Research Study Shows Online Coupons Drive Incremental Business and Generate New Users

WhaleShark Media Unveils Results from Consumer Research Study Highlighting Benefits of Online Coupons and Promotions for Merchants

Austin, TX – October 4, 2011 –WhaleShark Media Inc., the world's leading marketplace for coupons and deals, today announced the results of a recently commissioned study conducted by Forrester Consulting that draws a direct correlation between online coupons and increased consumer spending. The September 2011 study, The Impact Of Online Coupons And Promotion Codes, concluded that online coupons and promotion codes are a valuable source to drive new business to merchants, reinforce brand image and positively influence the purchase cycle. In addition, it found that customers using coupon websites not only shop more online, but they also spend more online than the average online shopper, making them an important demographic for retailers to target.

Based on a survey of 504 U.S.-based coupon users and five in-depth interviews with e-commerce executives from large companies, key study findings concluded the following:

- •**Online coupons and promotion codes drive incremental business:**Offering coupons and deals generates new users and increases overall user spending. Active coupon users reported spending over $800 more per year with e-commerce merchants than less active coupon users ($1,850 vs. $1,025). In addition, 74% of active coupon users indicated that they would be likely to try a new brand if they received a coupon or promotion code versus 54% of less active coupon users.

  •**Online coupons and promotion codes positively influence the purchase cycle**by reducing shopping cart abandonment, improving conversion rates and reinforcing positive feelings about brands. Additionally, 88% of respondents said that promo codes or coupons "close the deal" on their decision to make a purchase.

  - º*Reduced shopping cart abandonment*: 60% of respondents indicated that if they received an online coupon or promotion code they would be more likely to reconsider purchasing a product that they had put in their shopping cart but had not bought.

  - º*Improved brand loyalty and reputation:* 80% of respondents indicated that offering online coupons or promotion codes improves a company's brand image, with an impressive 88% of respondents saying that they have positive feelings toward companies that offer coupons.

- •**Visitors to coupon websites are an especially valuable segment of shoppers:**These shoppers make more purchases online and spend more money online than the average online shopper. Visitors to online coupon sites made 18% more online purchases in the last six months and expect to spend 16% more than other shoppers in the next 12 months.

"Bucking the conventional wisdom, shoppers today see online coupons as brand-enhancing, and online shoppers who use coupons lack the traditional frugality—tending to shop more frequently and spend more money than shoppers who don't use coupons," said Matt Herzog, of the Business Development Group at Rue La La and SmartBargains. "For online retailers, coupon users represent a large and powerful customer base with new ideas and high potential. As such, coupons must be a prominent aspect of any e-tail promotional strategy, offering online marketers a unique opportunity to reinvent the coupon in the minds of modern consumers."

The study also revealed that, as a third party, affiliate coupon sites are uniquely positioned to market brands in ways they can't on their own. E-commerce executives who were interviewed reported that through these partners, they are able to experiment and determine which types of offers and incentives work best for them and drive the strongest consumer response. In addition, they indicated that the affiliate coupon channel offers unique and attractive reach and frequency.

"The growing popularity of WhaleShark Media's online coupon properties, including leading U.S. siteRetailMeNot.com, indicated to us that online coupon usage was on the rise. However, we wanted to better understand what this increase meant for retailers providing the deals, so we can advise our partners accordingly and work with them to deliver even more value for their businesses and consumers," said Cotter Cunningham, CEO of WhaleShark Media. "The results are very compelling, suggesting that a mix of creative and effective retailer marketing, coupled with savvy and resourceful shoppers can dramatically spur shopping activity and retailer sales."

As a part of the company's goal to deliver even more value for its merchant partners, WhaleShark Media recently hosted a two-day partner summit that was attended by more than 40 retailers, including Barnes & Noble, Dell, drugstore.com, Expedia, Hotels.com, HP Home & Home Office Store, Vistaprint, O.co, FTD, Pacific Sunwear, The Knot, 6pm.com and many others. At the event, WhaleShark and a guest speaker from Forrester reviewed the results of the study and discussed how retailers could

use the information to drive incremental business and better serve their customers.

Throughout the partner summit, retailers met with WhaleShark executives to discuss the growing demand for deals and coupons and how WhaleShark can continue to direct valuable consumers to them. Attendees received an update on upcoming offerings from WhaleShark's growing portfolio of sites and how merchants would be able to benefit from the changes. Additionally, the event included a keynote address from leading consumer and financial correspondent Jean Chatzky of the Today show, who discussed consumer trends and what they mean for retailers.

"Coupon usage is on the rise, and we are always looking at ways to meet our consumers' needs and improve their experience, said Catherine Paschkewitz, Senior Marketing Director, HP Home Store. "The Forrester study presented at WhaleShark's partner
summit was extremely insightful and the information will help us develop our coupon strategy moving forward. WhaleShark has been a strong partner for HP, and we appreciate their thought leadership in the space."

Download a copy of the research study in its entirety here. For the latest coupons and shopping tips, follow RetailMeNot.com on Twitter, www.twitter.com/retailmenot, or become a fan on Facebook, www.facebook.com/RetailMeNot.

About WhaleShark Media, Inc.
WhaleShark Media, Inc. is the world's leading marketplace for online coupons and deals. The company's websites connect consumers seeking savings with discounts from more than 140,000 merchants, stores and retailers. WhaleShark Media welcomes more than 300 million visitors to shop its sites every year. The WhaleShark Media portfolio of coupon and deal websites includes www.RetailMeNot.com, the largest online coupon site in the United States; www.VoucherCodes.co.uk, the largest online coupon site in Europe; www.Deals.com; www.Deals2Buy.com; www.CouponSeven.com; www.CouponShare.com; and www.Gutschein-Codes.de. WhaleShark Media is a fast-growing, profitable company funded by venture capital firms Austin Ventures, Norwest Venture Partners, Adams Street Partners, Google Ventures, J.P. Morgan Asset Management, and Institutional Venture Partners (IVP).

About the Study
In July 2011, WhaleShark Media asked Forrester to analyze the impact that online coupon and deal sites have on the incremental business portfolios for its merchant partners. To create a full picture of the online coupon market and its unique dynamics, Forrester surveyed 504 U.S.-based coupon users and also conducted five in-depth interviews with e-commerce executives from large companies across various industries (clothing and apparel, home and garden, food and entertainment, and travel) who are currently responsible for online couponing. Forrester's line of questioning explored to what extent online coupon and deal sites increased customer conversions, decreased shopping cart abandonment and impacted customer loyalty and company brand reputation. In the end, Forrester found that online coupon and deal sites do indeed drive quantitatively and qualitatively measureable incremental business for merchants.

www.RetailMeNot.com is a registered domain of WhaleShark Media, Inc. All other domains, names and trademarks mentioned herein are property of their respective owners.

Media Contact:
Miranda Coykendall
Schwartz Communications
415.512.0770
RetailMeNot@schwartzcomm.com

RetailMeNot PR Department
+1 512 777 2957

media@rmn.com

---

https://retailmenot.mediaroom.com/press?item=122213