Ipsos Study Shows Online Group Coupons Can Help Build Brand Loyalty

Six in Ten (57%) Users Likely to Revisit a Retailer Without A Coupon

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Vancouver, BC, February 9, 2012 – Online group coupons are becoming a hot marketing tool for businesses– but do they actually work to build loyalty? According to a recent issue of the *Ipsos Canadian Inter@ctive Reid Report*, Canadians are flocking to online coupon websites to try new companies, experience new products or services, and save on purchases. And customers aren't the only ones reaping the rewards.

Websites such as Groupon.com and WagJag.com appear to be laying the groundwork for building loyal customer bases. Among those who have redeemed an online group coupon in the past, six in ten (57%) would be likely (18% very likely, 39% somewhat likely) to return to the same company without a coupon or gift certificate. In fact, a majority (62%) of those who had bought an online coupon in the past have then gone on to make a full priced purchase from the business they first became familiar with through the group coupon site.

"In the current economic climate, Canadians are wary of trying new things," says Catherine Dawson, Senior Vice President with Ipsos Reid in Vancouver. "With online group coupons, consumers are introduced to activities, restaurants, and other products and services they might never have tried before but the risk to them is lower because of the discounts being



offered. Especially for small businesses and start-ups, this is a great way to increase exposure of their brand, bring in new clients, and ultimately help in building loyalty."

Online group coupons are clearly a way that Canadian consumers are branching out to try new businesses. Eight in ten (83%) who have used a group coupon in the past have used a business for the first time because of an online group coupon. A similar proportion (82%) has tried a product or service they wouldn't have otherwise if not for the coupon. Among the various categories of online group coupons bought, the most popular are restaurants (51% of group coupon users), personal services (27%), and grocery items (25%).

When it comes to specific sites, Groupon.com dominates the industry with just over half (54%) of online Canadians aware of the site, followed by WagJag.com (27%), Dealfind.com (19%), LivingSocial.com (18%), Dealoftheday.ca (12%), and TeamBuy.ca (12%). Among those aware of group coupon sites in general, six in ten (61%) subscribe to receive emails or other alerts for notifications of new deals from the sites.

"Groupon.com is an industry leader driving interest in online group couponing - the brand is almost becoming synonymous with the category and helping boost overall awareness," adds Dawson.

This release is based on the findings of an Ipsos Reid syndicated study, The Ipsos Canadian Inter@ctive Reid Report, fielded August 24th to 29th, 2011 and released in 2011-Issue 4. This online survey of 840 Canadian adults was conducted via the Ipsos Online Panel. The results are based on a sample where quota sampling and weighting are employed to balance demographics and ensure that the sample's

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composition reflects that of the actual Canadian population according to Census data. Quota samples with weighting from the Ipsos online panel provide results that are intended to approximate a probability sample. An unweighted probability sample of this size, with a 100% response rate, would have an estimated margin of error of +/- 3.4 percentage points, 19 times out of 20.

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