



NEWS RELEASE

Study: Digital Coupons Key to Successful Product Launches

MOUNTAIN VIEW, Calif., July 14, 2016 /PRNewswire/ -- Shoppers who use digital coupons are more likely than the average shopper to try new products and to continue buying them, according to a newly released study by Quotient Technology Inc. (NYSE: QUOT), a leader in digital promotions and media. According to the study, "Digital Coupon Redeemer: New Product Adoption," conducted in partnership with research firm GfK, shoppers who use digital coupons drive almost two times more trial of new products when compared to all shoppers.

"Consumer packaged goods companies (CPGs) are always looking to increase the odds of success for new brand launches," said Mir Aamir, President and COO at Quotient. "Our data was consistent among all of the new brands we looked at across a variety of CPG categories. Shoppers who use digital coupons are powerful buyers, and they are more likely to buy products again and again. Digital coupons continue to be an effective strategy to drive trial and repeat buying, ultimately leading to increased sales."

CPGs spend up to \$160 million on new product advertising during the first year of launch, according to **Nielsen's 2015 Breakthrough Innovation Report**. Compared to mass media new product promotions, digital coupons are a cost-effective way to generate awareness for new products to a receptive audience.

After digital coupon shoppers try a new brand, they not only buy it again at a higher rate, but they continually buy more units per trip than the average shopper who tries the brand. Shoppers who use digital coupons purchased 1.5 times more units, also known as repeat unit volume, of those products than the average shopper.

The Quotient/GfK study analyzed 24 individual case studies for products that launched from 2013-2015. Digital coupons were offered for food and non-food categories of recognizable household consumer brands. For instance, one product launch was a new cereal line, another a new flavor of yogurt.

Separately, Kantar Media recently released a **study** that found that up to 80 percent of all new product launches in 2015 included digital coupon promotions. Because digital coupons can be personalized, CPGs

can target shoppers who have specific buying habits and behaviors. This may be one reason why only 30 percent of CPGs promoted new products through national free-standing inserts (FSI) – paper coupons and circulars that shoppers receive in the mail. The shift to digital is notable. According to Kantar, CPG brands supported new product launches with an average of 2.6 FSI and 3.5 digital events last year, a 12 percent for FSI and 98 percent increase for digital.

"The digital coupon consumer segment shops and **spends 30% more**, annually, than the national average," said Neal Heffernan, Senior Vice President of Shopper and Retail Strategy at GfK. "When we looked at new products' trial and repeat rates among the digital coupon consumer segment, we saw an increased success rate for all the new products we analyzed, which was a major new learning. Digital coupons are a hook and hold strategy – shoppers who use them, try new products more often and are more often happier with their purchase and continue to repeat at a faster rate than the national average."

For more information contact press@quotient.com or visit www.quotient.com.

Methodology

Quotient's "Digital Coupon Redeemer: New Product Adoption" analysis was conducted against 24 new products across 24 categories from recognizable CPG parent brands launched from 2013-2015. New products include food such as cereals, soups, yogurt, frozen treats, and non-food products including personal care, home & beauty, household products, pet care and more. More than 40,000 shoppers were identified as digital coupon redeemers and were analyzed from GfK's National Shopper Lab database, representing loyalty card data from more than 1.6 million households in the U.S.

About Quotient Technology Inc.

Quotient Technology Inc. (NYSE: QUOT), formerly **Coupons.com** Incorporated, is a leading digital promotion and media platform that connects brands, retailers and consumers. We distribute digital coupons and media through a variety of products, including: digital printable coupons, digital paperless coupons, coupon codes and card linked offers. We operate Retailer iQ, a real-time digital coupon platform that connects into a retailer's point-of-sale system and provides targeting and analytics for manufacturers and retailers. We also power digital coupon initiatives in online marketing campaigns, including display and video advertising. Our distribution network includes our flagship site, Coupons.com, our mobile applications, Coupons.com, Grocery iQ, Shopmium, and our thousands of publisher partners. Clients include hundreds of consumer packaged goods companies, such as Clorox, Procter & Gamble, General Mills and Kellogg's, as well as top retailers like Albertsons-Safeway, CVS, Dollar General, Kroger, and Walgreens. Founded in 1998, Quotient is based in Mountain View, Calif., and is bringing the multi-billion dollar offline promotions industry into the digital world. Learn more about the company at <http://quotient.com> and follow us on Twitter @Quotient.

About GfK

GfK is the trusted source of relevant market and consumer information that enables its clients to make smarter decisions. More than 13,000 market research experts combine their passion with GfK's long-standing data science experience. This allows GfK to deliver vital global insights matched with local market intelligence from more than 100 countries. By using innovative technologies and data sciences, GfK turns big data into smart data, enabling its clients to improve their competitive edge and enrich consumers' experiences and choices.

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