RetailMeNot, Inc. Releases First Ever Survey of Retail Marketers' Views on Shift from Traditional to Digital Marketing Channels

Survey Results Reveal An Optimism For Digital Marketing That Isn't Yet Reflected in Budget Allocations

AUSTIN, Texas, June 16, 2014 /PRNewswire/ -- RetailMeNot, Inc. (www.retailmenot.com/corp), the world's largest marketplace for digital offers, today released the findings of a survey conducted by Kelton (www.keltonglobal.com) and commissioned by RetailMeNot seeking to understand the investments in and importance of both traditional and digital marketing channels from the viewpoint of more than 200 retail marketing decision-makers and influencers, 20 percent of whom are C-level executives.

The survey responses demonstrate retail marketers' enthusiasm for the potential of current and future digital marketing opportunities, especially when it comes to mobile, and how they can help to drive sales more efficiently versus traditional forms of paid advertising, e.g., circulars, direct mail, etc.

The full white paper is available here:

http://www.retailmenot.com/corp/gui/pdf/RMN DigitalMarketingStudy2014.pdf

An infographic is also available here:

http://www.retailmenot.com/corp/gui/pdf/RetailersReady Print.pdf.

"Today, consumers are more connected and informed than ever, so reaching the right customer with the right message at the right time requires a consumer first, data-driven approach," said Jill Balis, SVP Marketing, RetailMeNot, Inc. "With the reach and precision that digital and mobile affords, marketers are embracing these channels to efficiently engage the always-connected consumer. The most forward-looking retail marketers today are breaking down the silos in their organizations to more quickly integrate digital and mobile into their overall marketing strategy. The retailers who deliver a consistent and compelling experience across the customer journey will win the hearts and minds of consumers."

Retailers Clearly Recognize The Value of Digital Marketing

• Of the people surveyed, 75 percent believe that digital advertising delivers a higher ROI than offline advertising, including circulars and direct mail.

Digital Marketing Budget Allocations Disproportionately Low Relative to Results Driven, But the Future for Digital Is Bright

- Despite the belief that digital marketing drives higher ROI, according to the survey, digital marketing spend in retail versus offline marketing spend is still about 50/50 (51 percent vs. 49 percent).
- More than four in five retailers surveyed (82 percent) believe that their digital marketing budget will increase in the next 3-5 years.
- In contrast, almost four in ten respondents (39 percent) think that their offline marketing budget will stay the same or decrease in the next 3-5 years.

Retailers Are Trying to Make Up Ground, Especially When It Comes to Mobile

- Just more than a quarter of retail executives surveyed (27 percent) said they were advanced in digital marketing.
- Only 26 percent said they were advanced in their specific retail niche.
- Less than one in five (19 percent) said their current omni-channel strategy was extremely effective.
- When it comes to mobile, nearly two-thirds (65 percent) believe that branded mobile platforms like apps are effective at driving in-store sales.
- However, it's an area in which they lack confidence. Only 19 percent of respondents said they were advanced in native mobile applications.

Retailers Look to Partners to Help Fill the Gaps

Retailers believe the top four opportunities to drive sales as they shift from printed circulars to digital formats are:

• Retailers' own websites (23 percent)

- Deal or promotion websites (23 percent)
- Deal or promotion apps (22 percent)
- Retailers' own apps (15 percent)

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http://www.retailmenot.com/corp/qui/pdf/RMN DigitalMarketingStudy2014.pdf.

Methodological Notes

The RetailMeNot Retailer Survey was conducted between April 24th, 2014 and May 6th, 2014 using an email invitation and an online survey, among 204 marketing decision-makers at retailers that sell both online and in physical retail locations and have at least \$50 million in annual revenue. Grocery stores and restaurants were excluded from the survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results.

In this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 6.9 percentage points from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample. The margin of error for any subgroups is higher.

About RetailMeNot, Inc.

RetailMeNot, Inc. (www.retailmenot.com/corp/) operates the world's largest marketplace for digital offers. The company enables consumers across the globe to find hundreds of thousands of digital offers from retailers and brands. RetailMeNot, Inc. estimates that \$3.5 billion in paid retailer sales were attributable to consumer traffic from digital offers in its marketplace in 2013. Its websites experienced more than 590 million visits in the last twelve months. Its mobile apps have been downloaded over 16 million times. The RetailMeNot, Inc. portfolio includes www.RetailMeNot.com, the world's largest marketplace for digital offers in the United States; www.RetailMeNot.ca in Canada; www.VoucherCodes.co.uk, the largest marketplace for digital offers in the United Kingdom; www.Deals.com in Germany; www.Actiepagina.nl, a leading digital offer site in the Netherlands; www.Bons-de-Reduction.com and www.Ma-Reduc.com, leading digital offer sites in France; www.Poulpeo.com, a leading digital offer site with cash back in France; and www.Deals2Buy.com, a leading digital offer site in North America. RetailMeNot, Inc. is listed on the NASDAQ stock exchange under the ticker symbol "SALE." Investors interested in learning more about the company can visit: http://investor.retailmenot.com/.

Be sure to "like" RetailMeNot, Inc. on Facebook and follow the company via Twitter @retailmenotinc.

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