not be relied upon. On the other hand, Nielsen was confident with regards to the validity of three urban areas, namely Auckland, Wellington, and Christchurch/Timaru, which required a larger media investment by the companies, and created a large wastage, because the major newspapers of these areas are bought in other distant parts of the country. In Palmerston North, for example, the readership of the Wellington Dominion is very high. In addition, it was impossible to limit the redemption only to the stores included in the metropolitan areas defined and prevent it in the fringe zones, and the overlap of the major 'big' newspapers would have created too much confounding effect.

b) Household drop

The Coupon Promotion company does provide a distribution service of this kind for most of the big urban areas. In order to obtain variations as potentially large as possible in the sales volume, stores had to be selected for their representativeness of the whole country.

The variation which could be expected between different types of store in different areas made it necessary to ensure a great number of replicate measurements were taken for any of the treatment. A number of constraints would then arise. Most stores are not yet equipped with a scanner facility and a large degree of error would be generated by the reporting system itself. In addition, the fluctuations in the sales patterns could create out-of stock situations in most smaller retail outlets less frequently serviced by the manufacturers or wholesaler delivery representatives. The findings would be therefore very difficult to trust.

c) In/On pack

The timing necessary for a tight control of the experiment also made it necessary that the coupons appeared simultaneously on the packs of the

products and disappeared at the end of the promotion time in a simultaneous manner, which would be difficult in the case of in/on pack.

Moreover, special coupons had to be designed according to the particular product: a bottle of detergent or a jar of jam are not likely to accept the same type of added labels. The size, as well as the general lay out of the coupon could not be kept similar and other possible effects could be expected to arise from these format variations, which would not be scrutinised in this present research .

The support of the manufacturers and of the local sales representatives usually dealing with the stores was critical in order to ensure that no out-of-stock distribution and no lagging presence of coupons destroyed the validity of the results. It was impossible to monitor effectively that the coupons were put on the shelf products nationwide, and removed with the same timing with any degree of certainty .

d) Magazine

In New Zealand, all magazines enjoy a full National distribution. Thus, an experiment run with Magazine distribution would have to take place in isolation of any other coupon efforts on the particular products involved. A highly read magazine, particularly by women, who remain the primary household shopper in New Zealand is the NZ Women's weekly (see Appendix 4). This magazine allows split-run advertisements, in the form of inserts, to be added to the issues distributed to each of the following regions: upper North Island, lower North Island and the South Island. The figure for the maximum overlapping of distribution is 5 %, occurring between lower and upper North Island, but is characterised as usually much lower in non peak holiday season. Bearing in mind that the experiment should be run outside of any atypical shopping period such as the Christmas and New Year Eve celebrations, which are central to the annual holidays in the Southern Hemisphere, it was felt that an experiment using Women's Weekly geographical split areas would yield two treatment zones and one control zone.

Thus, a insert was placed in the 19th February 1990 issue of Woman's Weekly which by virtue of split-run distribution allowed the instantaneous dispatching of three different sets of coupons, the schedule of which was discussed in the previous section.(3.4)

Treatment Units and control groups assignment

Each treatment zone was randomly assigned a mix of 'high' and 'low' coupons on the three products, whereas the control group, being monitored over the same period, provided a benchmark sales pattern which would reflect the effect of external, uncontrollable factors such as:

- competitors' national advertising campaigns,
- retailing chains' coupons initiatives on other products of the same categories as those in the experiment,
- weather conditions,
- seasonality,
- price reductions or any other such variation in the marketplace.

In order to avoid possible regional differences in coupon usage, which was strongly suggested by Coupon Promotion Company management, a rotation was implemented so that each product had two treatment and one control zones different from the other two. Table 3.2 illustrates the final distribution of treatment and control amongst the three geographical units.

Table 3.2 Treatment and Control Distribution amongst Units.

	Aim	Drive	Craig's
upper North Island	Control	Low Discount (20c)	High Discount (40c)
lower North Island	High Discount (50c)	Control	Low Discount (20c)
South Island	Low Discount (20c)	High Discount (\$1)	Control

To increase the control over the variation in sales, before and after measurements were required. The weekly sales records provided by the market research company, A C Nielsen NZ Ltd were obtained for the three weeks preceding the coupons' appearance in the magazine. After this, the sales records as well as the redemption records were obtained for the two following weeks of the coupon validity, and again three weeks of post-promotion sales records. This length of time was decided upon after examining the sales patterns of five grocery products which had been promoted at the supermarket level with coupons. The supermarket sales records showed that two weeks after the coupon expiry date, the number of units sold per week was comparable with the pre-coupon sales level.

Some corrections could be made for mistaken redemption by comparing the sales figures with the redemption figures over these same weeks, as Coupon Promotion Company was able to provide redemptions records for the same regions, on a weekly basis, for the duration of the experiment.

Additionally, the National Sales records, which the manufacturers received on a contractual basis did provide an average figure against which every region could be contrasted.

Lastly, the exact sales levels of Woman's Weekly were also obtained so that only distributed coupons were considered in relation to the redemption and sales impact.

3.4.4 The Consumer Survey

The research included the implementation of an experiment on coupons in New Zealand, along with a more traditional and less expensive method more commonly used in the business environment. The experimental approach enabled better understanding of the effect the coupon variables have on the sales records of the products and made a true assessment of coupon profitability possible. The survey method used in parallel with the experiment, involved the use of the same coupons.

The survey method was selected for its low cost and its expected accuracy. The aim was to identify whether, and to what extent, a cheaper method would allow the appropriate conclusions to be drawn, with respect to the potential effects on sales. In the case where a simpler method would in fact have allowed the selection of the most profitable coupon alternative, marketers would be able to gain confidence in the future success of their coupon campaigns by implementing in a straightforward manner, these pretest programmes. In the case where conclusions drawn from the simple method differed from those obtained with the experiment, marketers will be warned of the danger of using a more traditional method and will also gain, following the experiment, more definite knowledge as to the best coupon variable levels. The profitability shown by any of the different treatments also conveyed some useful information with respect to future coupon campaign choices.

For the consumer survey, the instrument had to allow for the optimisation of the predictive power of the findings and the most effective sampling method, questionnaire design, measuring scales and administration techniques had to be applied. These ensured that the findings would be as predictive as possible within the particular limitations of the method itself.

The Omnibus survey

Undertaken on a yearly basis since 1987, The Palmerston North Omnibus Household Survey is a major undertaking of the Massey University Marketing Department.

It actively involves some 200 students, each performing four face-to-face interviews of respondents selected by random walk procedure.

The questionnaire includes questions for a number of clients, according to the same principles as for a commercial Omnibus Survey, and the students are thoroughly trained to perform the best possible interviewing. Appendix 7 contains a copy of the instructions given to each interviewer.

The Questionnaire

One critical element in assessing coupon profitability is the ability to discriminate amongst those who used a coupon to purchase the product, and those who would have purchased the product regardless of the discount offer. In other words, it was necessary to identify how many of the sales recorded during the promotion period have been realised at a less than optimum profit margin.

The literature suggests that the brand loyal, that is the consumers usually buy the product, would be the most probable coupon redeemers. If that is the case, one can assume that they would have paid the full price and that the coupon reduced the profit margin without any benefit to the manufacturer offering the deal. On the other hand, whatever sale has been performed to the non-brand user represents a gain, even if the margin is slimmer than the usual one, and can be expected to generate bigger profits in the future, if the consumer becomes a brand loyal customer as a consequence of this trial.

In order to estimate the response of either group, qualifying questions needed to be incorporated in the questionnaire, so that brand purchasers could be differentiated from brand non-purchasers.

The questions had to be designed in order to allow for the estimation of the likely redemption of the different alternative coupons presented to the respondents.

The Juster scale

Juster (1966) demonstrated that purchase probability scales had a better predictive accuracy than the more common purchase intention scale, particularly for household durables and cars. As a result of his early studies of such scales, the following 11 point purchase probability scale is more commonly referred to as the Juster Scale:

- 10 Certain, practically certain (99 in 100)
- 9 Almost sure (9 in 10)
- 8 Very Probable (8 in 10)
- 7 Probable (7 in 10)
- 6 Good Possibility (6 in 10)
- 5 Fairly good possibility (5 in 10)
- 4 Fair possibility (4 in 10)
- 3 Some possibility (3 in 10)
- 2 Slight possibility (2 in 10)
- 1 Very slight possibility (1 in 10)
- 0 No chance, almost no chance (1 in 100)

Studies confirming the better predictability of the Juster Scale were conducted in the UK and the USA. In 1986 a study was conducted by B C Gan, D H B Esslemont and P J Gendall in order to assess the accuracy of the Juster Scale in predicting consumer purchases in New Zealand.

This study did not incorporate any product from the grocery category but did contrast the results for durables, services and fast moving consumer products (LP records, shoes and hard cover books). The correct predictions were respectively of 95.65%, 84.4 % and 71.38 %. It would be expected that this ratio would be smaller for grocery products, which are even faster moving. However, the scale does present a substantial improvement over the more traditional intention scales which have shown in some cases that 25 % of purchases were due to 'definitely will not buy' respondents.

3.5 Description of the Methodology used

This research proposes a nationwide experimental coupon campaign in order to accurately measure the sales responses to a series of alternative coupons, varying product category and discount levels in a controlled environment.

For cost and logistic reasons the experimental approach had to be limited to only one form of coupon, a magazine-distributed insert. This experiment served to test the first three hypotheses listed in Section 1.4. In order to investigate the relationships between redemption intentions and redemptions, as well as the possible effect of past purchase behaviour with redemption intentions, a more cost effective method was implemented. This method involved using the same coupons as in the experiment and a design replicating closely the experimental coupon campaign.

3.5.1 The Coupon Campaign

A series of six different coupons was distributed using the split run dispatch facility of the magazine most widely read by New Zealand grocery shoppers, the New Zealand Woman's Weekly (AGB McNair, 1, 1990). Readership information about New Zealand magazines can be found in Appendix 4.

A split run dispatch facility enabled the insertion, in an otherwise identical magazine, of different materials destined for different areas of distribution. This insertion was undertaken at the production printery, before bundles were formed to be freighted to their target zone.

The coupons were redeemable on three grocery products widely distributed in New Zealand, and provided distinct levels of incentive according to the different regions of New Zealand in which they were distributed, according to the following schedule:

In the upper North Island, the following insert was included in the 19 February issue of Woman's Weekly .

BUDGET BUSTER
HERE'S A HELPING HAND FROM
 **DRIVE**
AVAILABLE AT ALL GOOD GROCERY OUTLETS

BUDGET BUSTERS

Save 40c

375g BERRY JAMS ONLY

To The Retailer This coupon will be credited in full, plus the normal handling fee by posting to:
Coupon Promotions Company, Private Bag, Auckland.
CPC16178 Expiry Date To Consumer March 3rd 1990.



BUDGET BUSTERS

Save 20c

1Kg PACK ONLY

To The Retailer This coupon will be credited in full, plus the normal handling fee by posting to:
Coupon Promotions Company, Private Bag, Auckland.
CPC10058 Expiry Date To Consumer March 3rd 1990.



In the lower North Island, the following insert was included into the pages of the 19 February Woman's Weekly.

BUDGET BUSTER

HERE'S A HELPING HAND FROM



AIM

AVAILABLE AT ALL GOOD GROCERY OUTLETS



BUDGET BUSTERS

Save 20c

375g BERRY JAMS ONLY

To The Retailer This coupon will be credited in full, plus the normal handling fee by posting to:
Coupon Promotions Company, Private Bag, Auckland
CPC16179 Expiry Date To Consumer March 3rd 1990.



BUDGET BUSTERS

Save 50c

120 /140g

To The Retailer This coupon will be credited in full, plus the normal handling fee by posting to:
Coupon Promotions Company, Private Bag, Auckland.
CPC10059 Expiry Date To Consumer March 3rd 1990.



Finally, in the South Island, the following insert was included in the 19 February issue of Woman 's Weekly.

BUDGET BUSTER
HERE'S A HELPING HAND FROM
AIM DRIVE
AVAILABLE AT ALL GOOD GROCERY OUTLETS

BUDGET BUSTERS

Save 20c

120 / 140g

To The Retailer This coupon will be credited in full, plus the normal handling fee by posting to:
 Coupon Promotions Company, Private Bag, Auckland.
 CPC10060 Expiry Date To Consumer March 3rd 1990.



BUDGET BUSTERS

Save \$1

1Kg PACK ONLY

To The Retailer This coupon will be credited in full, plus the normal handling fee by posting to:
 Coupon Promotions Company, Private Bag, Auckland.
 CPC10057 Expiry Date To Consumer March 3rd 1990.



The issue reached the magazine stands simultaneously in the whole country on Friday 16th February and was withdrawn from sale on Friday 23rd February 1990.

Although the coupons were valid from the 19th of February to the 3rd of March, they were only available in the magazine distributed in the week in which the insert was present in the magazine, i.e. from the 19th February to the 23rd February 1990.

A.C Nielsen, who undertook the sales monitoring for all three products on a contractual basis at the national level, agreed to break down their national sales estimates into regional sales estimates in accordance with the regional boundaries used by the distribution network of Woman's Weekly. (See Figure 1.1).

Sales estimates for the three products involved in the coupon campaign were obtained for a period of time including three weeks before the coupon distribution, the promotion two weeks and the three following weeks.

The Coupon Promotion Company Ltd undertook the redemption of the different coupons used, and compiled the information on a weekly basis, according to the same regional breakdown imposed by the magazine distribution.

Figure 3.1 summarises the different phases and activities undertaken over the time frame of the coupon campaign.

Figure 3.1 Coupon Experiment Schedule

TIME/DATE	ACTIVITIES
January	Booking of Woman's Weekly Insert Delivery of printed coupons to dispatch
January 29 to February 3	Nielsen starts monitoring regional sales #1
February 5 to 10	Regional sales measurement #2
February 12 to 17	Regional sales measurement #3
February 19 to 24	Coupons distributed in Woman's Weekly Regional sales measurements #4 Coupon Promotion Company starts to monitor redemptions #1
February 26 to March 3	Coupons are still valid Regional sales measurements #5 Redemption measurements #2
March 5 to 10	Coupons have expired Regional sales measurements #6 Redemption measurements #3
March 12 to 17	Regional sales measurements #7 Redemption measurements #4
March 19 to 24	Regional sales measurements #8 Redemption measurements #5

3.5.2 The Omnibus Survey

A number of questions concerning coupons were included in the omnibus survey. A three way split was organised so that one third of the respondents were exposed to the two coupons otherwise distributed to the upper North Island region, one third to the pair of coupons distributed in the lower North Island region and the remaining third to the pair of coupons distributed in the South Island. In fact, the exhibits used in the Omnibus Survey were identical to the inserts used in the magazine distribution.

The Juster scale was used to measure the likelihood of redemption occurring at the time of the next purchase. A copy of the questionnaire used for the omnibus survey can be found in Appendix 6.

3.6 Summary

In order to assess coupon sales effectiveness, it is necessary to establish some control over the environment within which coupons are normally used.

An experimental design enabled the maximum feasible level of control by providing treatment and control units sales records which could be contrasted validly to isolate the effect of couponing. The experiment investigated a series of coupons which also allowed the testing of the effect of the allegedly influential coupon variables, product and discount level.

The high cost of the coupon experiment, in terms of both time and money, made it worthwhile to investigate possible forms of pretest, preferably presenting some predictive ability.

Since the results of the experiment are media specific and they do not provide any information about brand purchase behaviour, a cost-effective survey method was implemented in parallel with a nationwide experiment, which involved three grocery products, each promoted with two coupons of distinct discount values, in two separate areas of the country.

Figure 3.2 illustrates the sequence of activities which took place during the course of this project. Each phase performed a particular function, which is also included in the diagram. The time-frame is indicated in broad terms.

Figure 3.2 Diagramatic Reproduction of the Study

ACTIVITY	TIME	FUNCTION
Interviews with practitioners (NZ, Canada, France)	1987	Identify industry practices Identify assessment methods Identify key issues
Literature review (NZ, USA, UK, Canada, France)	1989	Identify previous findings Identify methods used Identify factors and variables
Experimental Design	1989	Obtain control over factors Test selected variables Measure sales response
Industry negotiations (GMA, Unilever, Butlands Coupon Promotion Company, by A.C. Neilsen, The NZ Woman's Weekly Lintas)	1989	Obtain sponsorship for 3 products coupon campaign. Ensure rigorous sales records third party. Ensure simultaneous distribution of coupons
Conduct experiment	Jan-July 1990	Obtain sales measures
Conduct alternative survey method		Obtain estimates of coupon response by potential pre-test method
Compile results	July-Nov 1990	Assess coupon effectiveness
Compare results		Assess pre-test method validity
Write thesis		Formulate facts and implications.

CHAPTER IV RESULTS

4.1 Introduction

The two different methods used yielded results over a short period of time. The fieldwork which started in February, was completed in May 1990.

The regional sales data were compiled by A C Nielsen in two distinct records for each product, each report summarising the sales performances in kilogrammes over four weeks, thus covering the full eight week period. The records were first sent to their client company who forwarded them without delay. The six data reports (i.e. two reports for each of the three products) were scanned in order to extract only the figures pertaining to the three products which had been promoted with coupons, over the full eight weeks period.

The first section of this chapter includes the redemption results and the experimental results. It presents the sales figures and discusses them, product by product, indicating possible interpretations of the observed patterns.

The second section of this chapter summarises the findings of the omnibus survey which was conducted in the last two weeks of April 1990 in the Palmerston North area. This second method of data collection is assessed in terms of its predictive power. Its results are discussed in relation to the hypotheses listed in section 1.4.

4.2 Findings of the Experiment

4.2.1 Redemption Rates

The coupons redeemed in each of the three regions for the three products were all centrally processed by Coupon Promotion Company. As expected, they were presented, at the end of the promotion, in bulk by the trade, making it impossible to attribute the actual consumer redemption to any specific week of the promotion. However, an aggregate number of

redemptions was obtained for each of the six coupons used in the experiment.

The redemption figures provided by Coupon Promotion Company assume a fixed number of coupons distributed, based on the number of magazines initially dispatched to the three regions. These figures can be misleading, as a number of the magazines, being unsold, were later collected, with their insert in place, and destroyed by the printer.

By obtaining the exact figure of the number of magazines sold in each of the three regions, it was, however, possible to refine the initial 'traditional' redemption rates into more realistic, 'true' redemption rates. These redemption results reflect accurately the proportion of consumers who, having been given the opportunity to use the coupons offered to them, actually acted upon this offer and purchased the products in the following two week period. Table 4.1 summarises the difference between 'traditional' and 'true' redemption rates.

Table 4.1 Comparison Between 'Traditional' and 'True' Redemption Rates

Prod.	Disc.	# coupons redeemed	#issues distributed	trad. redemp. rate	#issues sold	true redemp. rate
AIM	20c	796	49400	1.60%	44278	1.80%
	50c	705	53200	1.32%	39892	1.77%
DRIVE	20c	1157	84700	1.32%	76153	1.52%
	\$1	2393	49400	4.84%	44278	5.40%
CRAIG'S	20c	647	53200	1.22%	39892	1.62%
	40c	1193	87400	1.36%	76153	1.56%

Based on the information normally available to them, product managers were entitled to believe that higher responses could be expected from higher discount levels. However, the 'true' redemption rates suggest that this is not necessarily the case, with the exception of Drive. Drive presented the wider spread of discount offered, and showed a clear difference between the redemptions resulting from the higher and lower

discount levels.

In the case of Aim toothpaste and Craig's jam, the low discount level performed equally if not better than the higher discount level, with the obvious implication for the profitability of the promotion activities concerned.

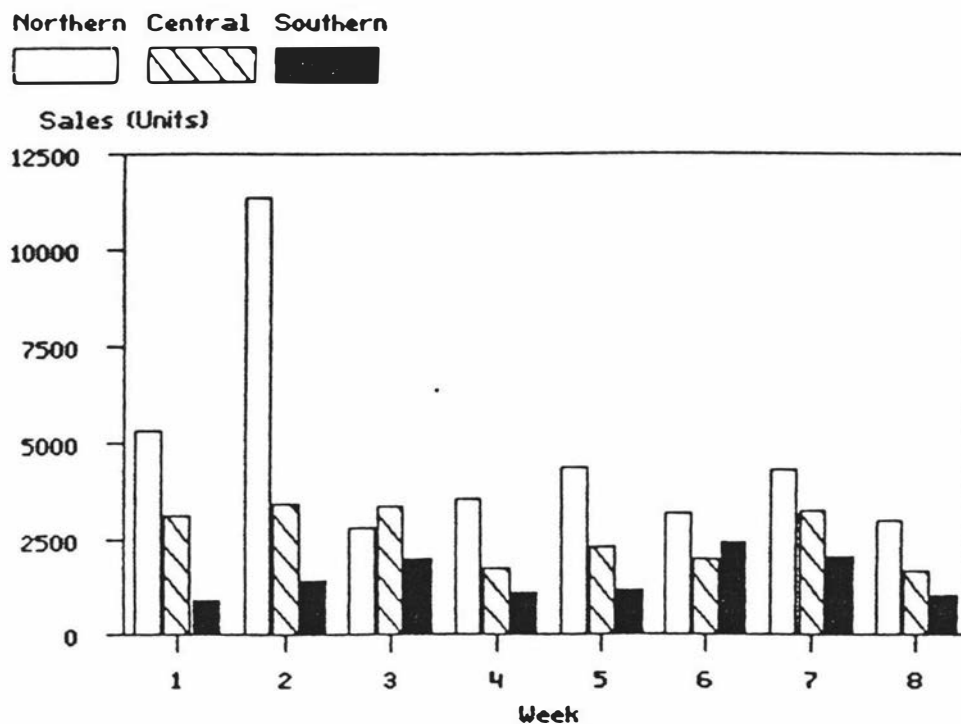
Since the increase in sales did not eventuate (see Appendix 5), one might suspect that the redemption process was carried out on purchases which would have inevitably occurred, and thus at the expense of the normal margin. Therefore, the couponing activities undertaken adversely affected profitability.

In order to facilitate the analysis, the sales data was converted into unit terms. This process was slightly different, according to the product involved and the resulting sales figures are compiled in Appendix 5.

4.2.2 Aim Toothpaste

Figure 4.1 summarises the sales behaviour of the promoted product for each of the three treatment regions, over the eight week period of the experiment. The control area for Aim Toothpaste was the Northern Region.

Figure 4.1 Sales Behaviour - Aim Toothpaste



This region shows an intriguing pattern, particularly in the week starting on the 5th February. After consultation with the product manager it was found that the company headquarters had arranged some group promotional activities with the trade in the Auckland area. At the Foodtown Supermarkets in Auckland, a special offer was undertaken on Aim 110/90gm tube, with two for \$3. This may have encouraged regular buyers of 110/140gm to buy twice the smaller size for that particular purchase. The previous week also showed quite high sales and at the time, a special trade promotion was implemented with the New World Chain, reducing the retail price of Aim 140/115gm to \$1.70 for that particular week. The sales result for that week can therefore be considered as an outlier in the data set.

In the first phase, the variations within the control group were investigated. More specifically, the mean average of the sales for the two weeks preceding the coupon distribution was compared to the mean average of the two weeks of coupon validity, being the two periods likely to produce the greatest contrast. Table 4.2 summarises the calculations involved.

Table 4.2 Test of Significance for Aim Toothpaste

	BEFORE	DURING
Mean (units sold)	4054.5	3955.5
Standard deviation	1245	432.5
t-ratio	$\frac{4054.5-3955.5}{\sqrt{\frac{(1245)^2}{2} + \frac{(432.5)^2}{2}}}$	
Degree of Freedom	(2+2)-2=2	
T-Value (Small sample)	9.925	
t-test	.1009 < 9.925	

The null hypothesis could not be rejected, and the difference between the sales Before and During the coupon promotion in the control area was non-significant at the 1% confidence level.

In order to identify whether coupons, high and low incentives combined, provided a better sales result than no coupons, an analysis of variance procedure to the sub-set of data formed by the six weeks of the pre-promotion sales record (3 in each region) and the four weeks of the promotion period (2 in each region) was carried out, to test for mean difference.

Table 4.3 shows the computer output of the procedure. The procedure was run with the outlier, and still showed that the probability of obtaining similar findings by chance was of the order of 18%.

Table 4.3 Analysis of Variance for Aim Toothpaste

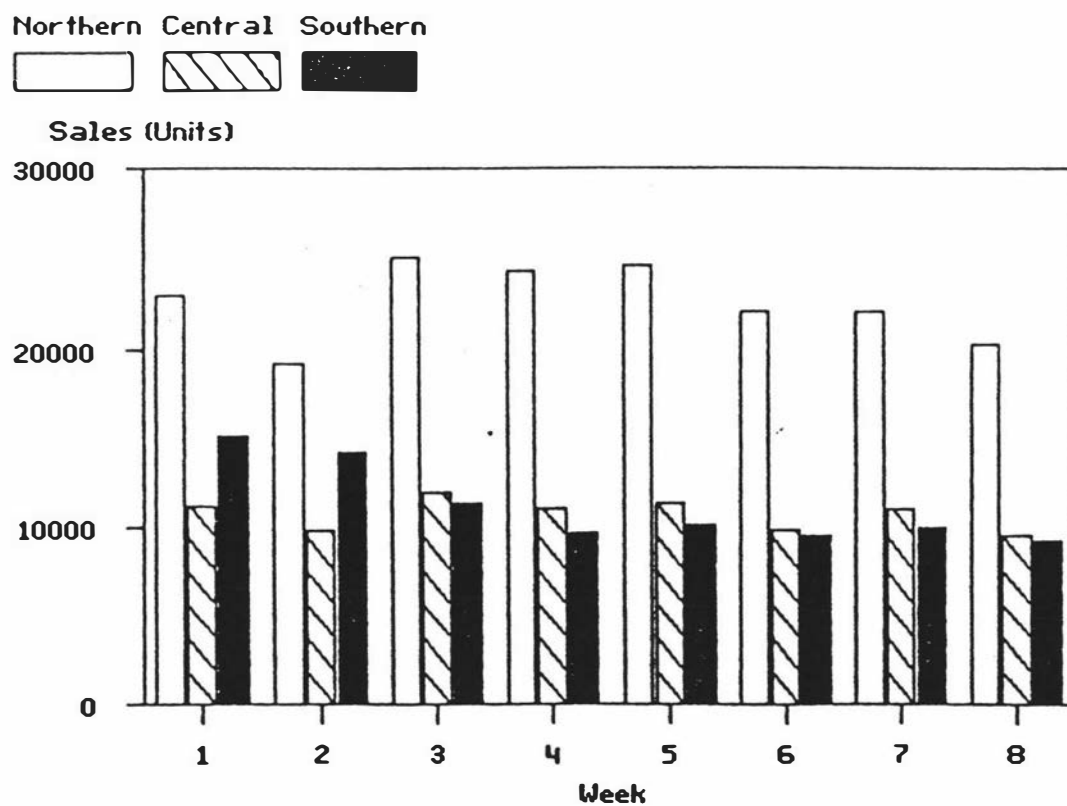
Variable SALES		Analysis of Variance			
By Variable COUPON		Sum of	Mean	F	F
Source	D.F	Squares	Squares	Ratio	Prob.
Between Groups	1	1898548.817	1898548.817	2.225	0.1741
Within Groups	8	6824985.583	853123.1979		
Total	9	8723534.400			

For the product Aim toothpaste, coupons, regardless of the incentive level offered, did not have a positive effect on sales.

4.2.3 Drive

Figure 4.2 summarises the brand sales behaviour over the eight week duration of the experiment, for each of the three regions.

Figure 4.2 Sales Behaviour - Drive Washing Powder



The control unit for the product Drive Washing Powder was the Central Region. A simple test, detailed in Table 4.4 shows that the variation between the mean of the pre-promotion sales and the mean of the promotions sales is not significant in that area.

Table 4.4 Test of Significance for Drive Washing Powder

	BEFORE	DURING
Mean	10967	11250
Standard deviation	873.08	150
t-ratio	0.549	
Degree of Freedom	3	
T-Value	5.841	
(99% Confidence)		
(Small sample)		
t-test	0.549 < 5.841	

As $t < T$ -value, the null hypothesis could not be rejected and the difference of the means is non-significant, at the 1% confidence level. It was therefore possible to proceed to an analysis of the variance on the sales observations obtained from the two treatment regions, in order to identify a possible coupon effect. Table 4.5 shows the details of the computer output, which clearly indicates that no significance could be placed upon coupon effect.

Table 4.5 Analysis of Variance for Drive Washing Powder

Variable	SALES	Analysis of Variance			
By Variable	COUPON	Sum of	Mean	F	F
Source	D.F	Squares	Squares	Ratio	Prob.
Between Groups	1	1380166.667	1380166.667	.0311	.8643
Within Groups	8	354695833.3	44336979.17		
Total	9	356076000.0			

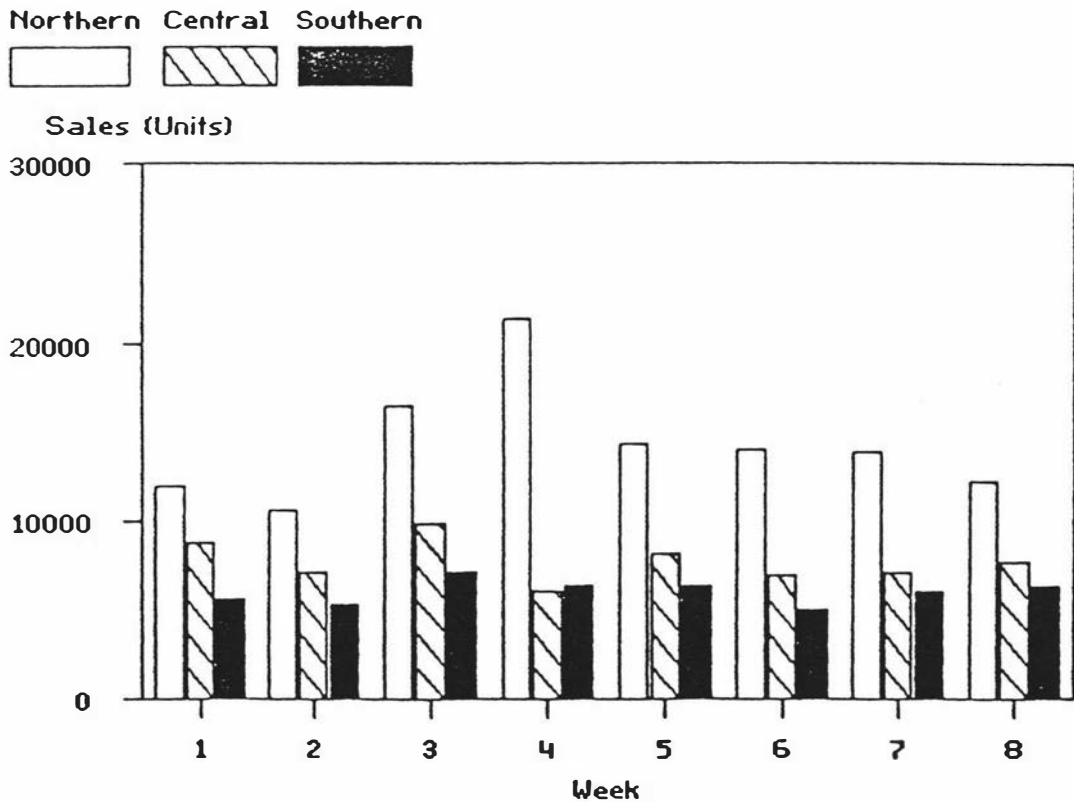
Neither the Northern Region, nor the Southern Region showed any significant increase in sales as a result of the coupon drop. This

result was particularly unexpected as Drive Washing Powder was the product providing the largest contrast between discount levels with 20 cents and \$1 respectively.

4.2.4 Craig's Berry Jams

Figure 4.3 illustrates the product sales performance per region over the eight week period of the experiment. The control unit in this particular case was the Southern Region, which showed little variation over the eight weeks period.

Figure 4.3 Sales Behaviour - Craig's Jam



Following the same procedure as for the previous two products, a T-test was conducted to assess the significance of the difference between the mean sales level before the promotion and the sales level during the promotion. The results of the test are shown in Table 4.6.

Table 4.6 Test of Significance for Craigs' Jam

	BEFORE	DURING
Mean	6044	6400
Standard deviation	824.42	0
t-ratio	.748	
Degree of Freedom	3	
T-Value	5.841	
t-test	.748 < 5.841	

As $t < T$ -value the null hypothesis could not be rejected and the mean difference between pre-promotion sales and promotion sales was non-significant, at the 1% confidence level.

An analysis of variance was therefore possible on the two treatment regions sales data in order to identify a possible coupon effect. The details of the computer output are given in Table 4.7.

Table 4.7 Analysis of Variance for Craigs' Jam

Variable	SALES				
By Variable	COUPON				
Analysis of Variance					
Source	D.F	Sum of Squares	Mean Squares	F Ratio	F Prob.
Between Groups	1	6845179.267	6845179.267	.2849	.6080
Within Groups	8	192238874.8	24029859.35		
Total	9	199084054.1			

Once again, the probability of finding these results by chance is very high at 60.80% and the null hypothesis, that the coupons have no effect on sales could not be rejected.

Overall, coupons distributed via a magazine insert proved to be ineffective on sales, regardless of the magnitudes of the incentive

provided.

4.3 Results of the Omnibus Survey

4.3.1 Response Rate

The interviews were conducted between 25 April and 7 May 1990 and the response rates are listed in Table 4.8.

Table 4.8 Response Rate of the 1990 Palmerston North Omnibus Survey

Interviews attempted	1417
Refusals	411
Quota filled (by sex)	135
No contact	180
Successful interviews	691
Response Rate	54%

Not all respondents qualified as the household grocery shoppers. Moreover, the interviewers were given, at random, one of three alternative sets of coupons as visual aids, and were instructed to ask questions pertinent to the set of coupons they were presenting to respondents. The number of respondents for each of the alternative sets of coupons, similar to those used in the mail survey and the experiment were:

Craigs 40c/Drive 20c	74 (= Similar to the set distributed in Upper North Island or Northern Region)
Craigs 20c/Aim 50c	82 (= Similar to set distributed in Lower North Island or Central Region)
Aim 20c/Drive \$1	97 (= Similar to set distributed in the South Island or Southern Region)

4.3.2 Predictive power about redemption

It was possible to compare the actual redemption with the intended redemption probabilities.

Table 4.9 Actual compared to Intended Redemption

Brand	Discount	Actual Redemption	Intended Redemption
Aim	20c	1.80%	50.82%
	50c	1.77%	41.14%
Drive	20c	1.52%	39.56%
	\$1	5.40%	52.41%
Craigs	20c	1.62%	41.1%
	40c	1.56%	55.57%

As Table 4.9 shows, intended redemption probabilities far exceeded the actual redemption observed during the experiment. In all cases but one, the discount value preference was the same. In the case of Aim, this made the low discount more popular, whereas in the other two cases, the higher discount yielded the highest aggregate redemption probability. This fact was contradicted by the experimental approach, where two of the three products enjoyed higher redemption for the lower discount offered.

Again, the Juster Scale might have been inappropriate, or the respondents might have been unable to accurately predict their own future purchase behaviour.

4.3.3 Respondents Coupon Usage

The majority of grocery shoppers (56.5%) stated that they had used a coupon in the past 12 months.

Coupons were primarily obtained by direct mail/mail box drop, followed by in-store distribution, 59.4% and 27% respectively. Only 8.7% of respondents had used magazine distributed coupons in the past 12 months.

The complete results of the omnibus survey related to coupons are in Appendix 8.

4.3.4 Respondents Brand Usage

The respondents were also asked questions related to their past brand purchase behaviour with the following outcome:

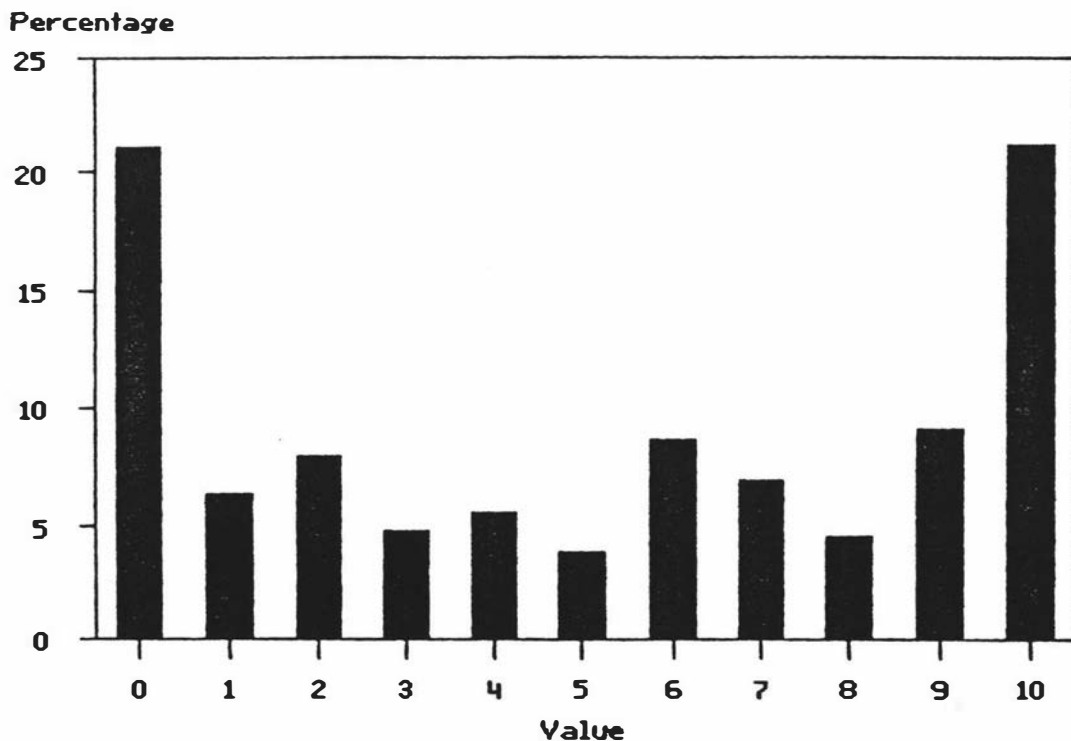
- 44.1% respondents had bought Aim Toothpaste in the past 12 months.
- 58.1% respondents had purchased Craig's Jam in the past 12 months.
- 46.5% respondents had purchased Drive Washing Powder in the last 12 months.

These results confirmed that all three products enjoyed substantial market share, and an extensive distribution in the Palmerston North area.

4.3.5 Coupon Redemption Probability Scores

Figure 4.4 illustrates the distribution of the 97 respondents exposed to the 20c Aim coupon in terms of their Juster score.

Figure 4.4 Aim Toothpaste 20c coupon - Juster Scores



For the total sample the mean score was 50.82%. However, if two groups were aggregated according to past purchase of Aim in the last 12 months, the results were quite different, with a mean score of 70.35% for those who did purchase Aim in the last year, against a mean score of 30.93% for those who did not.

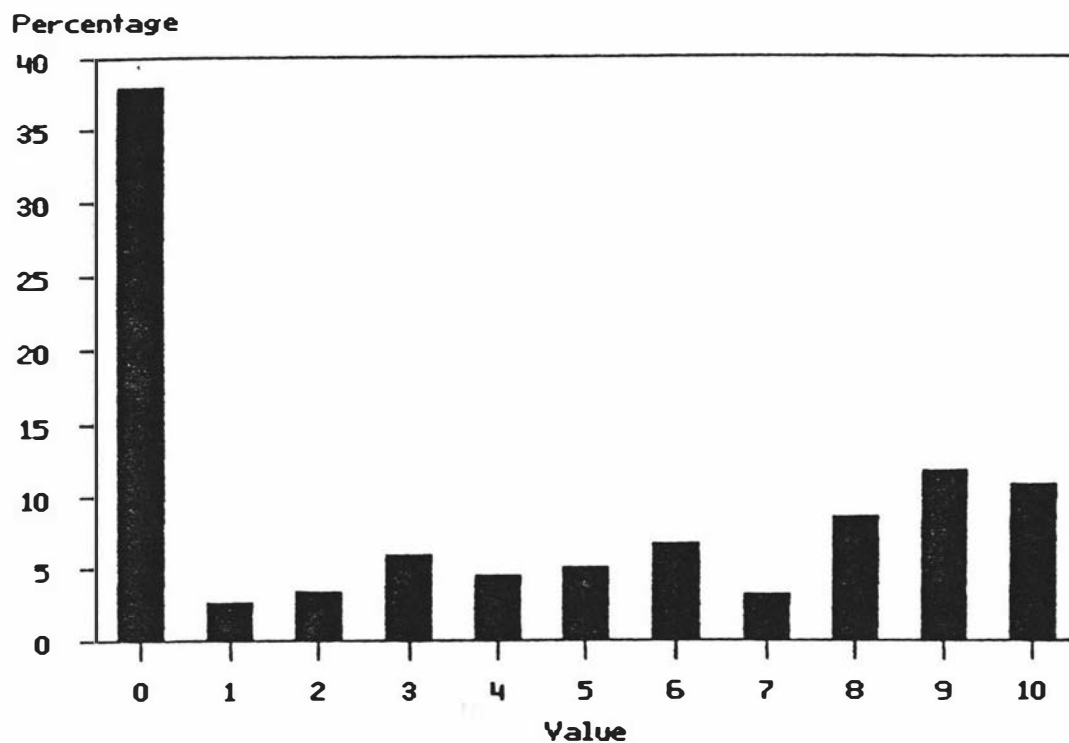
An analysis of variance, as shown in Table 4.10 demonstrated that the difference between the two groups was highly significant, an indication that past brand purchase behaviour affected the intended redemption probability.

Table 4.10 Analysis of Variance - Aim Toothpaste - 20 cents

Criterion Variable		"Would use Aim @ 20c"				
Broken Down by		"Bought Aim in past year"				
Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	343	7.0350	3.3802	545.1255	49
2	no	148	3.0929	3.2931	507.7699	48
Within Groups Total		491	5.0820	3.3373	1052.8953	97
Source		Sum of Squares	D.F	Mean Square	F	Sig.
Between Groups		374.9909	1	374.9909	33.8345	.0000
Within Groups		1052.8953	95	11.0831		
		Eta = .5125		Eta Squared = .2626		

The sample exposed to the 50c Aim Coupon numbered 82 respondents, and their distribution in redemption probabilities is illustrated in Figure 4.5.

Figure 4.5 Aim Toothpaste 50 cent Coupon - Juster Scores



Overall, the mean redemption probability for this sample was 41%. This was a lower score than the low discount coupon which was a rather counter intuitive result, but confirmed the findings of the experiment.

When split according to past brand purchase behaviour, the sample provided different means. The respondents who had purchased Aim in the last year showed a mean probability of redemption of 71.24%, while the respondents who had not, showed a mean redemption probability of only 16.8%.

An analysis of variance procedure, shown in Table 4.11 demonstrated that the difference between these two groups was highly significant, which confirmed the hypothesis that past brand purchase behaviour had an effect upon the intention to redeem the coupon.

Table 4.11 Analysis of Variance - Aim Toothpaste 50 cents
 Criterion Variable "Would use Aim @ 50c"
 Broken Down by "Bought Aim in past year"

Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	266	7.1247	2.7575	276.0118	37
2	no	73	1.6177	2.8465	356.3806	45

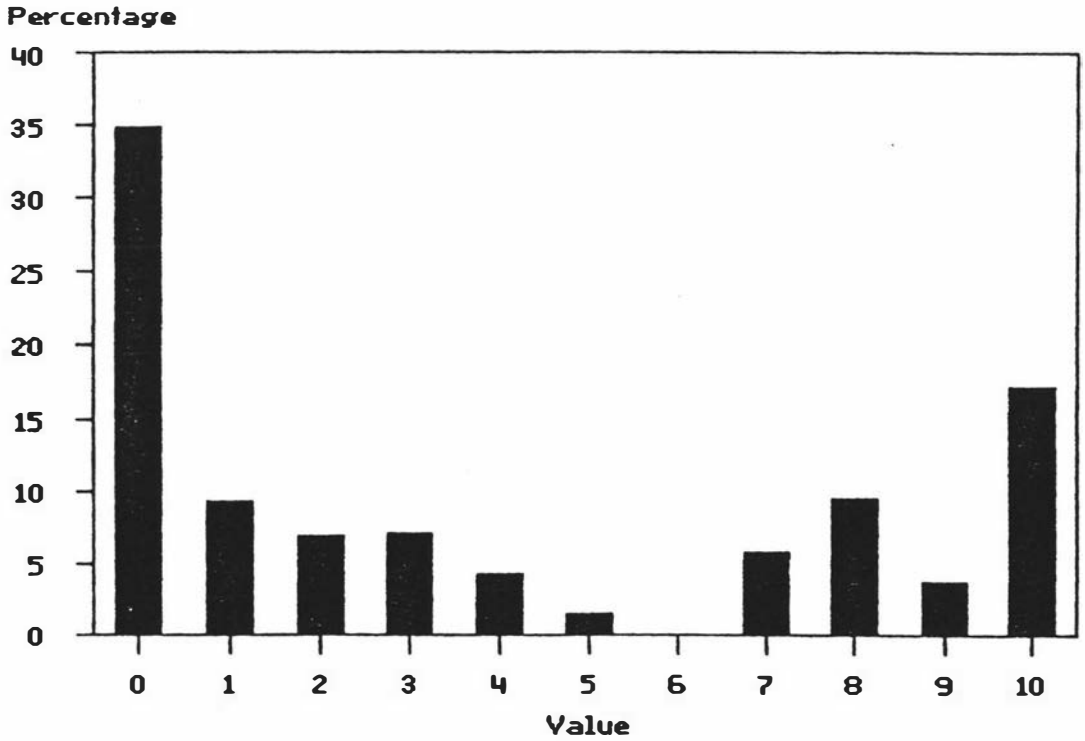
Within Groups Total	339	4.1140	2.8066	632.3924	82
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Source	Sum of Squares	D.F	Mean Square	F	Sig.
Between Groups	618.4106	1	618.4106	78.2312	.0000
Within Groups	632.3924	80	7.9049		

Eta = .7031 Eta Squared = .4944

The low discount coupon for Drive was shown to 74 respondents who distributed their Juster score as shown in Figure 4.6.

Figure 4.6 Drive Washing Powder 20 cent Coupon - Juster Scores



Overall, the mean probability for the whole sample was 39.57% which was refined into 71.56% for those who had purchased the brand in the previous year and 12.44% for those who had not.

The analysis of variance result shown in Table 4.12 confirmed that the difference between the two groups was highly significant.

Table 4.12 Analysis of Variance - Drive Washing Powder

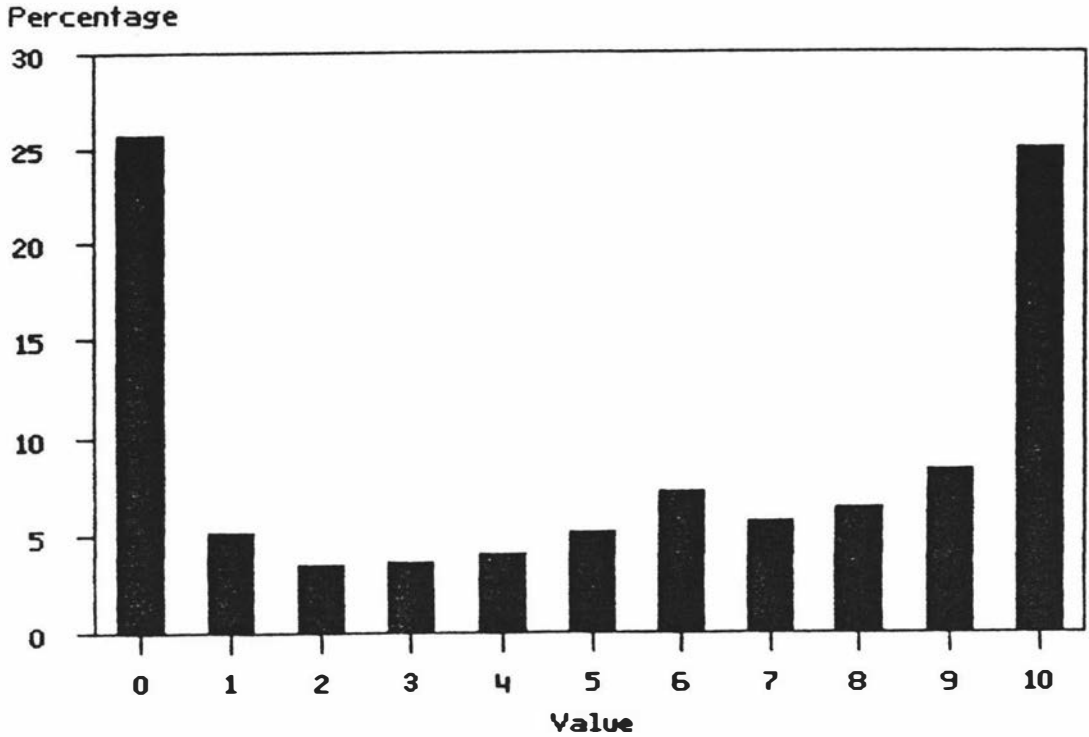
Criterion Variable Broken Down by		"Would use Drive @ 20c" "Bought DRIVE in past year"				
Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	241	7.1557	3.2251	339.8734	34
2	no	49	1.2442	2.2169	190.2637	40
Within Groups Total		290	3.9568	2.7251	530.1371	73
Source		Sum of Squares	D.F	Mean Square	F	Sig.
Between Groups		636.8250	1	636.8250	85.2885	.0000
Within Groups		530.1371	71	7.4667		
		Eta = .7387		Eta Squared = .5457		

The high discount level Drive coupon was shown to 97 people, Figure 4.7 shows their Juster scores.

Overall, the mean probability of redemption was 52.42% which could be broken down according to past brand purchase behaviour. For the group which had bought Drive in the past year, the mean redemption probability was 74.62% as opposed to 33,29% for the group which had not bought Drive in the past year.

Figure 4.7

Drive \$1 Coupon - Juster Scores



The difference between these two groups was highly significant as the following analysis of variance output shown in Table 4.13 illustrates.

Table 4.13 Analysis of Variance - Drive

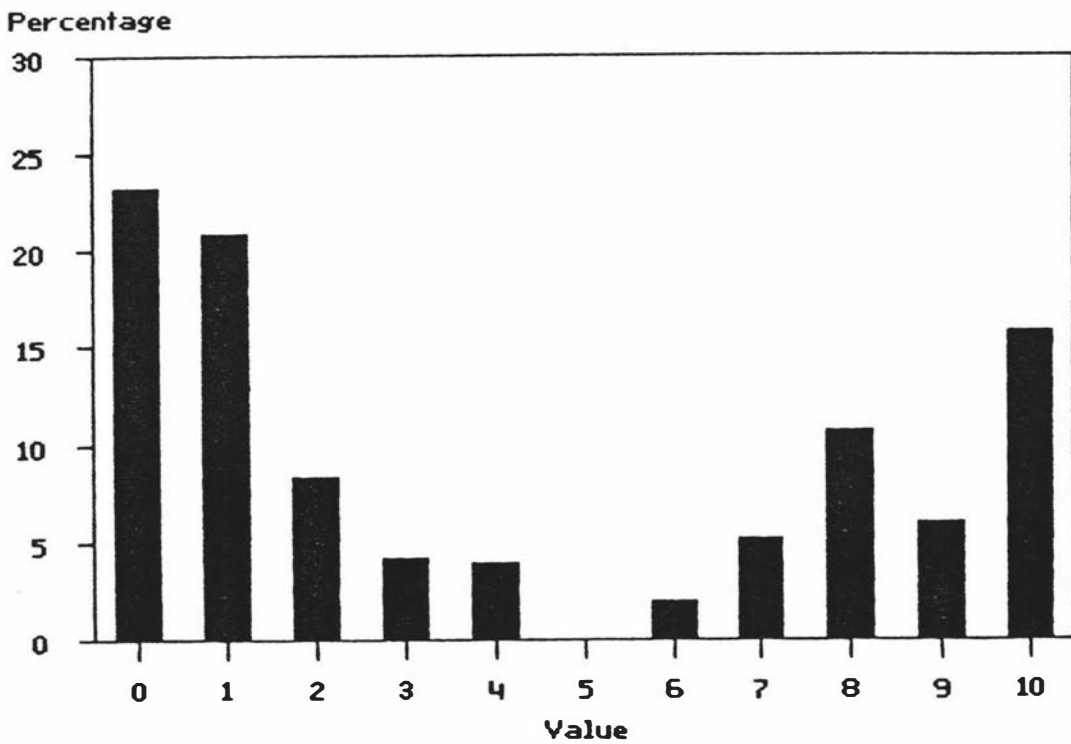
Criterion Variable		"Would use Drive @ \$1"				
Broken Down by		"Bought DRIVE in past year"				
Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	333	7.4625	2.9248	373.6178	45
2	no	173	3.3287	3.9067	776.2353	52
Within Groups Total		506	5.2418	3.4876	1149.8531	97
Source		Sum of Squares	D.F	Mean Square	F	Sig.
Between Groups		410.1032	1	410.1032	33.8824	.0000
Within Groups		1149.8531	95	12.1037		
		Eta = .5127		Eta Squared = .2629		

It should be noted that in the case of Drive, the higher discount level triggered a higher probability of redemption, with a more noticeable variation for the non-purchasers of Drive.

This pattern reflected the true redemption observed during the experiment.

A total of 82 respondents were given the opportunity to answer questions about the 20c Craig's jam coupon. Figure 4.8 summarises their Juster scores.

Figure 4.8 Craig's Jam 20 cents - Juster Scores



The mean probability of redemption for this whole group was 41.1% and this was the result of the combination of a mean redemption probability of 57.87% for those who had purchased the brand in the past 12 months and of 19.19% for those who had not.

Table 4.14 summarises the analysis of variance results which clearly indicated that the difference between these two groups was significant.

Table 4.14 Analysis of Variance - Craigs Jam

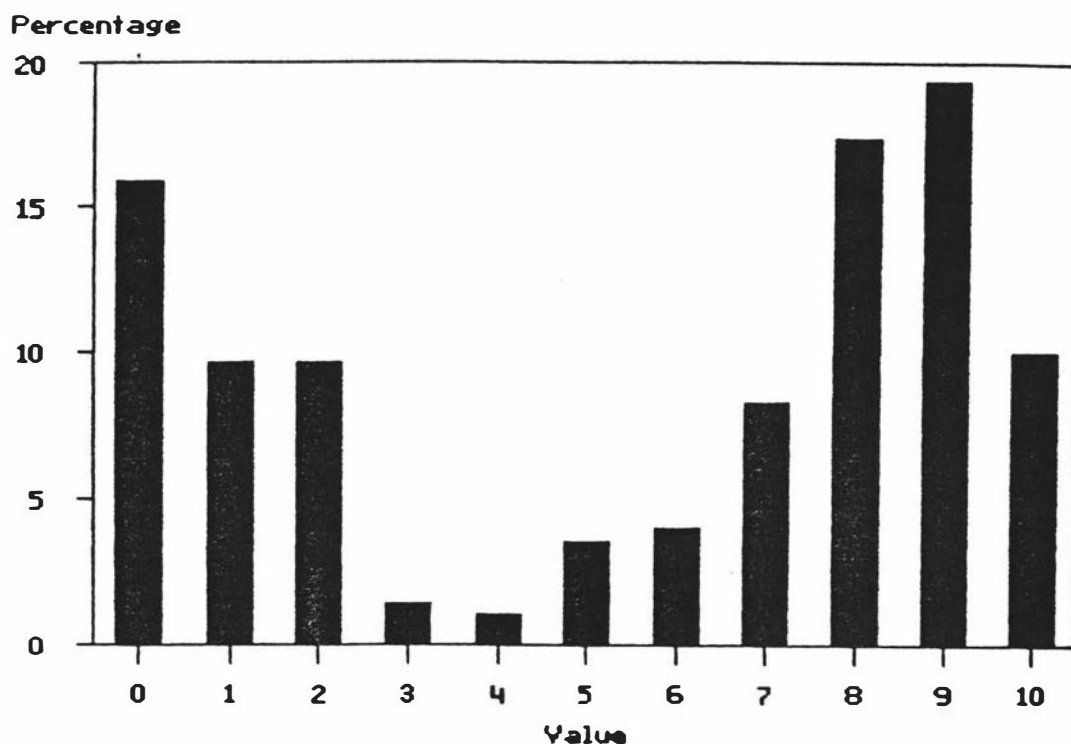
Criterion Variable Broken Down by		"Would use Craigs @ 20c" "Bought CRAIGS in past year"				
Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	270	5.7874	3.8140	663.2976	47
2	no	68	1.9187	2.9384	299.4848	36
Within Groups Total		338	4.1096	3.4630	962.7824	82
Source		Sum of Squares	D.F	Mean Square	F	Sig.
Between Groups		302.4817	1	302.4817	25.1340	.0000
Within Groups		962.7824	80	12.0348		
		Eta = .4889		Eta Squared = .2391		

The number of people exposed to the 40c Craig's jam coupons was 73. Figure 4.9 indicates their Juster scores.

The entire population had an intended redemption mean of 55.57% which resulted from a 68.5% mean for the group who had purchased the brand in the past year and a 33.96% mean for the group who had not.

Figure 4.9

Craigs Jam 40 cent Coupon - Juster Scores



Once again the analysis of variance, shown in Table 4.15 confirmed the difference between the two groups was significant at a 99% confidence level.

Table 4.15 Analysis of Variance Craigs Jam

Criterion Variable		"Would use Craigs @ 40c"				
Broken Down by		"Bought CRAIGS in past year"				
Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	315	6.8499	3.0383	414.6261	46
2	no	93	3.3958	3.7484	371.9802	27
Within Groups Total		408	5.5568	3.3194	786.6062	73
Source		Sum of Squares	D.F	Mean Square	F	Sig.
Between Groups		205.0819	1	205.0819	18.5109	.0001
Within Groups		786.6062	71	11.0790		
		Eta = .4548		Eta Squared = .2068		

In the case of Craig's jams the higher discount also prompted a higher redemption intention probability, which contrasted with the experiment.

The omnibus survey supported the hypothesis that some familiarity with the product, or at least a past experience with the brand would have a significant effect on the intended probability to redeem a coupon for this product.

The results also suggested that in two cases out of three, the higher the discount, the more probable the coupon redemption.

4.4 Summary

Contrary to expectations, the experiment did not allow positive identification of the effect of magazine distributed coupons for the three products involved in the experiment.

The sales records over the promotion period did not indicate any significant increase, and this was independent of the magnitude of the discount offered. Considering that the range of discount was considered to be extreme by the product managers involved, it was possible to conclude that magazine distributed coupons were ineffective in creating an improved sales performance.

The alternative method certainly failed to indicate the magnitude of the consumer response which could be expected. Probability scores were of the order of 40 to 60%, whereas the actual redemption rate was of the order of 1 to 5%. In other words, the omnibus survey had no better predictive power with respect to the sales response than that achieved by a magazine distributed coupon.

However, both methods indicated that, counter-intuitively, higher redemption could be achieved by low discount coupons. This may suggest that for discount level testing the omnibus survey could be utilised as a pretest method to improve coupon decisions.

The familiarity of the consumer with the brand, prior to the coupon exposure was a significant factor in the redemption probability for both the survey methods. This issue is central to the profitability of coupon promotions and makes the forecasting of the sales response even more critical. Unfortunately, the pre-test method failed to give any clear indications with respect to possible links between intended redemptions and actual redemption or sales behaviour.

As a result, one can only suspect that experience with the product or brand loyalty is a determinant in redemption behaviour which does not necessarily translate into increased sales level.

CHAPTER V - DISCUSSION AND CONCLUSIONS

5.1 Introduction

The study was exploratory in terms of topic and methodological approach. It raised, rather than solved, a number of issues that are pertinent to marketing academics and practitioners.

The discussion must be articulated according to whether the issues pertain to the methodological aspects of the study, or to the commercial practices of couponing and the assumptions made to rationalise their use.

In this chapter the research hypotheses are examined in turn and conclusions are drawn from the study as to their retention or rejection. Then, the methodological limitations of the study are exposed, and some recommendations put forward concerning implementation of future research in the area of couponing.

The implications that this study might have for coupon campaign organisers, primarily from the package goods industry, are discussed. A case is made for a different approach to this coupon campaign activity, based on both the technology now available and a necessary co-operative rapport between all parties involved.

Finally this chapter suggests the constitution of a Scanner Panel of consumers which might, in future, alleviate the difficulties of assessing empirically promotional effectiveness, which would be particularly suited to future research on coupons.

5.2 Research hypotheses

The objectives of this study were summarised in a number of hypotheses (Section 1.4) and the study allowed the testing of them in a rigorous manner.

H1 : Coupons have a positive effect on sales ie promotion sales volumes are significantly greater than pre-promotion sales volumes

The first hypothesis concerned the positive sales effect of couponing. The experimental campaign, implemented in controlled conditions, showed that in the case of magazine-distributed coupons, no significant increase in sales could be indentified between the period preceeding the promotion and the period of the promotion itself.

These two periods were the most likely to experience the largest variations in sales volumes, and it was therefore pointless to further test whether the post-promotion period would vary significantly from the promotion period. Indeed, it would be unrealistic to test an hypothesis related to an expected sales decrease allegedly resulting from a stocking-up effect or accelerated purchase pattern which was not itself observable.

It was also not meaningful to test for possible product or discount effect, when overall no significance could be found for the effect of couponing in the particular case of a magazine-distributed coupon. However, media distribution is deemed, in the literature, as well as in practice, to be an influential factor, and hypothesis H1 can be rejected only in the particular instance of magazine insert coupons.

H2 : Redemption intentions are a good prediction of redemption

The second hypothesis was concerned with the relationship between redemption intentions and redemption rates. For this particular purpose, a comparison was drawn between redemption intentions expressed by the respondents to a large scale omnibus survey in Palmerston North, and the actual redemption rates observed as a result of the national experiment over the coupon promotion period.

It was clear that the redemption intentions obtained by the omnibus survey were a gross overstatement of the real redemption behaviours. Intended redemptions were more than ten times the actual redemptions

which occurred over the promotion period. However, in two of the three cases, Aim and Craig's, the preference indicated for each discount level was the same as in the experiment. This is useful information when making decisions concerning the most cost effective promotion. Moreover, regardless of the magnitude of the difference, it may be possible to establish that these differences would remain constant, by undertaking the same comparison in future coupon campaigns. If the gaps observed in this present research are due to an intrinsic inflating effect of the measuring instrument, or to a general over-statement tendency on the respondents' part, then it may be possible to proceed to a 'calibration' which would allow deduction from the redemption intentions of the actual likely redemption rates. Unfortunately, this calibration process would require the accumulation of a large number of data sets gathered in conditions as stringently controlled as in this research, over a long period, and for a greater variety of products. H2 must be rejected on the basis of the findings of this study.

H3 : Redemption rates are good indicators of sales response

The third hypothesis explored the relationship between redemption rates and sales. In order to achieve this, redemption rates were first refined in order to take into account the true coupon distribution rather than the approximate one usually used, which relies on the medium declared average reach. This process already revealed some major discrepancies. In one of the three cases, Craig's jam, the coupon discount preference was inverted, and as a result, the higher discount rate would have been wrongly assumed to provoke a better redemption response than its lower counterpart. Relating the response rates to sales was rendered impossible by the non-significance of the sales variations observed during the experiment. However, knowing that redemption rates would probably be positively affected by past purchase of the brand, one can suspect as a result of the study that sales occurring with coupon redemptions are more probably performed by brand purchasers, and are therefore likely to be "borrowed" from future sales. No conclusive evidence could be found to support the view that redemption rates could be in any way

correlated with sales volumes variations.

H4 : Past brand purchase behaviour has a significant effect on redemption intentions

The fourth hypothesis focused on the relationships between redemption intentions and past purchase behaviour. More specifically, past experience with the three products involved in the study was used as an indication of 'brand loyalty', and contrasted with the likelihood of coupon redemption stated by the respondents. For the six different coupons used, the fact that respondents had purchased the product in the past twelve months was significant in explaining their coupon redemption probability answer. The group of respondents who had purchased the product in the last twelve months was, in every case, significantly more likely to redeem a coupon for that particular product than the group who said they had not purchased the product in the past year. The research supported H3, that past purchase of the brand significantly affected redemption intentions.

5.3 Limitations of the experiment

The media choice was dictated by financial considerations on the sponsors' part and there is evidence that magazine distributed coupons are not the most popular with consumers. In the United States, they rank only third after Mail Drop and Newspaper distribution, although coupon inserts are demonstrably performing better than On-Page (Ward & Davis, 1978).

A very low performance would make the sales effect of coupons invisible, regardless of whether the redemptions occurred on regular purchases or not.

However, this method is not currently in common use by New Zealand grocery manufacturers. Its usage is more widespread in Australia, where food and personal care products in particular are extensively promoted by on-page magazine coupon distribution. The development of CER, a zone of free trade between New Zealand and Australia, will see

the gradual assimilation of distribution and marketing practices across the two markets, with a number of possible implications, in terms of promotional activities, including the wider use of magazine-distributed coupons.

The time frame selected for the experiment also deserves attention. It may well be that the period of coupon validity was too short to realise their full impact. Usually, coupons have at least one month of validity, and with most, particularly in the case of magazine distribution, a life span of up to three months is not unusual. However, this choice was made after consulting the sales records of a number of supermarkets which had undertaken local coupon distribution, and showed very clear sales patterns with a peak in the immediate one or two weeks following the drop, and a quick return to pre-promotion sales levels after that. If an interaction existed between media distribution and response time, then the assumption that the sales response for magazine distributed coupons would be similar to that of locally mail distributed coupons would not hold, and a longer time span should have been observed. However, the experiment requirement for control, and more particularly, the request made to the product managers of the three products involved, to hold back any other promotion and advertising activity over the experimental period, made this unacceptable for more than the eight weeks achieved in this study.

The results may be, to some extent, generalisable to other grocery products. The three products involved in the study, although not belonging to the same product categories in terms of industry definitions (personal care, household product and food), still share a number of common characteristics. They are distributed through identical channels, are priced within a narrow range of \$1.5 to \$4 per package unit, and are normally part of the 'low involvement' purchase category. In that respect the consistency of the findings that magazine distributed coupons are not effective on sales in New Zealand, is a serious signal to product managers of similar products.

Nevertheless, to conclude from the study that, in all situations, couponing in itself is ineffective, is unsubstantiated. The experiment failed to identify a positive sales effect of coupons, but does not allow the conclusion to be drawn that no effect resulted.

5.4 Limitations of the Omnibus Survey

Although the number interviewed was large, the groups exposed to each alternative set of coupons never exceeded 100, and therefore, the analysis conducted on these three samples could not claim a very high internal validity.

However, since the consumers were clearly separated in terms of their familiarity with a brand, the contrast between groups was compelling.

The omnibus survey demonstrated that past purchase of the brand was an influential factor in determining the redemption intentions consumers were forming.

The omnibus survey also suggested that counterintuitive performance could be expected from alternative discount levels.

5.5 Limitations of the Juster Scale

The measuring instrument to gather data about respondents' intentions of using the coupons in their next purchase of the products involved failed to reveal accurately the actual behaviour of the respondents.

There are a number of reasons why the Juster scale did not perform as well in this study as in previous work, where it had been used to predict purchase behaviours of consumers of durable and semi-durable goods. The reliability of the Juster scale as a predictor of purchase behaviour does diminish along the spectrum going from durable to non-durable, and one might suspect that grocery products would be the extreme of such a continuum in terms of product durability. If the continuum was conceptualised in terms of "involvement", the conclusion that the Juster scale performs with a greater accuracy with

"involvement" products such as cars or household appliances than with "low involvement" products such as toothpaste or jams, would become logically appealing.

One of the reasons why the Juster scale might not be capable of predicting behaviour could be external to the instrument itself. It may be that consumers are unable to accurately report or predict their own behaviour. This would be consistent with the "involvement" concept whereby respondents, being less involved in the decision process, are more uncertain about the outcome. As a result, they could predict more accurately the probability that they would purchase a car, for which quite an extensive process would be undertaken before a choice would be made, than they would forecast the probability of redeeming a coupon on a purchase of a product which they would buy on impulse most of the time.

Despite these limitations, the study raises questions about the effectiveness of couponing. However, it would be wrong to conclude that couponing is always ineffective. Rather, conclusions could be drawn only with respect to magazine distributed coupons. Moreover, a number of additional elements must be included in a fair and complete assessment of couponing.

5.6 Product Maturity and Market Position

The three products involved in this study were long established and they each enjoyed large market share and substantial sales volumes. Thus, to show statistical significance, the regional sales had to show a considerable variation in terms of numbers of units sold, which, considering the number of households exposed to the coupon inserts, might have been unrealistic.

The hypothesis, that in the case of a new product launch, or when the brand is small in terms of market share, couponing is effective on sales, requires empirical testing.

5.7 Promotion Objectives

Magazine-distributed coupons were not found to be ineffective, except in the sense that they failed to generate a significant increase in sales of the products. Whether a coupon campaign achieves a positive sales response has a bearing on its profitability, but the objective set out by the promotion planner might have been different from a pure sales target.

In some instances, the coupon activity may be a requirement imposed by the trade to keep the product on the shelves; if such conditions prevail, there is little choice but for the manufacturer to comply.

In these situations, it is important that the promotional planner is aware of the financial costs incurred in pursuing non-sales objectives, so as to be able to determine whether alternative expenditure could achieve more economically the non-profit objectives.

5.8 Longer Term Implications

This study did not investigate the suspected adverse effect of coupons on long term sales. The sales measurements were deliberately limited to a concentrated period of time in order to identify coupon sales' effectiveness.

If only regular brand purchasers had redeemed the coupon and therefore had the effect of bringing their purchase forward, a decrease in sales in the following period could have been expected. In addition to this, the alleged 'brand cheapening' effect of coupons might have also induced a further decrease in sales over a longer time frame. Far from a positive effect on sales, which was to be expected in the short term, a negative effect of coupons could be hypothesised for the longer term.

However, this hypothesis would have had to have been limited to the specific case of magazine distribution used in the experiment, and

additional research would be required to draw any conclusions with respect to the longer term effect of couponing.

5.9 The Need for Concerted Research

An empirical approach to research could take several alternative forms. One of the criteria in deciding a regional breakdown was the unwillingness of the supermarket chains to participate in such an experiment. Individual supermarket owners could have been persuaded to take part, but no real representativeness of industry could be obtained unless the two major centralised chains, Foodtown and Woolworths were prepared to allow access to the data which they collect for their own purposes.

The overwhelming fear of allowing 'commercially sensitive' information to become known by manufacturers is a 'nutshell' reflection of the attitude prevailing in the grocery industry in New Zealand. Rather than partners, manufacturers and retailers see themselves as opponents in the consumer goods market, each trying to maximise their own margin and profit.

The retail industry also sees coupons as a double-sided instrument. If the coupon is store specific, then it is a valuable promotional tool which fosters store loyalty or store trial. If distributed by the manufacturer and it is not location specific, the coupon is regarded as a disruptive element which forces the retailer to modify his stock level, implies a granting of credit to consumers and creates a number of administrative difficulties.

With each partner keeping its own data secret, it may very well be that many unprofitable coupon campaigns are undertaken and that most of the dissatisfaction could easily be minimised by eliminating those couponing activities identified as unsuccessful. This process would also provide sound business justification for continuing with those couponing activities which achieve their marketing objectives.

Insofar as the profits of both manufacturers and retailers could be improved, there seems to be no foundation for the antagonistic attitude prevailing in the industry. If the confidentiality issue is the only impediment to the sharing of information in respect of coupons, there are identified intermediaries who could take the responsibility for gathering, combining and analysing the data made available by manufacturers and retailers, and who could publish the results, which would be useful and informative without revealing any strategic or competitive information.

The structures exist, both with A C Nielsen and Coupon Promotion Company, to make such a compilation of information possible. However, goodwill would be required from the partners in the industry.

5.10 The Empirical Tool

The scanner technology, which has a very high penetration rate in New Zealand would enable the design of a valuable network which would not only allow, but also foster future empirical studies in the area of sales promotions.

A number of consumers could be selected to participate in a standing panel, as is already the case in the United States. To ensure that store loyalty is maximised and a large proportion of any consumer's purchases are recorded in a given store, an incentive schedule could be implemented. An example of such a schedule might be a percentage rebate on the monthly grocery bill.

In order to enable testing of media distribution and testing of alternative promotions, a number of isolated, non-overlapping treatment units are required. To increase the reliability of the results, replicate measurements should be made possible. By grouping supermarkets in terms of their turnover and size, it is possible to obtain a number of categories within which the selection of geographically dispersed units could be undertaken and a number of panel consumers shopping at each of these locations established. If 30 000 shoppers are willing to identify themselves to a shoppers' club

by sending back a questionnaire found in a television magazine, there is little doubt that consumers will respond just as enthusiastically to a listing from their usual store, particularly if an incentive is provided.

Every purchase would therefore be perfectly recorded without the misreporting problems encountered by more conventional diary completion systems. More importantly, purchases could be analysed in the light of alternative sales promotion activities undertaken in a number of treatment units, in several locations throughout New Zealand, over the same period. Knowledge about past purchase behaviour, demonstrably an important factor, would be critical.

The possibilities of such a device would be endless and to the benefit of both retailers and manufacturers. Local advertising would enable the testing of alternative media scheduling of commercials. Coupons could be dropped by alternative media distribution or with alternative design in different places. At the same time, the store sales levels for the product, and for the category and the different competitors within it, could be monitored. Alternative displays and merchandising techniques could be compared in terms of sales turnover.

Regardless of the particular problem under scrutiny, the availability of an experimental setting would make it possible to test rather than to assume, to estimate rather than to guess, and to forecast rather than to hope.

There are, of course, many technical obstacles to the overnight achievement of this objective, but considering the magnitude of the budgets spent on coupons, which might have been saved if the results of this study had been made readily available sooner. One can only hope that the necessary goodwill and co-operative spirit that such a new, inquisitive attitude to promotion would require will not be too far in the future.

5.11 Summary

In conclusion, this research achieved its objectives insofar as it demonstrated that magazine-distributed coupons did not positively affect sales volume within the experimental parameters. Consequently, both the discount and the product effects failed to reach any significance.

In addition to these findings, which cast some doubts on the positive effects of other forms of coupons, the research demonstrated that a more traditional survey method could not be relied upon to predict consumer sales response to this type of promotional activity.

This clearly points to the future application of more experimental approaches to assessing sales promotions. However, the costs incurred by such an approach demand an increased standardisation of experimentation facilities in the New Zealand market. These could be shared by interested parties and/or commercially run by a market research company for the purpose of testing alternative courses of action in a controlled manner. This would maximise the return generated by the promotional expenditure.

Whether this initiative would be followed by retailers or manufacturers first remains to be seen. However, it will certainly shape the power situation, at least as far as the grocery industry is concerned, for the next decade and beyond.

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APPENDICES

APPENDIX 1

List of Marketing Practitioners
Interviewed for the Purpose of this Study

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List of Marketing Practitioners
Interviewed for the Purpose of this Study

* New Zealand

Mr Peter Mitchell, Director, Coupon Promotion Company Ltd
Mr Andre Boyer, Managing Director, Butland Industries Ltd
Mrs Brenda Cartriss, Secretary, Grocery Manufacturers Association
Mr Vincent Stockdale, Scantrack Manager, A C Neilsen Ltd
Mr David Hayward, Secretary, NARGON
Mrs Wendy Reilly, Product Group Manager, BestFriend PetFoods
Mr Mike Shakespeare, Product Manager, Watties Ltd
Mr Patrick Smythe, Product Manager, Colgate Palmolive
Mr David Glass, Director, AGB McNair (now in Australia)

* Canada

Mr Gerard Ponton, Secretary & Legal Counsel,
Provigo Distribution

* France

Mr Max Coppolani, Marketing Director, Unilever France
Mr Stephane Meyriel, Marketing Manager, Colgate Palmolive

APPENDIX 2

Couponing Code of Practice

The Grocery Industry Council of New Zealand issued a Code of Practice in relation to coupons in 1983 and the Code was subsequently revised in July 1984. The GIC constituent bodies at that time were the New Zealand Grocery Manufacturers' Association, the New Zealand Wholesale Grocery Distributors' Federation and the National Association of Retail Grocers and Supermarkets of New Zealand. In 1986 the GIC was expanded to include the NZ Retailers' Federation, Food Division, now the Retail and Wholesale Merchants Association of New Zealand, representing the chain operators.

The Code has not been revised since 1984.

COUPONING CODE OF PRACTICE

Discount coupons are a useful means of stimulating the sale of grocery products, to the benefit of both retailer and manufacturer.

This Code of Practice records the basic responsibilities of the two parties in handling coupons. Observance of the principles set out below will ensure that retailer and manufacturer alike can use couponing with mutual confidence and an understanding of one another's requirements.

The Code applies only to coupons issued by, or on the authority of a manufacturer. It excludes those issued by a retailer as part of an internal promotion.

RESPONSIBILITIES OF THE MANUFACTURER OR DISTRIBUTOR

1. Nature and Style of Coupons

Coupons should be easily recognisable and of a convenient size and shape, and printed on a suitable material, for handling by consumer, checkout operator, and retailer

2. Offer to the Consumer

The offer should be clearly and unambiguously defined, in such a way that these details can be readily understood by the consumer. It should be clearly specified that only one coupon can be redeemed per product purchased. Where possible, the value should be shown on both sides. It is recommended that an expiry date be shown in a prominent place

3. Offer to the Retailer

A pictorial illustration and boldly printed redemption value is recommended to assist the checkout operator. Each coupon should also clearly outline any special provisions, the address and/or procedure for redemption, and the fact that a stated redemption fee is payable to the retailer. The name of the redeemer (i.e. the manufacturer or distributor) should be shown.

4. Co-operation with Retailers

It is preferable to alert retailers in advance of each new coupon scheme, but this may not be feasible in all instances especially when coupons are included in advertisements as a means to measure advertising effectiveness rather than as part of a large-scale promotion. The product being promoted with coupons should be adequately distributed through the retail trade.

5. Redemption

Top priority should be given to reimbursing retailers for coupons received. A formal procedure should be adopted by each manufacturer to ensure that redemption is prompt.

a) It is suggested that 14 days after the receipt of the

Coupons by the manufacturer or distributor is a reasonable period for redemption.

b) Redemption should in all cases be by cheque, cash, postal note or direct credit unless otherwise mutually agreed. Provided that such deductions are taken after the appropriate discount has been calculated, redemptions by deduction from invoices or statements are acceptable.

c) Manufacturers and distributors should encourage the Retail Trade to post their Coupons for redemption and should accept the responsibility for the incoming postage.

Remember — the retailer is effectively lending you money by paying out the coupon value on your behalf. Help him by reimbursing him promptly.

RESPONSIBILITIES OF THE RETAILER

1. Supervision

Checkout operators should be adequately trained and supervised to ensure that no misredemption of coupons takes place

2. Redemption Procedures

Retailers must present coupons for redemption by the manufacturer in accordance with all instructions printed on the coupon. To aid prompt redemption, retailers should post their coupons without unreasonable delay

3. Misredemption

If any coupon is inadvertently accepted against a product other than that nominated, the retailer is obliged to explain the circumstances to the manufacturer. Unless agreed to in prior consultation the manufacturer will have absolute discretion concerning his obligation to honour such coupons. Where the redemption level appears to be excessive, the manufacturer reserves the right to withhold part of the claim pending a satisfactory explanation from the retailer concerned. In the event of the claim having already been settled by a clearing house and irregularities or excessive redemption subsequently becoming apparent, the clearing house shall bear the responsibility of rectifying the matter.

4. Good Faith

Neither party (retailer nor manufacturer) should hesitate to discuss with the other, any circumstances in which it appears that misredemption of coupons has occurred or claims for redeemed coupons appear disproportionate to turnover of the product concerned.

Remember — through you the manufacturer is paying out a cash bonus to customers who purchase his product. Help him by making sure that the conditions of his offer are being honoured — every time.

APPENDIX 3

Samples of Coupons

APPENDIX 3.1


Sample Copies of French Coupons

Bon pour une
REDUCTION de
0,30 F à valoir
sur l'achat
d'un flacon.

0,30 F

PALMOLIVE
VAISSELLE

Sur présentation de ce bon, votre détaillant
vous fera la remise correspondante.



BON POUR

0,70 F

de réduction sur l'achat d'un paquet de
GAMMA TOUS TISSUS

LE MEME DIANE GARANT
POUR COULES ET SYNTHETIQUES

L'ACCEPTATION DE CE BON POUR TOUT
AUTRE ACHAT QUE CELUI DE GAMMA TOUS TISSUS
EST INTERDITE.



Bon pour

0,40 F

DE REDUCTION sur l'achat de **scelofrais**
protection des aliments
sur mesure

L'acceptation de ce bon pour tout autre
achat que celui de scel-o-frais donnera lieu
à des poursuites.



APPENDIX 3.2

Sample Copies of USA Coupons

NEW

Introducing **Good Seasons** Ranch



Take Home the Taste that Beats the Leading Ranch

In a recent taste test among ranch salad dressing users, people preferred the taste of new **GOOD SEASONS'** Ranch over the leading ranch salad dressing mix.

© 1989 General Foods Corporation
GENERAL FOODS USA

MANUFACTURER'S COUPON

OFFER EXPIRES 10/31/89

40¢ OFF



Good Seasons RANCH or LITE RANCH

This coupon good only on purchase of product indicated. Any other use constitutes fraud. COUPON NOT TRANSFERABLE. LIMIT - ONE COUPON PER PURCHASE. To the retailer: GFC will reimburse you for the face value of this coupon plus 5¢ if submitted in compliance with GFC Redemption Policy C-1, incorporated herein by reference. Valid only if redeemed by retail distributors of our merchandise or anyone specifically authorized by GFC. Cash value 1/20¢. Mail to: General Foods Corporation, P.O. Box 103, Kankakee, IL 60902. GENERAL FOODS CORPORATION



MANUFACTURER'S COUPON

OFFER EXPIRES 10/31/89

20¢ OFF



any **Good Seasons** Salad Dressing

This coupon good only on purchase of product indicated. Any other use constitutes fraud. COUPON NOT TRANSFERABLE. LIMIT - ONE COUPON PER PURCHASE. To the retailer: GFC will reimburse you for the face value of this coupon plus 5¢ if submitted in compliance with GFC Redemption Policy C-1, incorporated herein by reference. Valid only if redeemed by retail distributors of our merchandise or anyone specifically authorized by GFC. Cash value 1/20¢. Mail to: General Foods Corporation, P.O. Box 103, Kankakee, IL 60902. GENERAL FOODS CORPORATION



**BUY ONE,
GET ONE
FREE!**



***(up to \$1.95)**

Buy ONE 18 oz.
Kellogg's Corn Flakes
cereal
get a second 18 oz.
Kellogg's Corn Flakes
cereal
FREE* at the checkout!

1989 Kellogg Company - Kellogg Company



©Kellogg Company ©1989 Kellogg Company

MANUFACTURER COUPON / EXPIRES **SEPTEMBER 24, 1989**

BUY ONE, GET ONE FREE*

BUY ONE 18 oz. Kellogg's Corn Flakes^{cereal}; GET ONE 18 oz. Kellogg's Corn Flakes^{cereal} FREE at the checkout!

* CONSUMER: Offer is limited to ONE FREE 18 oz. Kellogg's Corn Flakes (up to \$1.95) when you purchase ONE 18 oz. Kellogg's Corn Flakes.

LIMIT ONE COUPON PER PURCHASE

RETAILER: KELLOGG SALES COMPANY will redeem this coupon in accordance with our redemption policy. Copies available upon request. Cash value: 1/100¢. Void where prohibited, taxed, or restricted by law. Mail coupons to: KELLOGG'S CMS DEPT. 38000 ONE FAUCE IT DRIVE, DEL RIO TX 78840

RETAILER: Please fill in your retail price for FREE 18 oz. Kellogg's Corn Flakes

MAXIMUM VALUE \$1.95
\$



5 38000 50114 7

67287

Come Share Our Values

waldbaums



MANY STORES OPEN 24 HOURS!
Check Your Local Waldbaum's For Store Hours

WALDBAUM'S
#780
NYT

Van Camp's Great Pork 'N Beans for B-B-Q's

3 99¢

1 lb. cans
No Substitutions
Limit 4 cans
with coupon

Limit 1 coupon per shopping family
Good 'til Sat. night, September 2, 1989
Plus Tax Where Applicable

WALDBAUM'S
#781
NYT

Aunt Millie's Spaghetti Sauce Ass'd. Var.

1 59

26 oz. jar
No Substitutions
Limit 1 jar
with coupon

Limit 1 coupon per shopping family
Good 'til Sat. night, September 2, 1989
Plus Tax Where Applicable

WALDBAUM'S
#782
NYT

Uncle Ben's White Rice Converted

10 499

1 lb. bag
No Substitutions
Limit 1 bag
with coupon

Limit 1 coupon per shopping family
Good 'til Sat. night, September 2, 1989
Plus Tax Where Applicable

WALDBAUM'S
#783
NYT

Rice-A-Roni Rice Mixes Ass'd. Var.

2 99¢

5 oz. boxes
No Substitutions
Limit 2 boxes
with coupon

Limit 1 coupon per shopping family
Good 'til Sat. night, September 2, 1989
Plus Tax Where Applicable

WALDBAUM'S
#779
NYT

Creamette Pasta
Ziti • Elbow • Spaghetti • Thin Spaghetti • Rotelle

3 99¢

1 lb. pkg.
No Substitutions
Limit 3 pkgs.
with coupon

Limit 1 coupon per shopping family
Good 'til Sat. night, September 2, 1989
Plus Tax Where Applicable

WALDBAUM'S
#770
NYT

Reg. or Homestyle, 100% Pure Florida Orange Juice

Tropicana Pure Premium

1 69

1/2 gal. cont.
Limit 1 cont.
with coupon
& an add'l \$7.50 purchase
No Substitutions

Limit 1 coupon per shopping family
Good 'til Saturday night, September 2, 1989
Plus tax where applicable

WALDBAUM'S
#778
NYT

Reg., Diet or Caffeine Free Diet Pepsi, Mt. Dew, Mug Root Beer or Cream, Diet Slice, Schweppes Ginger Ale or Rasp. berry Ginger Ale

6 Pac kPepsi or Slice Cans

99¢

12 oz. cans
Limit 1 six pk.
with coupon
& an add'l \$7.50 purchase
No Substitutions

Limit 1 coupon per shopping family
Good 'til Saturday night, September 2, 1989
Plus tax where applicable

WITH COUPON
Great for Barbecues

Van Camp's Pork 'N Beans

3 99¢

1 lb. cans

WITH COUPON
Assorted Varieties Spaghetti

Aunt Millie's Sauce

1 59

26 oz. jar

DAIRY

Assorted Fruit Flavors

Breyers Yogurt

3 \$1

8 oz. conts.
REG. 75¢ ea.

Less Than HALF PRICE

FROZEN

Ass'd. Flavors Reg. or Light

Borden Ice Cream

1 49

half gal. cont.
REG. 2.99

HALF PRICE

Salted or Unsalted Quarters

Land O Lakes Butter

1 99

16 oz. pkg.
REG. 99¢

Regular or Lite

Friendship Sour Cream

99¢

16 oz. cont.

Assorted Varieties

Axelrod Cottage Cheese

99¢

16 oz. cont.

Assorted Varieties

Lender's Bagels

3 1 99

12 oz. pkgs.
REG. 2.99

Waldbaum's

Corn On The Cob

4 ears in pkg. 99¢

Hamburger 1oz., Cheesburger 1oz., French Fries 9oz.

Micro Magic Sale

99¢

1 pkg.

SCHALLER & WEBER
BLACK FOREST
HAM

1⁶⁹

¼ lb.

CABOT VITALAIT
LOW FAT
CHEESE

3⁸⁹

lb.

DAIRY SAVINGS

PHILADELPHIA
CREAM
CHEESE

8 oz.

1²⁹



GROCERY

COKE · DIET COKE
CLASSIC · SPRITE



1⁶⁹

6 -12 oz.

TROPICANA
FRUIT PUNCH or
LEMONADE

64 oz.

1¹⁹



FOLGER'S
COFFEE

3¹⁹

(Not Decaf)
13 oz. can

GRISTEDE'S

EXP. 9/2/89 T

LIMIT 1 PER FAMILY W/ \$7.50 ADD'L PURCHASE

FOLGER'S
COFFEE



2¹⁹

(Not Decaf)
13 oz. can

GRISTEDE'S

EXP. 9/2/89 T

LIMIT 1 PER FAMILY W/ \$7.50 ADD'L PURCHASE

PEPSI
DIET PEPSI · PEPSI FREE



79¢

2 liter

EFFECTIVE THROUGH SEPT. 2, 1989 ONLY IN THE STORES LISTED.
Illustrations are for design purposes and may not represent actual sale
item. Not responsible for typographical errors. We reserve the right to
limit items to 3 per customer. By law, cigarettes, beer, or postage stamps
may not be counted for \$7.50 coupon requirement.

See the PI
for the free
Nintendo

SWEET · JUICY · RIPE
CANTALOUPE
MELONS

39¢
lb.

SWEET · JUICY · RIPE
HONEYDEW
MELONS

39¢
lb.

SAVINGS

WISE'
POTATO CHIPS

99¢
6½ oz.



FROZEN

ELAN
FROZEN
YOGURT

Pint 1⁹⁹



CANADA DRY
MIXERS

79¢
1 liter

LENDER'S
REGULAR
BAGELS



12 oz. 89¢

GRISTEDES

EXP. 9/2/89 T
LIMIT 1 PER FAMILY W/ \$7.50 ADD'L PURCHASE

BRAWNY
TOWELS

59¢
70 sheet
roll



GRISTEDES

EXP. 9/2/89 T
LIMIT 1 PER FAMILY W/ \$7.50 ADD'L PURCHASE

TROPICANA
ORANGE JUICE

1⁹⁹
PURE PREMIUM
64 oz.



EPSI display
drawing for
cartridges!

WESTCHESTER: • CHAPPAQUA No. Greeley Ave. • PELHAM MANOR Boston Post Rd.
• HARTSDALE E. Hartsdale Ave. • SCARSDALE Wilmot Rd. • SOMERS Route 100 & 102
LONG ISLAND: • ROSLYN Glen Cove Road • LOCUST VALLEY Birch Hill Road
• PORT JEFFERSON Arden Place • SOUTH HAMPTON Nugent St.

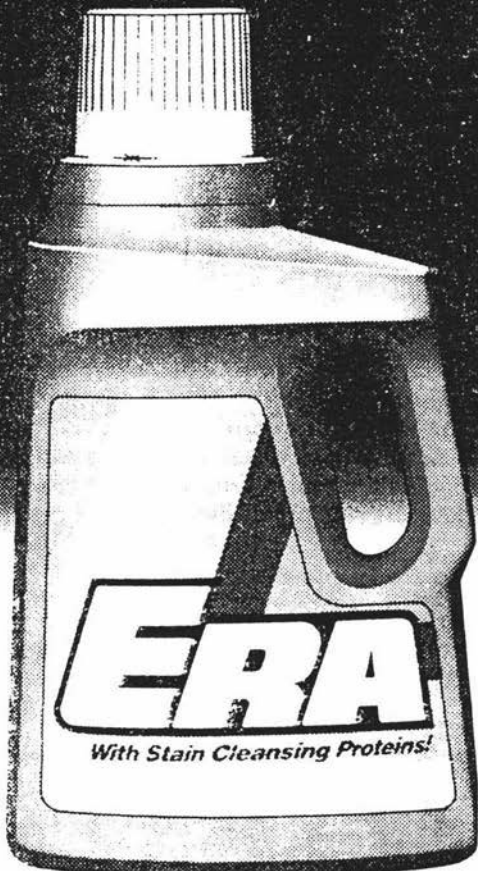
VALASSIS

COUPON VALUES

VALASSIS

SAVE \$1.00

Era with stain cleansing proteins tackles many tough stains!



MANUFACTURER COUPON EXPIRES 9/30/89

SAVE \$1.00

when you buy
Four 16 oz.
or One any
larger size



CONSUMER Redeem **ONLY** by purchasing the brand size(s) indicated. May not be reproduced. Void if transferred to any person, firm or group prior to store redemption. You pay any sales tax. Any other use constitutes fraud. **LIMIT ONE COUPON PER PURCHASE.**

DEALER Send no coupons to Procter & Gamble, 2750 Sunnybrook Drive, Cincinnati, Ohio 45237. Signifies compliance with Requirements for Proper Coupon Redemption. Low available by writing to the above address. 8908

\$1.00



PROCTER & GAMBLE

83245

83245

#

Price-Cutters[®]

#1 IN DISCOUNT SALES

WITH THIS P.C. COUPON



DRAMBUIE
LIQUEUR
2129
750 ml

EXPIRES 9/5/89

WITH THIS P.C. COUPON



SMIRNOFF
VODKA 80°

Our Price.....16.99
Mfg. Rebate.....2.00
After
Mail-in
Rebate **1499**
1.75 Liter

EXPIRES 9/5/89

WITH THIS P.C. COUPON



BACARDI
RUM
999
1 Liter

EXPIRES 9/5/89

WITH THIS P.C. COUPON



GILBEYS
GIN
839
1 Liter

EXPIRES 9/5/89

WITH THIS P.C. COUPON



DON Q
CRISTAL RUM
Our Price.....14.99
Mfg. Rebate.....5.00
After
Mail-in
Rebate **999**
1.75 Liter

EXPIRES 9/5/89

WITH THIS P.C. COUPON



FLEISCHMANN'S
VODKA 80°
499
750 ml

EXPIRES 9/5/89

WITH THIS P.C. COUPON



GRAND
MARNIER
CORDON ROUGE
2549
750 ml

EXPIRES 9/5/89

WITH THIS P.C. COUPON



DEWAR'S
WHITE LABEL
SCOTCH
1699
1 Liter

EXPIRES 9/5/89

WITH THIS P.C. COUPON



HIRAM WALKER
JUBILEE PEACH
SCHNAPPS
Our Price.....6.95
Mfg. Rebate.....2.00
After
Mail-in
Rebate **495**
1 Liter

EXPIRES 9/5/89

WITH THIS P.C. COUPON



BOOTH'S
GIN
1489
1.75 Liter

EXPIRES 9/5/89

Contains Vitamins A&C Plus Iron, From Local Farms

Romaine Lettuce lb. 49¢

High In Vitamins A&C, California

Vine Ripe Tomatoes lb. 89¢

High In Vitamin C, California

Green Peppers lb. 89¢

Low In Sodium, Contains Vitamins B&C,
From Local Farms

Yellow Corn 5 for \$1.00

Tender Grade "A" Chickens Deep Fried In Our Own
Special Batter, Southern Style

Fried Chickens \$3.19

All White Meat, Sliced to Order

Chicken Breast lb. \$2.09

Low Calorie, Low Sodium
Potato Salad, Macaroni Salad or

Cole Slaw lb. 99¢

Great With Dips, Plain, Low Salt or With Cheese

Nacho Chips 12 oz. pkg. \$1.29

...just for you!

With this coupon and an additional
purchase of \$7.50 or more, excluding beer & cigarettes
Assorted Varieties, Regular or Light, Dolly Madison

Ice Cream

one **\$1.99**
64 oz.
cont.

Good Sun., Aug. 27
thru Sat., Sept. 2, 1989
Limit one coupon per family.

*The Food
Emporium*

737

...just for you!

With this coupon and an additional
purchase of \$7.50 or more, excluding beer & cigarettes
Hebrew National All Beef, Knockwurst or

Kosher Franks

one **\$1.59**
12 oz.
pkg.

Good Sun., Aug. 27
thru Sat., Sept. 2, 1989
Limit one coupon per family.

*The Food
Emporium*

741

...just for you!

With this coupon and an additional
purchase of \$7.50 or more, excluding beer & cigarettes
Red Bag Only, Eight O'Clock

Bean Coffee

one **\$1.99**
16 oz.
pkg.

Good Sun., Aug. 27
thru Sat., Sept. 2, 1989
Limit one coupon per family.

*The Food
Emporium*

732

...just for you!

With this coupon and an additional
purchase of \$7.50 or more, excluding beer & cigarettes
Squeeze

Heinz Ketchup

one **89¢**
28 oz.
btl.

Good Sun., Aug. 27
thru Sat., Sept. 2, 1989
Limit one coupon per family.

*The Food
Emporium*

730

The Food Emporium™
...Just For You!



Prices effective Sun. August 27 to Sat. Night, Sept. 2, 1989 at these locations:

APPENDIX 3.3

Sample Copies of Canadian Coupons

MBIE

RIZ
UNCLE BEN'S
SACHETS CUISSON.
BTE 400 g

1.59



CROUSTILLES RUFFLES,
DULAC, FRITOS,
DORITOS
SAVEURS VARIÉES.
SAC 200 g



Regular
Nature

1.29
avec
coupon

1.49
sans coupon

VALEUR
DE 20¢

A l'achat de
CROUSTILLES RUFFLES,
DULAC, FRITOS, DORITOS
saveurs variées, sac 200 g à 1.49\$
Valable du 28 août au 2 septembre 1989 chez Mé-
tro seulement. Limite: 1 coupon par client. Au de-
tailleur: pour être remboursé, veuillez retourner
vos coupons à: H.A. Watts, C.P. 2140, Toronto, Ont.
M5W 1R1. H.A. Watts vous remboursera 20¢ plus
les frais de manutention. #487

BISCUITS VIAU
VOGUE 450 g, WHIPPET 400 g, ROYAL
OU VILLAGE 500 g



2.29
avec
coupon

2.69
sans coupon

VALEUR
DE 40¢

A l'achat de
BISCUITS VIAU
Vogue 450 g, Whippet 400 g, Royal ou
Village 500 g à 2.69\$
Valable du 28 août au 2 septembre 1989 chez Mé-
tro seulement. Limite: 1 coupon par client. Au de-
tailleur: pour être remboursé, veuillez retourner
vos coupons à: A.C. Nielsen C.P. 3000, St-Leon, N.B.
E2L 4L3. A.C. Nielsen vous remboursera 40¢ plus
les frais de manutention. #1400838

VINAIGRE
ALLEN'S CANADA
POUR MARINADES OU BLANC PUR, CONT. 4 L



MARINADES VARIÉES BICK'S
8 VARIÉTÉS, FORMAT BONI 1 L



BOUILLON CONCENTRÉ
BOVRIL
BOEUF, POULET, LÉGUMES, BOUT. 250 mL



SACS À ORDURES GLAD
POUR L'EXTÉRIEUR, PAQUET 10



SACS À ORDURES GLAD
KITCHEN CATCHERS, PAQUET 12



PELLICULE PLASTIQUE
SARAN WRAP
FORMAT JUMBO, ROULEAU DE 30 M



VITE PRÊTS POUR LES ÉCOLIERS...

SOUPE HABITANT

LEGUMES MINISTRONE, POIS, POULET NOUILLES, POULET RIZ, TOMATES VERMICELLE, BTE 227 mL

5/1,99

PETITS GÂTEAUX STUART

MAY V.E.S.T. CROQUETTES BTE 6, ROULES SUISSES BTE 16

1,89

BOISSON FRUITÉ

RAISINS, ORANGE, FRUITS, FLAMINGO, FRUITS TROPICAUX, LIMONADE KIWIS, CONT. 2 L

1,49



COLLATION AUX FRUITS FRUITINA

SAVEURS VARIÉES, PAQUET 3/115 g

1,39 sans coupon
1,19 avec coupon

VALEUR DE 20¢

COLLATION AUX FRUITS FRUITINA

saveurs variées, paquet 3/115 g à 1,39\$
Valable du 28 août au 2 septembre 1989 chez Metro seulement. Limite: 1 coupon par client. Au détaillant: pour être remboursé, veuillez retourner vos coupons à: A.C. Nielsen, C.P. 3000, St-Jean, N-B E2L 4L3, A. L'assonade vous remboursera 20¢ plus les frais de manutention.



BOISSON AUX FRUITS ROUGEMONT

5 VARIÉTÉS, PAQUET 3/250 mL

89¢

BOISSON LACTÉE JUTEL

RAISIN, ORANGE, FRAISE, PAQUET 3/200 mL

1,09



DÎNER HEINZ

SPAGHETTI 355 mL, SPAGHETTI BOULETTES DE VIANDE, SPAGHETTI BOEUF 432 g

99¢



PÂTE À SANDWICH CORDON BLEU

FOIE JAMBON-VEAU-BACON-LANGUE, JAMBON-VEAU-TOMATE, VIANDES, VEAU-PORC-POULET, BTE 55 g

79¢



POUDING MOMENTS MAGIQUES

LEGER 4 VARIÉTÉS, ORDINAIRE 10 VARIÉTÉS, PAQUET 4/142 g

1,99



ESSUIE-TOUT
SCOTTOWELS PLUS
2 roul.

1,99



GÂTEAUX
Jos Louis, carrés feuilletés
(6), caramel ou doigts de
dame (12)
VACHON
ch.

1,69



Le Supermarchand de Provigo.

ARACHIDES
B.B.Q., blanchies
salées, non salées
ou espagnoles
salées
KRISPY KERNELS
400 g

1,89

EAU
DE SOURCE
CRISTALLINE
4 litres

1,29

COCA-COLA
ou SPRITE
régulier ou diète
bouteilles consignées
2 litres

1,79

ÉCONOMISEZ, 40 avec ce coupon et à l'achat de

25'
REYNOLDS
Foil - Papier d'aluminium

25'
REYNOLDS
Papier d'aluminium

1,39 sans coupon
99 avec coupon

PAPIER
D'ALUMINIUM 12"
REYNOLDS
7,6 m

LIMITE UN COUPON
PAR CLIENT

DU 28 AOÛT AU
2 SEPTEMBRE 1989.

Pour remboursement de la valeur du coupon plus
les frais de manutention, postez à: Redemco,
C.P. 128, Longueuil, Qc J4K 4X8

1500159

ÉCONOMISEZ, 20 avec ce coupon et à l'achat de

1,59 sans coupon
1,39 avec coupon

CRUSTILLES
Ruffles
FRITO LAY
200 g

LIMITE UN COUPON
PAR CLIENT

DU 28 AOÛT AU
2 SEPTEMBRE 1989.

Pour remboursement de la valeur du coupon plus
les frais de manutention, postez à: H.A. Watts,
C.P. 2140, succursale A Toronto,
Ontario, M5W 1H1.

S-471

1,89

FROMAGE
Mini Bonbel, Mini
Babybel ou
Mini Gouda
ANCO
110 g

APPENDIX 3.4

Sample Copies of New Zealand Coupons

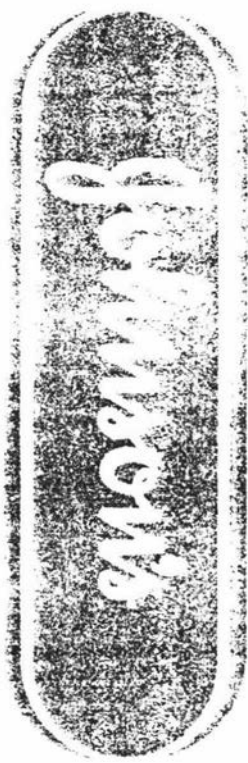




SAVE
50c
 Gillette Gillette



SAVE
50c
 Gillette Gillette



normal hair
 Gillette Gillette
 375 ml.

...NEW,

INTRODUCTORY
TRIAL
SACHETS

from the world's
most trusted name
in family care products



At last! A hair care range designed for all the family and backed up by the quality and trust of the Johnson's Brand.

Formulated using only pure and mild ingredients, Johnson's Family Shampoo and Conditioner are gentle enough to use every day. Johnson's Family Shampoo leaves your family's hair looking healthy, shiny and cared for, while Family Conditioner allows tangle free combing and extra manageability.

Trust new Johnson's Family Shampoo and Conditioner to care for your family's hair!

Johnson + Johnson*
TRADE MARK © J & J 1989

TO THE CUSTOMER:

This coupon entitles you to a 50c saving off the shelf price of Johnson's Family Shampoo. This coupon must be redeemed in front of the retailer. Only one coupon per purchase may be redeemed.

Name: _____

Address: _____

Ph: _____

TO THE RETAILER:

Provided this coupon is redeemed in accordance with the customer offer, full reimbursement plus normal handling fee will be paid. Send coupon to:

CPC, Private Bag, Auckland

CPC 16071

TRADE MARK © J & J 1989

TO THE CUSTOMER:

This coupon entitles you to a 50c saving off the shelf price of Johnson's Family Conditioner. This coupon must be redeemed in front of the retailer. Only one coupon per purchase may be redeemed.

Name: _____

Address: _____

Ph: _____

TO THE RETAILER:

Provided this coupon is redeemed in accordance with the customer offer, full reimbursement plus normal handling fee will be paid. Send coupon to:

CPC, Private Bag, Auckland

CPC 16072

TRADE MARK © J & J 1989

See over for savings coupons on your 375ml packs of Johnson's Family Shampoo & Conditioner. Redeemable at your favourite stockist.



BELL TEA
250g
 Redeemable only at
 New World.
 One product per
 coupon.
 Price valid from
 2/7/90 to 4/8/90.

2.05
 WITH COUPON



9016 **NEW WORLD COUPON** **PAGE 16**




9 914982 020189

This coupon is only redeemable at New World
 Supermarkets. Wellington • Wairarapa • Taranaki •
 Manawatu • Wanganui • Hawkes Bay
 Valid until 4/8/90

9015 **NEW WORLD COUPON** **PAGE 15**

NW

**FREE 'N LOVELY
SHAMPOO OR
CONDITIONER
200ml**

Redeemable only at
New World.
One product per
coupon.
Price valid from
15/1/90 to 17/2/90.

3.25

WITH COUPON



9162 **NEW WORLD COUPON** **PAGE 162**

NW

**COUNTRY
BAKE
CRUMPETS 6's**

Redeemable only at
New World.
One product per
coupon.
Price valid from
2/7/90 to 4/8/90.

.70

WITH COUPON



9048 **NEW WORLD COUPON** **PAGE 48**

NW

**EMMA SLICED
MUSHROOMS
IN SAUCE
220g**

Redeemable only at
New World.
Two products
per coupon.
Price valid from
2/7/90 to 4/8/90.

**2 FOR
1.75**

WITH COUPON



9091 **NEW WORLD COUPON** **PAGE 91**

4 FOUR SQUARE DISCOUNT



STEELO ECONOMY SOAP PADS
10'S
2.45



BLUEBIRD POTATO CHIPS
160g/180g/200g
1.95



MARS BARS
60g/70g
3 FOR 1.95

CLIP COUPONS AND SAVE!



MR.

COUPON



INKA COFFEE SUBSTITUTE
150g
2.95

1 per Coupon & 1 Coupon per customer
Valid Week Commencing 3rd September 1990

826 FOUR SQUARE & DISCOUNT GROUP F

COUPON



HANSELLS MICROMAGIC POPCORN 75g
1.10

1 per Coupon & 1 Coupon per customer
Valid Week Commencing 3rd September 1990

827 FOUR SQUARE & DISCOUNT GROUP F

COUPON



RARO INSTANT BREAKFAST DRINK 100g
3 FOR 1.25

3 per Coupon & 1 Coupon per customer
Valid Week Commencing 3rd September 1990

828 FOUR SQUARE & DISCOUNT GROUP F

COUPON

2 per Coupon & 1 Coupon per customer

2 FOR
ATLANTIC KING SARDINES IN OIL 100g

2.20

Valid Week Commencing 3rd September 1990

829 FOUR SQUARE & DISCOUNT GROUP F

COUPON

1 per Coupon & 1 Coupon per customer

REVLON FLEX SHAMPOO/CONDITIONER 350ml

2.65

Valid Week Commencing 3rd September 1990

830 FOUR SQUARE & DISCOUNT GROUP F

COUPON

1 per Coupon & 1 Coupon per customer

PAMS AMAZE DISHWASH LIQUID 900ml

1.70

Valid Week Commencing 3rd September 1990

834 FOUR SQUARE & DISCOUNT GROUP F

COUPON

2 per Coupon & 1 Coupon per customer

2 FOR
PAMS SWEETENED PINEAPPLE 430g

1.65

Valid Week Commencing 3rd September 1990

835 FOUR SQUARE & DISCOUNT GROUP F

COUPON

1 per Coupon & 1 Coupon per customer

POOLS CHOW CHOW/PICCALLI 400g

1.65

Valid Week Commencing 3rd September 1990

839 FOUR SQUARE & DISCOUNT GROUP F

COUPON

1 per Coupon & 1 Coupon per customer

BELL TEA BAGS 100's

2.45

Valid Week Commencing 3rd September 1990

840 FOUR SQUARE & DISCOUNT GROUP F

COUPON

2 per Coupon & 1 Coupon per customer

WATTIES BAKED BEANS/SPAGHETTI/SPAGHETTI WITH EXTRA CHEESE 440g

2 FOR
2.35

Valid Week Commencing 3rd September 1990

844 FOUR SQUARE & DISCOUNT GROUP F

COUPON

1 per Coupon & 1 Coupon per customer

PAMS AUSTRALIAN SULTANAS 400g

1.45

Valid Week Commencing 3rd September 1990

845 FOUR SQUARE & DISCOUNT GROUP F

COUPON

1 per Coupon & 1 Coupon per customer

JUST JUICE FRUIT JUICES 1L

1.50

Valid Week Commencing 3rd September 1990

849 FOUR SQUARE & DISCOUNT GROUP F

COUPON

1 per Coupon & 1 Coupon per customer

CANTERBURY OATY BARS 250g

2.15

Valid Week Commencing 3rd September 1990

850 FOUR SQUARE & DISCOUNT GROUP F

COUPON

1 per Coupon & 1 Coupon per customer

PAMS BEEF FOR DOGS 680g

1.40

Valid Week Commencing 3rd September 1990

854 FOUR SQUARE & DISCOUNT GROUP F

COUPON

1 per Coupon & 1 Coupon per customer

GRIFFINS MALLOWPUFFS 200g

1.65

Valid Week Commencing 3rd September 1990

855 FOUR SQUARE & DISCOUNT GROUP F

WITH COUPON



Hudson Shrewsbury
250g

Limit one per coupon

REDEEMABLE ONLY AT FOUR SQUARE & DISCOUNT GROUP STORES 7/11/88 TO 3/12/88

FOUR SQUARE and DISCOUNT GROUP

1.09

C.O.U.P.O.N.

55

SEASONS GREETINGS SEASONS GREETINGS



Hudson Chocolate Chippies
250g

Limit one per coupon

REDEEMABLE ONLY AT FOUR SQUARE & DISCOUNT GROUP STORES 7/11/88 TO 3/12/88

FOUR SQUARE and DISCOUNT GROUP

99¢

C.O.U.P.O.N.

56

coupon



Hudson Toffee Pops
200g

Limit one per coupon

REDEEMABLE ONLY AT FOUR SQUARE & DISCOUNT GROUP STORES 7/11/88 TO 3/12/88

FOUR SQUARE and DISCOUNT GROUP

1.39



C.O.U.P.O.N.

57

2 Kentucky Fried Chicken

Works Burgers

\$6.50

Incl. GST.

PLU1



This coupon is redeemable at any Kentucky Fried Chicken store. One pack per coupon. Offer closes 9 July 1989. Not to be used in conjunction with any other offers.

2 Original Chicken Fillet Burgers with Large Chips

\$7.95

Incl. GST.

PLU3



This coupon is redeemable at any Kentucky Fried Chicken store. One pack per coupon. Offer closes 9 July 1989. Not to be used in conjunction with any other offers.

6 Pieces of Kentucky Fried Chicken with Large Chips

\$10.95

Incl. GST.

PLU6



This coupon is redeemable at any Kentucky Fried Chicken store. One pack per coupon. Offer closes 9 July 1989. Not to be used in conjunction with any other offers.

8 Pieces of Kentucky Fried Chicken

\$11.50

Incl. GST.

PLU7



This coupon is redeemable at any Kentucky Fried Chicken store. One pack per coupon. Offer closes 9 July 1989. Not to be used in conjunction with any other offers.

APPENDIX 4

Readership Data for the New Zealand Women's Weekly

TARGET: MAIN HOUSEHOLD SHOPPERS

TITLE COMBINATIONS								COST FPC	TARPS	CP TARP	AV FREQ	CUMULATIVE FREQUENCY DIST							
WW	WD	NZL	AWW	MR	NAS	AKM	NI					1-	2-	3-	4-	5-	6-	7-	8-
8 (Cume Pack)								27,200	226	121	3.3	66	56	46	35	18			
1	1	1	1	1	1	1	1	46,410	241	193	3.0	82	61	44	29	15	7	2	1
-	-	4	-	-	-	-	-	33,040	143	231	2.8	52	41	33	18				
-	-	-	-	-	-	-	7	25,200	188	134	3.8	49	40	34	27	21	13	5	
TYPICAL ACP GROUP COMBINATIONS																			
-	6	-	-	-	-	-	-	25,080	169	148	3.6	47	39	32	25	17	9		
-	-	-	4	-	-	-	-	29,000	196	148	2.9	68	58	43	27				
-	2	-	3	-	-	-	-	31,000	203	153	2.8	72	59	41	21	10			
-	1	-	3	-	-	-	-	26,600	175	152	2.5	70	54	36	14				
-	4	-	-	-	-	-	-	17,600	113	156	2.6	44	34	23	12				
-	1	-	1	1	1	1	-	27,550	134	206	2.0	67	40	18	7	2			
-	1	-	1	1	1	-	-	22,250	120	185	1.8	66	37	14	3				
-	-	-	1	1	1	1	-	23,150	106	218	1.7	62	28	12	4				
-	4	-	1	-	-	-	-	25,000	162	154	2.6	63	40	30	20	8			
-	4	-	1	1	-	-	-	31,300	188	166	2.8	68	47	34	23	12	3		
-	4	-	1	1	1	-	-	35,450	204	174	2.9	70	51	37	25	14	5	1	
-	4	-	1	1	1	1	-	40,750	218	187	3.1	71	53	40	28	16	7	3	1

SOURCE: AGB McNair #1, 1990

TARGET: ALL WOMEN 20+

TITLE COMBINATIONS								COST FPC	TARPS	CP TARP	AV FREQ	CUMULATIVE FREQUENCY DIST							
WW	WD	NZL	AWW	MR	NAS	AKM	NI					1+	2+	3+	4+	5+	6+	7+	8+
8 (Cume Pack)								27,200	238	114	3.3	72	61	49	37	20			
1	1	1	1	1	1	1	1	46,410	252	184	3.0	84	65	47	30	16	7	3	1
-	-	4	-	-	-	-	-	33,040	142	233	2.7	52	41	31	18				
-	-	-	-	-	-	-	7	25,200	201	125	3.8	52	44	35	29	22	14	6	
TYPICAL ACP GROUP COMBINATIONS																			
-	6	-	-	-	-	-	-	25,080	182	138	3.5	51	41	34	27	18	10		
-	-	-	4	-	-	-	-	29,000	206	141	2.9	71	61	46	29				
-	2	-	3	-	-	-	-	31,000	215	144	2.9	75	62	45	23	11			
-	1	-	3	-	-	-	-	26,600	185	144	2.5	73	57	40	15				
-	4	-	-	-	-	-	-	17,600	121	145	2.5	48	36	24	13				
-	1	-	1	1	1	1	-	27,550	140	197	2.0	70	42	19	7	2			
-	1	-	1	1	1	-	-	22,250	126	177	1.8	69	39	14	3				
-	-	-	1	1	1	1	-	23,150	110	210	1.7	64	30	12	4				
-	4	-	1	-	-	-	-	25,000	173	145	2.6	67	43	32	20	10			
-	4	-	1	1	-	-	-	31,300	200	157	2.8	72	51	35	24	14	4		
-	4	-	1	1	1	-	-	35,450	216	164	2.9	74	55	39	26	15	6	2	
-	4	-	1	1	1	1	-	40,750	231	176	3.1	75	57	42	29	17	8	3	1

SOURCE: AGB McNair #1, 1990

TARGET: ALL WOMEN 20 - 39

TITLE COMBINATIONS								COST FPC	TARPS	CP TARP	AV FREQ	CUMULATIVE FREQUENCY DIST							
WW	WD	NZL	AWW	MR	NAS	AKM	NI					1-	2-	3-	4-	5-	6-	7-	8-
8 (Cume Pack)								27,200	238	114	3.2	74	82	48	35	20			
1	1	1	1	1	1	1	1	46,410	260	179	3.0	85	66	49	33	16	7	3	1
-	-	4	-	-	-	-	-	33,040	137	241	2.6	52	39	30	16				
-	-	-	-	-	-	-	7	25,200	197	128	3.7	53	44	35	27	21	13	4	
TYPICAL ACP GROUP COMBINATIONS																			
-	6	-	-	-	-	-	-	25,080	185	136	3.6	52	43	34	27	19	10		
-	-	-	4	-	-	-	-	29,000	219	132	2.9	76	65	49	30				
-	2	-	3	-	-	-	-	31,000	226	137	2.9	78	67	46	23	13			
-	1	-	3	-	-	-	-	26,600	195	136	2.5	77	61	40	17				
-	4	-	-	-	-	-	-	17,600	123	143	2.5	49	35	26	13				
-	1	-	1	1	1	1	-	27,550	150	184	2.0	73	47	21	8	2			
-	1	-	1	1	1	-	-	22,250	135	165	1.9	73	44	15	3				
-	-	-	1	1	1	1	-	23,150	119	195	1.7	68	34	13	4				
-	4	-	1	-	-	-	-	25,000	178	140	2.6	69	45	32	23	9			
-	4	-	1	1	-	-	-	31,300	214	146	2.8	76	55	38	27	15	4		
-	4	-	1	1	1	-	-	35,450	227	156	2.9	77	58	41	28	16	5	2	
-	4	-	1	1	1	1	-	40,750	242	168	3.1	78	61	44	31	18	7	3	1

SOURCE: AGB McNair #1, 1990

- C** To qualify for meaningful discounts in other publications you need to make huge annual dollar commitments. But with the new NZ Woman's Weekly Cume Pack you only need to commit to \$27,200.00 to get one free ad for every four you buy**.
- C** Cume Pack gives more performance punch per dollar spent than our most cost effective competitors. These tables provide analysis against our three most commonly bought demographics and typical competitive options from: NZ Listener, New Idea and the ACP Stable - Australian Woman's Weekly, Woman's Day, More, North & South and Metro.
- C** NZ Woman's Weekly Cume Pack builds high cumulative reach faster than any other magazine in New Zealand. You simply don't need a host of magazine titles to do the job!
- C** If your campaign calls for high nett reach, high effective reach and superior cost efficiency use NZ Woman's Weekly Cume Pack first. You'll soon see that our competitors have very little extra performance to offer.
- C** With NZ Woman's Weekly Cume Pack you can meet today's volatile and competitive market head-on. Just one call to your NZ Woman's Weekly representative will buy an unbeatable single title performance package - The NZ Woman's Weekly Cume Pack - Dollar for Dollar it can't be beaten!
- C** For more information contact: Wendy Bloxham in Auckland (09 688-105), Eileen Thompson in Wellington (04 853-310), Parplan in Sydney (02-922-2677).

** Buy four ads within two calendar months for a specific product or campaign and qualify for one free ad in the following calendar month (date of free ad to be announced at time of booking). Cume Pack is an alternative to standard rate card discounts.

APPENDIX 5

Weekly Sales Measurements During the Experiment

Drive Sales in Units

	1	2	3	4	5	6	7	8
Northern	22900	19200	25100	24400	24600	22100	22100	20300
Central	11200	9800	11900	11100	11400	9800	11000	9600
Southern	15100	14300	11300	9700	10200	9500	10000	9200

Craig's Jams in Units

	1	2	3	4	5	6	7	8
Northern	12000	10666	16533	21333	14400	14133	13866	12266
Central	8800	7200	9866	6133	8266	6933	7200	7733
Southern	5600	5333	7200	6400	6400	5066	6133	6400

Aim Tubes in Units

	1	2	3	4	5	6	7	8
Northern	5300	11365	2809	3523	4388	3140	4283	2996
Central	3094	3442	3326	1694	2265	1962	3257	1668
Southern	883	1382	1962	1097	1177	2408	2034	1018

APPENDIX 6

Instruction Sheets for Omnibus Survey Interviewers

April 1990

OMNIBUS INTERVIEWER NOTES

Please read these notes before you start interviewing

1. You must have an introduction or initial approach to respondents that you feel comfortable with. This usually means something in your own words. However, you may use the following approach if you think you would feel more confident with it.

"Hello, I'm _____ from Massey University. I'm working on a study for the Marketing Department and I'd like to interview someone in your household. I need to talk to the person 15 years of age or older whose birthday is due next?"

IF RESPONDENT NOT AVAILABLE OR TIME INCONVENIENT FOR RESPONDENT

"When would be convenient to call back and speak to him/her?"

RECORD DAY AND TIME IN CALL SHEET

"And who should I ask for?" RECORD NAME ON CALL SHEET.

2. If you need to prove that you are a bonafide interviewer, show the letter we've provided to the respondent. Remember to get the letter back!
3. Before you begin interviewing the general public, please conduct a practice interview using the draft questionnaire given out in class. Interview a flatmate, relative etc.
4. Before you do anything else, turn to page 7 and 8. You will see three versions of Q15 - you only need to ask one version of Q15 being that one which matches the coupon (Budget Buster) in your package. So match the coupon to the appropriate question and put a line through the two redundant Q15's on each of your questionnaires.
5. There are two versions of the questionnaire, version 1 (white), version 2 (blue). You will receive either 4 version 1's or 4 version 2's.
6. Remember that BLOCK CAPITALS instruct you to do something eg. DO NOT PROMPT OR READ (LIST) or CODE AS MANY AS APPLY etc.
7. Please use a blue, red or green pen when interviewing - it is much easier to read than a black pen.
8. Please ensure all parts of a question are completed - quite often there are several parts (a, b, c, d etc).
9. At Q11, for version 1 questionnaires, you read from top to bottom. For version 2 at Q11, you read the statements from

bottom to top.

10. Q15 - remember to match your coupon with the appropriate version of Q15.
11. Muesli Bar Section beginning at Q24 needs special care. We are trying to put people into three broad groups:
 - those who have never eaten snak logs
 - those who have eaten snak logs but not in the last 4 weeks
 - those who have eaten snak logs in the last 4 weeks.

Once we have found out this information, each group of respondent has its own questions to answer on Snak Logs. The set of questions each respondent gets depends on his/her answers to Q25. For instance,

- * If muesli bars (which include Snak Logs) have never been bought go to Q32.
- * If Snak Logs never been bought please go to Q32 too.
- * If Snak Logs been bought before BUT NOT in last 4 weeks go to Q30.
- * If Snak Logs been bought in the last 4 weeks go to Q27b.

Just take this section slowly - it flows OK in the interview - believe me!

12. Eating out at restaurants section beginning at Q35. Points to note:
 - Q35 c) Only asked if House of Pierrot not been mentioned freely by respondent
 - Q35 d) Only asked if people know of the House of Pierrot in Q35 a), b), or c).
 - Q35 f) If no favourite restaurant named then skip Q36 and Q37.
 - Q39 Divides people into those who have eaten out at "sit down restaurants" twice a year or more and those who haven't. Only the former get asked Q40-42.
 - Q41 b) Only asked of those "ever eaten at House of Pierrot" - this question on "ever eaten" there has been asked before but it pay to check again.
 - Q42 b) Likewise with Periwinkles - only those who have dined there before get asked about Periwinkles.
13. Woolworths Ad (Q45) - ask Q45 a) and b) in the top version for your first and third interviews and in the bottom version for your second and 4th interviews.
14. Remember that, if the respondent seems at all reluctant to answer a question, you can assure them that their answers will remain strictly confidential.
15. Time completed P25: use 24 hour clocks eg. 1800

APPENDIX 7

Sample Questionnaire for the 1990
Palmerston North Omnibus Survey

MASSEY UNIVERSITY
 DEPARTMENT OF MARKETING
 PALMERSTON NORTH HOUSEHOLD OMNIBUS
 April 1990

STATEMENT OF CONFIDENTIALITY MUST BE READ TO RESPONDENT

"Before we start, I want to assure you that this interview is confidential and completely voluntary. If we should come to any question you don't want to answer, just let me know and we'll go on to the next question".

RECORD EXACT TIME NOW:

SHOPPING

First I'd like to ask you some questions about shopping.

- Are you responsible for most of the grocery or supermarket shopping in your household?

Yes 1
 Share responsibility with someone else.. 2
 No 3 ---> GO TO Q24,
 PAGE 10

- Which shop or supermarket do you usually buy most of your food and groceries at?

CLARIFY WHICH NEW WORLD IF MENTIONED

Cutprice Store 1
 Foodtown..... 2
 Melodys New World (cnr Albert & Broadway) ... 3
 New World (Pioneer Highway) 4
 Pak n' Save 5
 Woolworths 6
 Other 7

FOOD AND NUTRITION

Now some questions on food and nutrition.

Many packaged foods have their ingredients and additives listed on the outside of the package, and some list the nutritional value of the food (e.g. say how many calories the food contains).

3. SHOWCARD A V1

Using this card, can you please tell me how important is it for you to know what the ingredients and additives are in the food you buy?

- Very important 1
- Important.....2
- Neither important
nor unimportant.....3
- Unimportant.....4
- Not at all important5
- Don't Know/Not Sure6

(Not on card)

4. What ingredients and additives come to mind when you think about nutritional information? DO NOT PROMPT, CODE AS MANY AS APPLY.

- Additives 1
- Artificial colouring..... 1
- Artificial sweeteners..... 1
- Carbohydrate 1
- Cholesterol 1
- Energy content 1
- Fat content 1
- Fibre content 1
- Preservatives 1
- Protein 1
- Minerals 1
- Residues (sprays/chemicals) 1
- Salt 1
- Saturated fats 1
- Starch 1
- Sugar 1
- Sweeteners (general) 1
- Vitamins 1

Other (please specify) _____

Don't Know 1

5. When you buy your groceries, do you ever read the label on the outside of the packages to see what the ingredients or additives are, or how many calories the products contain?

- Yes 1
- No 2 -----> GO TO Q 9, PAGE 5

6. a) For what types of food do you personally check the labels to see what the ingredients are? DO NOT PROMPT, CODE AS MANY AS APPLY IN COLUMN A.

b) SHOWCARD B

Here is a list of different types of food. Which of these do you also check labels for? CODE AS MANY AS APPLY IN COLUMN B.

	A UNPROMPTED	B PROMPT
Babyfood	1	2
Baking products	1	2
Beverages	1	2
Biscuits/cookies	1	2
Breakfast cereals	1	2
Cakes	1	2
Confectionery	1	2
Dairy products (yoghurt, cream cheese etc.)...	1	2
Desserts	1	2
Ethnic foods	1	2
Food flavouring	1	2
Health foods	1	2
Jams and spreads	1	2
Oils and fats	1	2
Packaged meals	1	2
Preserved meats	1	2
Sauces	1	2
Seasonings	1	2
Snack food	1	2
Soups	1	2
Specialty foods (deli)	1	2
Tinned goods	1	2
Other (Please specify) _____		

ENSURE YOU HAVE ASKED Q6(b).

7. Now, what is your main reason for looking at information on labels?

CODE ONLY ONE

A member of my household is on a strict diet.....	1
A member of my household is allergic to certain ingredients	2
I am interested in knowing what I am eating	3
For preventative health reasons	4
So I can compare the quality of different brands	5
Other (Please Specify) _____	

8. a) When you read the label, on a product, which particular ingredients and additives are you looking for? DO NOT PROMPT, CODE AS MANY AS APPLY IN COLUMN A.

b) SHOWCARD C

Here is a list of things that could be printed on the pack. Which of these do you think should be listed. Choose only those that you think would be useful to you or the people you shop for. CODE AS MANY AS APPLY IN COLUMN B

	A Unprompted	B PROMPT
Additives.....	1	2
Artificial colouring	1	2
Artificial sweeteners.....	1	2
Carbohydrate	1	2
Cholesterol	1	2
Energy content	1	2
Fat content	1	2
Fibre content	1	2
Preservatives	1	2
Protein	1	2
Minerals	1	2
Residues (sprays/chemicals)	1	2
Salt	1	2
Saturated fats	1	2
Starch	1	2
Sugar	1	2
Sweeteners (general)	1	2
Vitamins	1	2
Other (Please Specify) _____		

9. SHOWCARD C AGAIN

Version 1

Which one of these food elements do you consider to be:

- (a) the most healthy? CODE ONE ONLY IN 'HEALTHY' COLUMN A 'MOST'
- (b) the next most healthy? CODE ONE ONLY IN 'HEALTHY' COLUMN B 2ND MOST
- (c) the next most healthy? CODE ONE ONLY IN 'HEALTHY' COLUMN C 3RD MOST

ENSURE YOU HAVE CODED ANSWERS UNDER THE CORRECT HEADINGS

<u>Healthy</u>			<u>Hazardous</u>		
A	B	C	A	B	C
Most	2nd	3rd	Most	2nd	3rd
1.....1.....1...	Additives.....	1.....1.....1			
2.....2.....2...	Artificial colouring.....	2.....2.....2			
3.....3.....3...	Artificial sweeteners.....	3.....3.....3			
4.....4.....4...	Carbohydrate.....	4.....4.....4			
5.....5.....5...	Cholesterol.....	5.....5.....5			
6.....6.....6...	Energy content.....	6.....6.....6			
7.....7.....7...	Fat content.....	7.....7.....7			
8.....8.....8...	Fibre content.....	8.....8.....8			
9.....9.....9...	Preservatives.....	9.....9.....9			
10.....10.....10...	Protein.....	10.....10.....10			
11.....11.....11...	Minerals.....	11.....11.....11			
12.....12.....12...	Residues (sprays/chemicals).....	12.....12.....12			
13.....13.....13...	Salt.....	13.....13.....13			
14.....14.....14...	Saturated fats.....	14.....14.....14			
15.....15.....15...	Starch.....	15.....15.....15			
16.....16.....16...	Sugar.....	16.....16.....16			
17.....17.....17...	Sweeteners general.....	17.....17.....17			
18.....18.....18...	Vitamins.....	18.....18.....18			

10. Now, which one of these food elements do you consider to be:

- (a) the most hazardous to your health? CODE ONE ONLY IN '~~HEALTHY~~' COLUMN A MOST ABOVE.
- (b) the next most hazardous? CODE ONE ONLY IN 'HAZARDOUS' COLUMN B 2ND MOST
- (c) the next most hazardous? CODE ONE ONLY IN 'HAZARDOUS' COLUMN C 3RD MOST

ENSURE YOU HAVE CODED ANSWERS UNDER THE CORRECT HEADINGS

11. SHOWCARD D

Version 1

I am going to read you a number of statements people have made about their diet and health. Using this card I would like you to tell me how much you agree or disagree with each statement.

START AT TOP STATEMENT : READ ALL STATEMENTS

How much do you agree or disagree that ...

Agree Strongly Agree Disagree Disagree Strongly Don't Know

READ

- I eat what I enjoy without worrying about how healthy or unhealthy it is1.....2.....3.....4.....5
- I have become more conscious of my diet in recent times.....1.....2.....3.....4.....5
- I always check the ingredients on a label before buying a food or drink product.....1.....2.....3.....4.....5
- I try to eat natural foods most of the time.....1.....2.....3.....4.....5

ENSURE YOU HAVE READ ALL STATEMENTS

COUPONS

12. Thinking now about price-off COUPONS that can be used for grocery shopping. Have you used any of these coupons in the last 12 months?

- Yes.....1
 - No.....2
 - Don't Know.....3
-] --> GO TO Q 15, PAGE 7

13. a) The last time you used a coupon, where did you get it from? **DO NOT PROMPT CODE ONE ONLY IN COLUMN A BELOW**
- b) And in the last 12 months, from which of these have you obtained coupons to use for your grocery shopping? **READ : CODE AS MANY AS APPLY IN COLUMN B BELOW**

	<u>A</u> LAST TIME	<u>B</u> 12 MTHS
From a magazine.....	1	1
From a newspaper.....	2	1
From your mailbox.....	3	1
From <u>in</u> or <u>on</u> the pack of a product.....	4	1
From the store.....	5	1
Don't Know	6	

14. Which of the following items have you bought in the last 12 months?

READ : CODE AS MANY AS APPLY

Aim toothpaste.....1
 Craig's jams.....1
 Drive washing power.....1

NOW MATCH YOUR COUPON WITH THE APPROPRIATE QUESTION. ONCE YOU HAVE ASKED EACH PART (a) & (b) OF THE APPROPRIATE QUESTION, MOVE ON TO NEXT SECTION. (PAGE 8)

SHOWCARD E

Budget Buster A 1

15. a) Please look at this card and tell me how likely it is that you would use this coupon (Point to Aim at 20c SAVING) to buy toothpaste? CODE ONE ONLY UNDER 'AIM @ 20c'
- b) And how likely is it that you would use this coupon (POINT TO DRIVE AT \$1 SAVING) to buy washing powder? CODE ONE ONLY UNDER 'DRIVE @ \$1'

	Aim @ 20c	Drive @ \$1
Certain, practically certain(99/100).....	10.....	10.....
Almost sure(9/10).....	9.....	9.....
Very probable(8/10).....	8.....	8.....
Probable(7/10).....	7.....	7.....
Good possibility(6/10).....	6.....	6.....
Fairly good possibility(5/10).....	5.....	5.....
Fair possibility(4/10).....	4.....	4.....
Some possibility(3/10).....	3.....	3.....
Slight possibility(2/10).....	2.....	2.....
Very slight(1/10).....	1.....	1.....
No chance or almost no chance(1/100).....	0.....	0.....

ENSURE YOU HAVE ASKED QUESTION FOR AIM AND DRIVE

Budget Buster B 2

SHOWCARD E

15. a) Please look at this card and tell me how likely it is that you would use this coupon (POINT TO CRAIGS AT 20c SAVING) to buy jam? CODE ONE ONLY UNDER 'CRAIGS @ 20c'
- b) And how likely is it that you would use this coupon (POINT TO AIM AT 50c SAVING) to buy toothpaste? CODE ONE ONLY UNDER 'AIM @ 50c'

	Craigs @ 20c	Aim @ 50c
Certain, practically certain(99/100).....	10.....	10.....
Almost sure(9/10).....	9.....	9.....
Very probable(8/10).....	8.....	8.....
Probable(7/10).....	7.....	7.....
Good possibility(6/10).....	6.....	6.....
Fairly good possibility(5/10).....	5.....	5.....
Fair possibility(4/10).....	4.....	4.....
Some possibility(3/10).....	3.....	3.....
Slight possibility(2/10).....	2.....	2.....
Very slight(1/10).....	1.....	1.....
No chance or almost no chance(1/100).....	0.....	0.....

ENSURE YOU HAVE ASKED QUESTION FOR CRAIGS AND AIM

SHOWCARD E

15. a) Please look at this card and tell me how likely it is that you would use this coupon (POINT TO CRAIGS AT 40c SAVING) to buy jam? CODE ONE ONLY UNDER 'CRAIGS @ 40c'
- b) And how likely is it that you would use this coupon (POINT TO DRIVE AT 20c SAVING) to buy washing powder? CODE ONE ONLY UNDER 'DRIVE @ 20c'

	Craigs @ 40c	Drive @ 20c
Certain, practically certain(99/100).....	10	10
Almost sure(9/10).....	9	9
Very probable(8/10).....	8	8
Probable(7/10).....	7	7
Good possibility(6/10).....	6	6
Fairly good possibility(5/10).....	5	5
Fair possibility(4/10).....	4	4
Some possibility(3/10).....	3	3
Slight possibility(2/10).....	2	2
Very slight(1/10).....	1	1
No chance or almost no chance(1/100).....	0	0

ENSURE YOU HAVE ASKED QUESTION FOR CRAIGS AND DRIVE

BAKING INGREDIENTS

Now some questions on baking ingredients such as cake fruit mix, peel, ginger, glazed cherries etc.

16. a) Which of these brands of baking ingredients have you ever heard of? READ: CODE AS MANY AS APPLY IN COLUMN A
- b) And in the last six months, which of these brands of baking ingredients have you bought? CODE AS MANY AS APPLY IN COLUMN B

	A HEARD	B BOUGHT
Ernest Adams	1	2
Goldpack	1	2
St George	1	2
Tasti	1	2
Plain pack from Woolworths	1	2
Foodtown house brand	1	2
None/Don't Know	1	2

17. About how often do you buy any of these brands of baking ingredients? READ IF NECESSARY CODE ONE ONLY.

Once a week	1	} ---> GO TO Q20, PAGE 9
Once a fortnight	2	
Once a month	3	
Once every three months	4	
Once every six months	5	
Once a year	6	
Less often than once a year	7	
Don't Know	8	

18. Apart from Christmas, at what times of the year do you usually buy baking ingredients? READ: CODE AS MANY AS APPLY
- Autumn 1
 - Winter 2
 - Spring 3
 - Summer 4
 - Don't ever buy baking ingredients 5 ---> GO TO Q20
19. The last time you bought baking ingredients, was the baking for a special occasion?
- Yes 1
 - No 2
 - Don't Know 3

PLAIN PACK GROCERIES

20. a) Now, when you shop for groceries in general, do you ever consider buying products in plain packs?
- Yes 1
 - No 2
 - Don't Know 3] ---> GO TO Q22

21. SHOWCARD F

How seriously would you consider buying the following products in plain packs?
 READ : CODE ONE ANSWER FOR EACH PRODUCT

	Very Seriously	Seriously	Not very Seriously	Not at all
Rice	1	2	3	4
Flour	1	2	3	4
Sugar	1	2	3	4
Dried Fruit	1	2	3	4
Jam	1	2	3	4
Ice Cream	1	2	3	4
Washing Powder	1	2	3	4
Disinfectant	1	2	3	4
Pain relief tablets (eg Paracetamol)	1	2	3	4
Cosmetics	1	2	3	4

SOY MILK

22. Do you, or does anyone 16 years or over in your household, drink or use soy milk at least once a week?
- Yes 1
 - No 2
 - Don't Know 3] ---> GO TO Q24, PAGE 10
23. Would it be possible for a Massey student to interview you (or the person concerned) at a later date, at a time to suit, about soy milk?
- Yes 1
 - No 2 ---> GO TO Q24, PAGE 10

IF YES, RECORD PERSON'S NAME (FIRST NAME AND SURNAME), PHONE NO., ADDRESS:

Name : _____

Phone No. : _____

Address : _____

MUESLI BARS

24. a) Thinking now about MUESLI BARS, which brand of MUESLI BAR first comes to mind? **CIRCLE ONE ONLY IN COLUMN A 'First'.**
- b) And which other brands can you think of? Which others? **CODE ALL OTHERS MENTIONED IN COLUMN B.**
- c) **CHECK COLUMN A & B. FOR THOSE BRANDS NOT ALREADY MENTIONED ASK: And which of these brands of muesli bar have you heard of? READ AS NECESSARY : CODE 'YES' OR 'NO' IN COLUMN C.**

	A First	B Others	C Yes No	
Bluebird Snacker.....	1	2	3	4
Canterbury Oaty Bar.....	1	2	3	4
Canterbury Double Dips.....	1	2	3	4
Canterbury Carob Bar.....	1	2	3	4
Flemings.....	1	2	3	4
Gold Crest.....	1	2	3	4
Nutoata.....	1	2	3	4
Sanitarium.....	1	2	3	4
Tasti Snak Log.....	1	2	3	4
Uncle Tobys Wrapps.....	1	2	3	4
Other (Please Specify) _____			///	///

Don't Know 11 ///

25. a) Which of these muesli bars have you ever bought either for yourself or for others? **READ : CODE AS MANY AS APPLY IN COLUMN A; IF NONE -----> Q32, PAGE 13**
- b) **FOR EACH BRAND EVER BOUGHT ASK: When did you last buy (brand)? READ OUT FREQUENCY AND CODE ACCORDINGLY IN "FREQUENCY" COLUMN.**
- c) Which one brand do you buy most often? **CODE IN COLUMN C; IF DON'T KNOW GO TO Q27a), PAGE 11**

FREQUENCY

	A EVER	Within Last 2 Weeks	2-4 weeks ago	1-2 months ago	More than 2 months ago	C D/K MOST
Bluebird Snacker	1	1	2	3	4	5
Canterbury Oaty Bar ...	1	1	2	3	4	5
Canterbury Double Dips.	1	1	2	3	4	5
Canterbury Carob Bar...	1	1	2	3	4	5
Flemings	1	1	2	3	4	5
Gold Crest	1	1	2	3	4	5
Nutoata	1	1	2	3	4	5
Sanitarium	1	1	2	3	4	5
**Tasti Snak Log.....	1	1	2	3	4	5
Uncle Tobys Wrapps....	1	1	2	3	4	5
Other (Please specify) _____		1	2	3	4	5
_____		1	2	3	4	5
_____		1	2	3	4	5

NONE/DON'T KNOW 1 //12

IF NONE,
GO TO Q32,
PAGE 13

IF DK,
GO TO Q27,
PAGE 11

26. Now CHECK COL C IN Q25 ABOVE AND ASK: For what reasons do you buy (BRAND MOST OFTEN)? What other reasons? PROBE FULLY.

27. a) CHECK COL A AND 'FREQUENCY' IN Q 25

IF ** TASTI SNAK LOG NEVER BOUGHT IN Q25 GO TO Q32, PAGE 13

IF TASTI SNAK LOG TRIED BUT NOT BOUGHT IN LAST 4 WEEKS (i.e. No CODE IN '1' or '2' FOR SNAK LOG) GO TO Q30, PAGE 12

IF TASTI SNAK LOG BOUGHT WITHIN THE LAST 4 WEEKS GO TO Q27(b)

27. b) For what particular reasons do you buy Snak Logs? What other reasons? PROBE FULLY - CODE AS MANY AS APPLY OR SPECIFY OTHER.

- Health.....1
- Energy.....1
- Taste.....1
- Convenient Pack.....1
- Often on a special.....1
- Value for money.....1
- Cheaper than other muesli bars.....1
- Children seem to prefer them.....1
- Other (Please Specify) _____

28. Who do you buy Snak Logs for? READ - CODE AS MANY AS APPLY

- Children 0- 7 years.....1
- 8-15 years.....1
- 16 and over.....1
- Adults 20-39 years.....1
- 40 years and over.....1

29. And on what occasions are Snak Logs eaten by yourself or members of your household?

READ : CODE AS MANY AS APPLY

- School lunches1
- Work lunches.....1
- After school snacks.....1
- Anytime snacks1
- Morning & afternoon teas1
- Supper1
- Other (Please Specify) _____

Now Go to Question 35, Page 14

BOUGHT SNAK LOGS BUT NOT IN PAST FOUR WEEKS

30. We are interested in the type of muesli bars called SNAK LOGS. You said you have bought them before. For what particular reasons have you not bought SNAK LOGS more regularly? What other reasons? **PROBE FULLY**

31. In what ways do you think SNAK LOGS could be changed for you to buy them more often? What other ways? **PROBE FULLY.**

Now Go To Question 35, Page 14

NEVER BOUGHT SNAK LOGS

32. We are interested in the type of muesli bars called SNAK LOGS. You said that you have never bought them. Have you ever eaten SNAK LOGS (i.e., someone gave it to you)?

Yes 1
No 2

33. For what reasons have you never bought SNAK LOGS? For what other reasons? **CODE AS MANY AS APPLY; WRITE IN OTHER**

- Never seen them.....1 --> GO TO QUESTION 35,
- Too expensive.....1 PAGE 14
- Don't like healthy type bars.....1
- Don't think I'd like their flavours....1
- Product appearance not appealing.....1
- Pack not appealing.....1
- Not available where I shop1
- Other (Please Specify) _____

34. In what ways do you think SNAK LOGS could be changed for you to buy them? Other ways? **PROBE FULLY.**

EATING OUT

35. Now some questions on eating out at 'sit down' restaurants in Palmerston North. By 'sit down' restaurants I mean those types of restaurants where you usually take your time over a meal. Family restaurants like McDonalds, Cobb & Co and Fisherman's Table are not included in these 'sit down' restaurants.
- a) Imagine you were taking someone out to dinner at a 'sit down' restaurant in Palmerston North. Which restaurant first comes to mind? **DO NOT READ CODE IN COLUMN A.**
 - b) And which other restaurants come to mind? ... Which others? **DO NOT READ CODE ALL OTHERS IN COLUMN B.**
 - c) Look at columns A & B. **IF *HOUSE OF PIERROT CODED --> Q35d) IF NOT, ASK:** Have you heard of a restaurant in Palmerston North called 'The House of Pierrot'? (pronounced "Pear-row"). **CODE 'YES' OR 'NO' IN COLUMN C; IF NO, --> Q35e).**
 - d) Have you ever eaten at The House of Pierrot restaurant? **CODE 'YES' OR 'NO' IN COLUMN D.**
 - e) In which Palmerston North 'sit down' style restaurants, including restaurants within hotels or motels, have you dined in during the last three months? **CODE AS MANY AS APPLY IN COLUMN E.**
 - f) And which 'sit down' style restaurant in Palmerston North would rate as your favourite? **CODE ONE ONLY IN COLUMN F.**

	A	B	C		D		E	F
	FIRST	OTHERS	PROMPT		EVER?		LAST 3	FAV
			Yes	No	Yes	No		
Albert Motor Lodge	1	1					1	1
Alpha Restaurant (Alpha Motel)..	2	1					1	2
Dejeuner.....	3	1					1	3
Dynasty.....	4	1					1	4
Harrods/Restaurant 31.....	5	1					1	5
* House of Pierrot.....	6	1	1	2	1	2	1	6
Howards Brasserie (Quality Inn)..	7	1					1	7
Lillie's (Awapuni Hotel).....	8	1					1	8
Lusitania.....	9	1					1	9
Matador.....	10	1					1	10
Palmerston's.....	11	1					1	11
Periwinkles.....	12	1					1	12
Pieter's (Coachman).....	13	1					1	13
Sheraton McKenzies.....	14	1					1	14
Sherwood Motor Inn.....	15	1					1	15
Other.....	16	1					1	16
None/Don't Know.....	17	1					1	17

GO TO Q38
PAGE 15

PLEASE ENSURE YOU HAVE ASKED QUESTIONS 35 a) to f)

36. CHECK COLUMN F IN Q35f) ABOVE AND ASK : For what reasons do you consider (FAVOURITE RESTAURANT) to be your favourite restaurant in Palmerston North? ... What other reasons? DO NOT READ CODE AS MANY AS APPLY; WRITE IN OTHER

Good value for money1
 The food/menu/meals1
 The atmosphere/setting1
 Chef/Proprietor/Staff.....1
 Standard of Service1
 The entertainment provided1
 It is licensed1
 Caters for vegetarians1
 Other (Please Specify) _____

37. And how, or from whom, did you hear about (FAVOURITE RESTAURANT)? DO NOT READ : CODE AS MANY AS APPLY : WRITE IN OTHER

Friends/family/workmates/colleagues.....1
 Know staff member/owner1
 Just noticed it1
 Yellow pages1
 Newspaper ad1
 Radio ad1
 Other (Please Specify) _____

38. If you were going out to a 'sit down' restaurant in Palmerston North, how likely is it you would choose a BYO restaurant rather than a licensed restaurant? READ CODE ONE ONLY

Very likely1
 Quite likely2
 Quite unlikely3
 Very unlikely4
 (DON'T READ) Don't care5
 (DON'T READ) Don't Know6

39. About how often do you eat out at a 'sit down' restaurant in Palmerston North? CODE ONE ONLY (READ IF NECESSARY)

Once a week or more often1
 Once a fortnight2
 Perhaps once a month3
 Once in three months4
 Twice a year5
 Once a year6
 Less often than once a year7
 Don't eat out at restaurants8
 Don't know9

} ---> GO TO Q43, PAGE 1
 (Skip to next section)

40. The last time you ate out at a 'sit down' restaurant in Palmerston North, what type of occasion was it? CODE AS MANY AS APPLY

- Family get together1
- Friends get together1
- Special celebration (birthday, anniversary, wedding etc)1
- Date/romantic twosome1
- Business1
- Other1

41. a) Have you ever dined at the House of Pierrot restaurant?
 Yes1
 No2
 Don't Know..3 | ---> GO TO Q42a)
 PAGE 17

SHOWCARD D

41. b) Now I would like you to think about the restaurant called The House of Pierrot. I am going to read out some statements about restaurants and I want you to tell me how much you agree or disagree that each applies to the House of Pierrot.

START AT * READ ALL STATEMENTS

	Agree	Disagree	Don't		
	Strongly	Agree	Disagree		
	1	2	3		
	4	5	Know		
A special place for special occasions	1	2	3	4	5
The menu is original	1	2	3	4	5
The food is sophisticated.....	1	2	3	4	5
The menu is always the same.....	1	2	3	4	5
It is too expensive.....	1	2	3	4	5
Is overcrowded.....	1	2	3	4	5
More for quiet relaxed dining.....	1	2	3	4	5
The service is discreet.....	1	2	3	4	5
The decor is tasteful.....	1	2	3	4	5
It's a bit too impersonal.....	1	2	3	4	5
More for older people.....	1	2	3	4	5
Is a trendy place to eat.....	1	2	3	4	5
Takes too long to be served.....	1	2	3	4	5
I would recommend to my friends.....	1	2	3	4	5
Has an excellent reputation.....	1	2	3	4	5

42. a) Have you ever dined at Periwinkles?
 Yes 1
 No 2
 Don't Know 3] ---> GO TO Q 43

SHOWCARD D AGAIN

42. b) Now I am going to read out (some) (the same) statements (again) and this time I would like you to tell me how much you agree or disagree that they apply to the restaurant called Periwinkles.

START AT * READ ALL STATEMENTS

	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
* A special place for special occasions	1	2	3	4	5
The menu is original	1	2	3	4	5
The food is sophisticated.....	1	2	3	4	5
The menu is always the same.....	1	2	3	4	5
It is too expensive.....	1	2	3	4	5
Is overcrowded.....	1	2	3	4	5
More for quiet relaxed dining.....	1	2	3	4	5
The service is discreet.....	1	2	3	4	5
The decor is tasteful.....	1	2	3	4	5
It's a bit too impersonal.....	1	2	3	4	5
More for older people.....	1	2	3	4	5
Is a trendy place to eat.....	1	2	3	4	5
Takes too long to be served.....	1	2	3	4	5
I would recommend to my friends.....	1	2	3	4	5
Has an excellent reputation.....	1	2	3	4	5

MANAWATU TELEPHONE DIRECTORY

43. Now some questions on the Telephone Directory.

About how often do you use the white pages of the Manawatu Telephone Directory? READ : CODE ONE ONLY

	Daily	1
	Several times a week	2
	Once a week	3
	Once every two weeks	4
	About once a month	5
	Less often than once a month	6
(DON'T READ)	Rarely or never	7
	Don't Know	8

SHOWCARD D AGAIN

44. I am going to read you some statements about the Manawatu Telephone Directory. Using this card I would like you to tell me how much you agree or disagree with each statement.

START AT * READ ALL STATEMENTS

How much do you agree or disagree that	Agree Strongly	Agree	Disagree	Disagree Strongly	Don't Know
- The flip book idea - where the Yellow Pages are "up-side down" to the White Pages - is a good idea?	1	2	3	4	5
- The Yellow Pages and White Pages should be in two separate books?	1	2	3	4	5
- The Yellow Pages and the White Pages serve the same purpose?...	1	2	3	4	5
- The size of the print is too small.....	1	2	3	4	5
- I always use the White Pages to find the number of a company if I know that company's name.....	1	2	3	4	5
- I only use the Yellow Pages if I have not been able to find the company's number in the White Pages.....	1	2	3	4	5
- I only use the Yellow Pages when I'm not sure of the actual name of a company	1	2	3	4	5

45. SHOW WOOLWORTHS AD

(Version 1)

Please read this advertisement. (PAUSE TO GIVE TIME FOR RESPONDENT TO READ).
BE CAREFUL TO ASK THE CORRECT PAIR OF QUESTIONS.

FOR INTERVIEWS 1 & 3 Ask :

- a) Is the advertisement claiming that the only people who handle fruit and vegetables at Woolworths supermarkets are those who have been specially selected for their previous experience in selling fruit and vegetables?

Yes 1
No 2
Don't Know 3

- b) Do you believe that the only people who handle fruit and vegetables at Woolworths supermarkets are those who have been specially selected for their previous experience in selling fruit and vegetables?

Yes 1
No 2
Don't Know 3

For Interviews 2 & 4 ASK :

45. a) Is the advertisement suggesting that the only people who handle fruit and vegetables at Woolworths supermarkets are those who have been specially selected for their previous experience in selling fruit and vegetables.

Yes 1
No 2
Don't Know 3

- b) Do you think it is true that the only people who handle fruit and vegetables at Woolworths supermarkets are those who have been specially selected for their previous experience in selling fruit and vegetables.

Yes 1
No 2
Don't Know 3

SURVEYS

47. Thinking back over the last 12 months, have you personally been asked to take part in a survey, besides this one? That is, has an interviewer visited you at home or stopped you in the street or telephoned you or sent you a questionnaire through the mail?

Yes 1
 No 2 --> GO TO Q49

48. a) How were you contacted? **READ EACH AND CODE AS MANY AS APPLY IN COLUMN A**

b) **FOR EACH CODED IN COLUMN A, ASK : Did you actually take part in this survey? CODE 'YES' OR 'NO' IN COLUMN B.**

	<u>A</u>	<u>B</u>	
	<u>Asked</u>	<u>Yes</u>	<u>NO</u>
Home visit.....	1.....	1.....	2
Street/Shop intercept.....	1.....	1.....	2
Telephoned.....	1.....	1.....	2
Mail.....	1.....	1.....	2

ENSURE BOTH a) and b) ANSWERED

49. Have you ever taken part in a survey that turned out to be an attempt to sell you something?

Yes 1
 No 2 --> GO TO Q51 NEXT PAGE

50. How often has this happened in the last 12 months?

WRITE IN NUMBER OF TIMES IN 2 DIGITS _____

IF DON'T KNOW, WRITE DK

VOTING QUESTIONS

51. Will you be eligible to vote in this year's general election?

- Yes.....1
- No2 --> GO TO QUESTION 54
- Don't Know3 --> GO TO QUESTION 54

52. Which electorate are you registered in?

- Palmerston North1
- Manawatu2
- Western Maori3
- Other4

SHOWCARD E AGAIN

53. a) Please look at this card and tell me how likely it is that you will vote in the general election this year.

CODE IN COLUMN A

	A	B	C	D	E	F
	Vote	Democ	Lab	Nat	New Lab	Other
Certain, practically certain..(99/100)....	10	10	10	10	10	10
Almost sure.....(9/10).....	9	9	9	9	9	9
Very probable.....(8/10).....	8	8	8	8	8	8
Probable.....(7/10).....	7	7	7	7	7	7
Good possibility.....(6/10).....	6	6	6	6	6	6
Fairly good possibility.....(5/10).....	5	5	5	5	5	5
Fair possibility.....(4/10).....	4	4	4	4	4	4
Some possibility.....(3/10).....	3	3	3	3	3	3
Slight possibility.....(2/10).....	2	2	2	2	2	2
Very slight possibility.....(1/10).....	1	1	1	1	1	1
No chance, almost no chance....(1/100).....	0	0	0	0	0	0

b) Using the card, please tell me how likely it is that you will vote for the Democrat party.

CODE IN COLUMN B

c) How likely is it that you will vote for the Labour party?

CODE IN COLUMN C

d) How likely is it that you will vote for the National party?

CODE IN COLUMN D

e) How likely is it that you will vote for the New Labour party?

CODE IN COLUMN E

f) How likely is it that you will vote for a party I haven't mentioned?

CODE IN COLUMN F

DEMOGRAPHICS

54. Now I have some questions about yourself and your household, just so we can be sure that we have a good cross-section of people in our sample.

Can you please tell me which year you were born in?

YEAR: _____

55. Which of these best describes your highest level of education?

READ LIST AND CODE ONE ONLY

- Primary school 1
- High school for up to 3 years 2
- High school for 4 years or more 3
- Some university or other tertiary 4
- University or tertiary graduate 5

56. And which of these categories best describes your marital status?

READ LIST AND CODE ONE ONLY

- Married or living with a partner 1
- Separated or divorced 2
- Widowed 3
- Single 4

57. Including yourself, any boarders, and any children, how many people are there altogether in this household ?

RECORD NUMBER _____

58. And how many of these are 15 years of age or older?

RECORD NUMBER IN HOUSEHOLD 15+ _____

59. Which of these categories best describes you at the moment?

READ LIST AND CODE ONE ONLY

- No children 1
- Youngest child under 15 2
- Youngest child over 15 and still living at home ... 3
- Youngest child over 15 and not living at home 4

60. Which of these categories best describes your ethnic background?

READ LIST AND CODE ONE ONLY

- European.....1
- Maori.....2
- Polynesian.....3
- Other.....4

61. Is this dwelling.....?

READ LIST AND CODE ONE ONLY

- Owned by you or someone in your household1
- Rented by you or someone in your household2
- Other.....3

62. Which of the following items are in your household?

READ LIST AND CODE ALL THAT APPLY

- Colour television set.....1
- Video recorder.....1
- Microwave oven.....1
- Compact disk player.....1
- Clothes dryer.....1
- Automatic washing machine.....1
- Automatic dishwasher.....1
- None of these.....1

63. Are you in regular paid employment outside your household either on a full-time or part time-basis?

- Yes.....1
- No.....2

SHOWCARD G

64. Which of the categories on this card represents your own yearly income from all sources before tax?

RECORD ANSWER IN COLUMN A

65. And which category represents the total yearly income of everyone in this household from all sources before tax?

RECORD ANSWER IN COLUMN B

	A	B
	Personal income	Household income
< \$10,000	1	1
\$10,000 - \$14,999	2	2
\$15,000 - \$19,999	3	3
\$20,000 - \$24,999	4	4
\$25,000 - \$29,999	5	5
\$30,000 - \$34,999	6	6
\$35,000 - \$39,999	7	7
\$40,000 - \$49,999	8	8
\$50,000 - \$59,999	9	9
\$60,000+	10	10
Refused	11	11
Don't know	12	12

66. RECORD SEX OF RESPONDENT

- Male 1
- Female 2

REACTION TO SURVEY

Finally, we would be interested in your opinions about this questionnaire.

67. Please tell me whether you agree or disagree with each of these statements:

	Agree	Disagree	Don't know
Some of the questions were hard to understand ..	1	2	3
The questionnaire was too long	1	2	3
I enjoyed answering the questionnaire	1	2	3

68. Are there any comments you would like to make about the questionnaire or this survey?

69. In case my supervisor wants to check something with you could please have your telephone number and first name?

Telephone No: _____ Name: _____

70. RECORD EXACT TIME NOW TIME: _____

71. INTERVIEWED ON: First call1
2nd call2
3rd call3
4th + call4

72. Day of Interview M T W T F S S
1 2 3 4 5 6 7

Thank you for helping us with this survey.

"I certify that this is a true and accurate record of the interview conducted by me, in full accordance with my instructions".

INTERVIEWER: _____ DATE: _____

SUPERVISOR/AUDIT/CHECK: _____ DATE: _____

APPENDIX 8

Results of the Palmerston North 1990
Omnibus Survey (Coupons)

USECOUP Used coupons in past year

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
yes	1	253	36.9	56.5	56.5
no	2	191	27.8	42.7	99.2
dont know	3	4	.5	.8	100.0
.	.	238	34.7	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	448	MISSING CASES	238		

LASTUSE Where obtained last coupon used

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
from a magazine	1	5	.8	2.1	2.1
from a newspaper	2	19	2.7	7.4	9.5
from the mailbox	3	150	21.9	59.4	68.9
from the pack	4	3	.5	1.4	70.3
from the store	5	68	9.9	27.0	97.3
dont know	6	7	1.0	2.7	100.0
.	.	433	63.1	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	253	MISSING CASES	433		

MAGAZINE Used coupon from magazine

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
yes	1	22	3.2	8.7	8.7
no	2	231	33.7	91.3	100.0
.	.	433	63.1	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	253	MISSING CASES	433		

NEWS Used coupon from newspaper

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
yes	1	95	13.8	37.4	37.4
no	2	158	23.1	62.6	100.0
	.	433	63.1	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	253	MISSING CASES	433		

MAIL Used coupon from mailbox

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
yes	1	192	27.9	75.7	75.7
no	2	61	9.0	24.3	100.0
	.	433	63.1	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	253	MISSING CASES	433		

PACK Used coupon from pack

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
yes	1	75	11.0	29.8	29.8
no	2	178	25.9	70.2	100.0
	.	433	63.1	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	253	MISSING CASES	433		

STORE1 Used coupon from store

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
yes	1	92	13.4	36.4	36.4
no	2	161	23.5	63.6	100.0
	.	433	63.1	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	253	MISSING CASES	433		

AIM Bought aim in past year

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
yes	1	112	16.3	44.1	44.1
no	2	142	20.6	55.9	100.0
	.	433	63.1	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	253	MISSING CASES	433		

CRAIGS Bought craigs jam in past year

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
yes	1	147	21.5	58.1	58.1
no	2	106	15.4	41.9	100.0
	.	433	63.1	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	253	MISSING CASES	433		

DRIVE Bought drive in past year

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
yes	1	118	17.2	46.7	46.7
no	2	135	19.7	53.3	100.0
	.	433	63.1	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	253	MISSING CASES	433		

A1AIM Would use Aim @ 20c

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
no chance	0	20	3.0	21.1	21.1
very slight possibil	1	6	.9	6.4	27.5
slight possibility	2	8	1.1	8.0	35.5
some possibility	3	5	.7	4.7	40.3
fair possibility	4	5	.8	5.5	45.8
fairly good possibil	5	4	.5	3.8	49.6
good possibility	6	8	1.2	8.7	58.3
probable	7	7	1.0	6.9	65.2
very probable	8	4	.6	4.5	69.7
almost sure	9	9	1.3	9.1	78.8
certain	10	20	3.0	21.2	100.0
.		590	85.9	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	97	MISSING CASES	590		

A1DRIVE Would use Drive @ \$1.00

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
no chance	0	25	3.6	25.7	25.7
very slight possibil	1	5	.7	5.2	30.9
slight possibility	2	3	.5	3.5	34.5
some possibility	3	4	.5	3.7	38.2
fair possibility	4	4	.6	4.1	42.3
fairly good possibil	5	5	.7	5.2	47.5
good possibility	6	7	1.0	7.2	54.6
probable	7	6	.8	5.7	60.4
very probable	8	6	.9	6.4	66.7
almost sure	9	8	1.2	8.3	75.0
certain	10	24	3.5	25.0	100.0
.		590	85.9	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	97	MISSING CASES	590		

B2CRAIGS Would use Craigs @ 20c

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
no chance	0	19	2.8	23.2	23.2
very slight possibil	1	17	2.5	20.8	44.0
slight possibility	2	7	1.0	8.3	52.3
some possibility	3	3	.5	4.2	56.5
fair possibility	4	3	.5	3.9	60.4
good possibility	6	2	.2	2.0	62.4
probable	7	4	.6	5.1	67.5
very probable	8	9	1.3	10.7	78.2
almost sure	9	5	.7	6.0	84.2
certain	10	13	1.9	15.8	100.0
.	.	604	88.0	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	82	MISSING CASES	604		

B2AIM Would use Aim @ 50c

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
no chance	0	31	4.6	38.0	38.0
very slight possibil	1	2	.3	2.6	40.6
slight possibility	2	3	.4	3.3	43.9
some possibility	3	5	.7	6.0	50.0
fair possibility	4	4	.5	4.4	54.3
fairly good possibil	5	4	.6	5.1	59.4
good possibility	6	5	.8	6.6	66.0
probable	7	3	.4	3.2	69.2
very probable	8	7	1.0	8.6	77.8
almost sure	9	10	1.4	11.6	89.3
certain	10	9	1.3	10.7	100.0
.	.	604	88.0	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	82	MISSING CASES	604		

C3CRAIGS Would use Craigs @ 40c

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
no chance	0	12	1.7	15.8	15.8
very slight possibil	1	7	1.1	9.7	25.5
slight possibility	2	7	1.0	9.7	35.2
some possibility	3	1	.2	1.4	36.6
fair possibility	4	1	.1	1.0	37.7
fairly good possibil	5	3	.4	3.5	41.1
good possibility	6	3	.4	4.0	45.1
probable	7	6	.9	8.3	53.4
very probable	8	13	1.9	17.3	70.7
almost sure	9	14	2.1	19.3	90.0
certain	10	7	1.1	10.0	100.0
.	.	612	89.2	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	74	MISSING CASES	612		

C3DRIVE Would use Drive @ 20c

VALUE LABEL	VALUE	FREQUENCY	PERCENT	VALID PERCENT	CUM PERCENT
no chance	0	26	3.8	34.7	34.7
very slight possibil	1	7	1.0	9.3	44.0
slight possibility	2	5	.7	6.9	50.9
some possibility	3	5	.8	7.1	58.1
fair possibility	4	3	.5	4.3	62.3
fairly good possibil	5	1	.2	1.5	63.8
probable	7	4	.6	5.8	69.6
very probable	8	7	1.0	9.5	79.1
almost sure	9	3	.4	3.8	82.9
certain	10	13	1.9	17.1	100.0
.	.	612	89.2	MISSING	
TOTAL		686	100.0	100.0	
VALID CASES	74	MISSING CASES	612		

AGEGROUP

BY USECOUP Used coupo

AGEGROUP	COUNT ROW PCT	USECOUP			ROW TOTAL
		yes 1	no 2	dont kno w 3	
15-19	1.00 46.3	9 46.3	10 53.7		19 4.3
20-29	2.00 42.5	47 42.5	64 57.5		112 24.9
30-39	3.00 58.9	58 58.9	39 40.1	1 .9	98 21.9
40-49	4.00 63.3	41 63.3	22 35.0	1 1.7	64 14.3
50-59	5.00 69.3	35 69.3	16 30.7		51 11.4
60+	6.00 60.7	63 60.7	39 37.6	2 1.7	104 23.2
COLUMN TOTAL		253 56.5	191 42.7	4 .8	448 100.0

<u>CHI-SQUARE</u>	<u>D.F.</u>	<u>SIGNIFICANCE</u>	<u>MIN E.F.</u>	<u>CELLS WITH E.F. < 5</u>
19.22846	10	0.0375	0.160	6 OF 18 (33.3%)

NUMBER OF MISSING OBSERVATIONS = 238

----- C R O S S T A B U L A T I O N O F -----
HHSIZE15 BY USECOUP Used coup

		USECOUP			ROW TOTAL
		yes	no	dont kno w	
COUNT	ROW PCT	1	2	3	

HHSIZE15					
1 person 15+ in	1.00	46 53.4	40 45.6	1 1.0	87 19.4
2 people 15+ in	2.00	148 64.1	80 34.7	3 1.3	231 51.6
3 or more people	3.00	57 44.7	71 55.3		129 28.7
not specified	4.00	1 100.0			1 .2

COLUMN TOTAL		253 56.5	191 42.7	4 .8	448 100.0

CHI-SQUARE D.F. SIGNIFICANCE MIN E.F. CELLS WITH E.F. < 5
16.56255 6 0.0110 0.009 6 OF 12 (50.0%)

----- C R O S S T A B U L A T I O N O F -----
CHILDREN Family status of respondent BY USECOUP Used coup

		USECOUP			ROW TOTAL
		yes	no	dont kno w	
COUNT	ROW PCT	1	2	3	

CHILDREN					
No children	1	68 43.2	89 56.3	1 .6	157 35.1
Youngest child <	2	86 63.2	48 35.3	2 1.5	136 30.3
Youngest >15, ho	3	23 60.5	15 39.5		38 8.4
Youngest >15, le	4	77 65.4	40 33.9	1 .7	117 26.2

COLUMN TOTAL		253 56.5	191 42.7	4 .8	448 100.0

CHI-SQUARE D.F. SIGNIFICANCE MIN E.F. CELLS WITH E.F. < 5
19.64963 6 0.0032 0.316 4 OF 12 (33.3%)

----- C R O S S T A B U L A T I O N O F -----
 ETHNICIT Ethnic background BY USECOUP Used coupo

ETHNICIT	COUNT ROW PCT	USECOUP			ROW TOTAL
		yes	no	dont kno w	
		1	2	3	
European	1	227 57.3	165 41.8	4 .9	396 88.4
Maori	2	14 56.2	11 43.8		24 5.4
Polynesian	3	2 58.1	1 41.9		3 .7
Other	4	11 44.0	14 56.0		25 5.5
COLUMN TOTAL		253 56.5	191 42.7	4 .8	448 100.0

CHI-SQUARE D.F. SIGNIFICANCE MIN E.F. CELLS WITH E.F. < 5
 2.31838 6 0.8882 0.025 6 OF 12 (50.0%)

NUMBER OF MISSING OBSERVATIONS = 238

----- C R O S S T A B U L A T I O N O F -----
 PAIDEMP Regular paid employment? BY USECOUP Used coupo

PAIDEMP	COUNT ROW PCT	USECOUP			ROW TOTAL
		yes	no	dont kno w	
		1	2	3	
yes	1	120 50.9	114 48.3	2 .9	235 52.7
no	2	132 62.5	77 36.6	2 .8	211 47.3
COLUMN TOTAL		252 56.4	191 42.8	4 .8	447 100.0

CHI-SQUARE D.F. SIGNIFICANCE MIN E.F. CELLS WITH E.F. < 5
 6.20612 2 0.0449 1.769 2 OF 6 (33.3%)

NUMBER OF MISSING OBSERVATIONS = 239

----- C R O S S T A B U L A T I O N O F -----
 TOTINC Total income of household before tax BY USECOUP Used coup

TOTINC	COUNT ROW PCT	USECOUP			ROW TOTAL
		yes	no	dont kno w	
		1	2	3	
Less than \$10,00	1	17 61.3	11 38.7		28 6.3
\$10,000 - \$14,99	2	27 61.3	17 36.9	1 1.9	45 10.0
\$15,000 - \$19,99	3	25 73.5	9 26.5		35 7.7
\$20,000 - \$24,99	4	22 73.5	8 26.5		30 6.7
\$25,000 - \$29,99	5	14 52.2	13 47.8		27 5.9
\$30,000 - \$34,99	6	12 46.0	13 50.5	1 3.5	26 5.8
\$35,000 - \$39,99	7	16 60.1	10 39.9		26 5.9
\$40,000 - \$49,99	8	22 50.3	22 49.7		44 9.9
\$50,000 - \$59,99	9	24 56.6	18 43.4		42 9.5
\$60,000 or more	10	28 40.5	39 56.6	2 2.9	69 15.4
Refused	11	16 63.0	9 37.0		25 5.5
Dont know	12	29 57.7	22 42.3		51 11.4
	COLUMN TOTAL	253 56.5	191 42.7	4 .8	448 100.0

CHI-SQUARE	D.F.	SIGNIFICANCE	MIN E.F.	CELLS WITH E.F. < 5
25.52977	22	0.2724	0.206	12 OF 36 (33.3%)

NUMBER OF MISSING OBSERVATIONS = 238

16 0 breakdown a1aim b2aim by aim
 17 0 /statistics anova

D E S C R I P T I O N O F S U B P O P U L A T I O N S

Criterion Variable A1AIM Would use Aim @ 20c
 Broken Down by AIM Bought aim in past year

Variable	Value	Label	Mean	Std Dev	Cases
For Entire Population			5.0820	3.8661	97
AIM	1	yes	7.0350	3.3802	49
AIM	2	no	3.0929	3.2931	48

Total Cases = 686
 Missing Cases = 590 or 85.9 Pct

A N A L Y S I S O F V A R I A N C E

Criterion Variable A1AIM Would use Aim @ 20c
 Broken Down by AIM Bought aim in past year

Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	343	7.0350	3.3802	545.1255	49
2	no	148	3.0929	3.2931	507.7699	48
Within Groups Total		491	5.0820	3.3373	1052.8953	97

Source	Sum of Squares	D.F.	Mean Square	F	Sig.
Between Groups	374.9909	1.	374.9909	33.8345	.0000
Within Groups	1052.8953	95	11.0831		

Eta = .5125 Eta Squared = .2626

D E S C R I P T I O N O F S U B P O P U L A T I O N S

Criterion Variable B2AIM Would use Aim @ 50c
 Broken Down by AIM Bought aim in past year

Variable	Value	Label	Mean	Std Dev	Cases
For Entire Population			4.1140	3.9228	82
AIM	1	yes	7.1247	2.7575	37
AIM	2	no	1.6177	2.8465	45

Total Cases = 686
 Missing Cases = 604 or 88.0 Pct

A N A L Y S I S O F V A R I A N C E

Criterion Variable B2AIM Would use Aim @ 50c
 Broken Down by AIM Bought aim in past year

Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	266	7.1247	2.7575	276.0118	37
2	no	73	1.6177	2.8465	356.3806	45
Within Groups Total		339	4.1140	2.8066	632.3924	82

Source	Sum of Squares	D.F.	Mean Square	F	Sig.
Between Groups	618.4106	1.	618.4106	78.2312	.0000
Within Groups	632.3924	80	7.9049		

Eta = .7031 Eta Squared = .4944

19 0 breakdown a1drive c3drive by drive
 20 0 /statistics anova
 21 0

D E S C R I P T I O N O F S U B P O P U L A T I O N S

Criterion Variable A1DRIVE Would use Drive @ \$1.00
 Broken Down by DRIVE Bought drive in past year

Variable	Value	Label	Mean	Std Dev	Cases
For Entire Population			5.2418	4.0409	97
DRIVE	1	yes	7.4625	2.9248	45
DRIVE	2	no	3.3287	3.9067	52

Total Cases = 686
 Missing Cases = 590 or 85.9 Pct

A N A L Y S I S O F V A R I A N C E

Criterion Variable A1DRIVE Would use Drive @ \$1.00
 Broken Down by DRIVE Bought drive in past year

Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	333	7.4625	2.9248	373.6178	45
2	no	173	3.3287	3.9067	776.2353	52
Within Groups Total		506	5.2418	3.4876	1149.8531	97

Source	Sum of Squares	D.F.	Mean Square	F	Sig.
Between Groups	410.1032	1.	410.1032	33.8824	.0000
Within Groups	1149.8531	95	12.1037		

Eta = .5127 Eta Squared = .2629

D E S C R I P T I O N O F S U B P O P U L A T I O N S

Criterion Variable C3DRIVE Would use Drive @ 20c
 Broken Down by DRIVE Bought drive in past year

Variable	Value	Label	Mean	Std Dev	Cases
For Entire Population			3.9568	4.0151	73
DRIVE	1	yes	7.1557	3.2251	34
DRIVE	2	no	1.2442	2.2169	40

Total Cases = 686
 Missing Cases = 613, or 89.3 Pct

A N A L Y S I S O F V A R I A N C E

Criterion Variable C3DRIVE Would use Drive @ 20c
 Broken Down by DRIVE Bought drive in past year

Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cas
1	yes	241	7.1557	3.2251	339.8734	
2	no	49	1.2442	2.2169	190.2637	
Within Groups Total		290	3.9568	2.7251	530.1371	

Source	Sum of Squares	D.F.	Mean Square	F	Sig.
Between Groups	636.8250	1.	636.8250	85.2885	.0000
Within Groups	530.1371	71	7.4667		

Eta = .7387 Eta Squared = .5457

22 0 breakdown b2craigs c3craigs by craigs
 23 0 /statistics anova

D E S C R I P T I O N O F S U B P O P U L A T I O N S

Criterion Variable B2CRAIGS Would use Craigs @ 20c
 Broken Down by CRAIGS Bought craigs jam in past year

Variable	Value	Label	Mean	Std Dev	Cases
For Entire Population			4.1096	3.9454	82
CRAIGS	1	yes	5.7874	3.8140	47
CRAIGS	2	no	1.9187	2.9384	36

Total Cases = 686
 Missing Cases = 604 or 88.0 Pct

A N A L Y S I S O F V A R I A N C E

Criterion Variable B2CRAIGS Would use Craigs @ 20c
 Broken Down by CRAIGS Bought craigs jam in past year

Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cases
1	yes	270	5.7874	3.8140	663.2976	47
2	no	68	1.9187	2.9384	299.4848	36
Within Groups Total		338	4.1096	3.4630	962.7824	82

Source	Sum of Squares	D.F.	Mean Square	F	Sig
Between Groups	302.4817	1.	302.4817	25.1340	.000
Within Groups	962.7824	80	12.0348		

Eta = .4889 Eta Squared = .2391

D E S C R I P T I O N O F S U B P O P U L A T I O N S

Criterion Variable C3CRAIGS Would use Craigs @ 40c
 Broken Down by CRAIGS Bought craigs jam in past year

Variable	Value	Label	Mean	Std Dev	Cases
For Entire Population			5.5568	3.7013	73
CRAIGS	1	yes	6.8499	3.0383	46
CRAIGS	2	no	3.3958	3.7484	27

Total Cases = 686
 Missing Cases = 613 or 89.3 Pct

A N A L Y S I S O F V A R I A N C E

Criterion Variable C3CRAIGS Would use Craigs @ 40c
 Broken Down by CRAIGS Bought craigs jam in past year

Value	Label	Sum	Mean	Std Dev	Sum of Sq	Cas
1	yes	315	6.8499	3.0383	414.6261	
2	no	93	3.3958	3.7484	371.9802	
Within Groups Total		408	5.5568	3.3194	786.6062	

Source	Sum of Squares	D.F.	Mean Square	F	Sig.
Between Groups	205.0819	1.	205.0819	18.5109	.0001
Within Groups	786.6062	71	11.0790		

Eta = .4548 Eta Squared = .2068

