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# CONSUMER NATION | Tracking the Pulse of America's Spenders

## Coupons Via Cellphone: Whipping Up the Impulse Buy

Published: Thursday, 15 Oct 2009 | 8:00 AMET

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By: Christina Cheddar Berk  
News Editor

To date, the concept of receiving coupons on your cell phone has been more theory than practice. This is despite a resurgence in coupon use and an increasing dependence on cell phones.



Manuel Balce Ceneta

But with the focus on mobile coupons as a marketing tool on the rise, is the industry heading to an inflection point? A new Harris interactive survey, released today, suggests a significant number of consumers would like to receive advertising on their cell phones that they have requested, based on their location.

The survey, which was commissioned by **1020 Placecast**, polled more than 2,000 adults over the age of 18 years old, and found that 42 percent of those who were between 18 and 34 years old, and 33 percent of those 35 to 44 years old are at least somewhat interested in receiving opt-in alerts on their cell phones for specials at their favorite establishments.

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Most of those who would like to receive the alerts were male and said they would be most interested in finding out about deals at their favorite food and entertainment spots.

"Opt-in mobile marketing has an enormous potential if done responsibly and is specifically focused on the stores/restaurants that matter to each consumer," said Alistair Goodman, CEO and founder of 1020 Placecast.

These findings are important to 1020 Placecast as the company has designed a system to use digital marketing on the Web and mobile devices in an attempt to drive consumers to go to specific locations.

Using their systems, a restaurant or retailer can send an alert to a customer's phone whenever the person is nearing its location.

This type of technology is even more impressive when one considers how many purchases consumers make on the fly. Even in this age of careful spending 9-in-10 Americans have made an impulse purchase when they were out shopping in a store based on a sale or a special that was going on around where they

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were, according to the Harris survey.

Among adults who own a cell phone, nearly a quarter — some 22 percent — make this type of purchase at least once per week or more often. And, if you slice the data even thinner, you will see 27 percent of the women ages 18 to 44 will make an impulse purchase once a week, however, 31 percent of men in this age group make impulse buys.

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This means 1020 Placecast's technology may have a receptive audience.

Of course, the company's model is only one way marketers are attempting to penetrate the mobile coupon market.

Leading online coupon distributor **Coupons.com**, recently entered the fray. The company has developed applications for the Apple's [\[AAPL 190.19 ▼ -1.10 \(-0.58%\)](#)  iPhone and other devices to help consumers sort through coupons and pair them with their grocery lists.

In addition, Coupons.com is trying out a system that allows shoppers to browse through coupon offerings at its Web site, then load the offers on to a key tag. Once at the store, shoppers can wave their key tags over the scanner during checkout in order to get the credit.

Both companies caution this is still early days for these technologies. However, with the number of smartphone users on the rise, coupled with the yet untapped interest, there may be significant opportunities for a technology that is simple enough for consumers to understand and appreciate.

"We're going to see a pretty dramatic increase in the number of consumers using smartphones, and with that, we'll see more and more consumers taking an interest in receiving opt-in advertising on their mobile devices," Goodman says.

According to Goodman, smartphone penetration is about 15 percent in the U.S. today, or about 40 million phones. He says most forecasts call for that number to at least double by the end of 2011.

In theory, the 1020 Placecast concept seems like an effective way to reach consumers. It matches potential buyers to an opportunity they are already pre-disposed to receiving, rather than bombarding a random consumer with messages when they may not be in a position to act on them.

Still, at this time, the reality is there is still more buzz about mobile coupons than people actually using these offers. But as retailers look to hone in on how they can improve relationships with their customers it seems the demand for this type of service is there.

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