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**FOR IMMEDIATE RELEASE**

**KANTAR MEDIA REPORTS FREE STANDING INSERT (FSI) COUPON ACTIVITY IS UP 4.5% IN 2013**

**Retailer Promotion Pages Increased 25.6% and accounted for more than 22.9 billion pages in 2013**

**MINNEAPOLIS, MN January 8, 2014** – Kantar Media reports that more than 287 billion Free Standing Insert (FSI) coupons were distributed in 2013, a 4.5 percent increase in activity compared to 2012. (FSIs contain coupons for the Consumer Packaged Goods (CPG) industry, as well as Direct Response, Franchise and Retailer promotion.) This represented a distribution of \$467 billion in consumer incentives, an 11.2 percent increase over the prior year. Average Face Value also increased to an all-time high of \$1.63, representing a 6.4 percent increase over a year ago.

“These trends indicate that FSI coupons continue to be an effective tool to deliver purchase incentives for consumers. Advertisers are clearly seeing the value of the FSI vehicle evidenced by the growth in Pages Circulated: FSIs now reach an average of more than 70 million households per week,” said David Hamric, General Manager, Kantar Media Marx.

**Overall FSI Activity Grows**

During 2013 more than \$467 billion in consumer incentives were delivered via FSI coupons, up 11.2 percent from 2012. This increase in incentives was driven by more than 287 billion coupons distributed in more than 211 billion FSI pages. Average Expiration (Fuse) continued a steady downward trend with a decrease to 6.9 weeks, down 5.8 percent versus a year ago. These trends indicate that manufacturers are increasing consumer incentive with more coupons and higher Face Values in the market place but are managing their financial exposure by shortening the length of time that these offers are available.

<b>2013 versus 2012</b>		
<b>Measure</b>	<b>2013</b>	<b>% Change</b>
Dollars Circulated	\$467 billion	11.2%
Coupons Dropped	287 billion	4.5%
Pages Distributed	211 billion	1.7%
Face Value (average)	\$1.63	6.4%
Fuse (weeks)	6.9	-5.8%

Source: Kantar Media

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In 2013, the “pre-Super Bowl” promotion week of January 27<sup>th</sup> had the greatest activity with an average circulation of 111 pages. The “New Year” promotion week of January 6<sup>th</sup> had the second highest level of activity with an average of 105 pages and the beginning of “Back-to-School” promotion week of July 28<sup>th</sup> was the third most heavily weighted week with a total average of 101 pages.

**Top Retailers Increase Pages Circulated**

Retailer promotion pages grew by 25.6 percent and accounted for more than 22.9 billion pages in 2013, fueled in part by significant increases from a few major players. (The overall number of retailers using FSIs actually decreased slightly from 2012 to 2013, while manufacturers held steady.) Walmart retained the top spot with a 29.5 percent increase to 7.6 billion pages. Target continued to hold the second spot with a 91.8 percent increase to 4.7 billion pages and Walgreens maintained the third spot with a 49.2 percent increase to 3.7 billion pages. Vons and Safeway had the largest changes in rank within the top 10, with Vons up 6 spots to 9 and Safeway up 4 spots to 5.

Store	Rank 2012	Rank 2013
Walmart	1	1
Target	2	2
Walgreens	3	3
Family Dollar	4	4
Safeway	9	5
Dollar General	5	6
CVS Pharmacy	6	7
Kroger (banner)	8	8
Vons	15	9
PETSMART	7	10

Source: Kantar Media

Seven out of nine product categories increased or remained flat with Pages Circulated by retailers, including Refrigerated Foods (up 55.6 percent), Health Care (up 37.8 percent) and Personal Care (up 21.9 percent). “With Retailer Pages increasing in the double digits, it’s clear that retailer alignment is a critical factor in consumer promotion,” said Hamric. “FSIs are an important advertising vehicle for retailers because they reach shoppers in the home while they are preparing shopping lists and planning their shopping trips. Accordingly, it’s crucial for manufacturers to work with retailers to enhance their traditional coupon offerings.”

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### **New Product Activity Increases**

During 2013 there were 412 new products that delivered FSI coupons across 814 event dates as part of their introduction campaigns, averaging 2.0 event dates per new product. This reflects an increase over the 348 new products in 2012, although with 727 event dates these new products averaged a slightly higher 2.1 event dates per product. Cereals had the greatest number of new products in 2013 with a total of 37.

<b>Most New Product Introductions 2013</b>		
<b>Rank</b>	<b>Product Type</b>	<b># New Products</b>
1	Cereals	37
2	Snacks	18
3	Pet Food & Treats	16
4	Prepared Food/Frozen	15
4	Milk/Milk Products	15
6	Beverages	14
7	Vitamins	13
7	Sauce	13
7	Alcoholic Beverages	13
10	Other Packaged Goods	10

Source: Kantar Media

### **CPG Non-Food vs. Food**

In 2013, Non-Food categories distributed more than 185 billion coupons, up 8.4 percent versus a year ago, driven by the 14.1 percent increase within the Personal Care area. Food categories distributed more than 102 billion coupons, representing a decrease of 1.4 percent, led by the 4.0 percent decline for the Dry Grocery area. Six of the nine areas defined by Kantar Media reported increases or remained flat in Coupons Dropped during this period. Frozen Products, Other Packaged Goods and Personal Care areas all posted double digit increases in 2013, up 11.8 percent, 27.6 percent and 14.1 percent respectively.

Manufacturers are increasing the value of the offers being delivered to consumers in the Non-Food segment while remaining flat in the Food segment. Weighted Average Face Value (WAFV) for Non-Food increased 6.9 percent to \$1.97 and was combined with a 1.8 point increase in Multiple Purchase Requirements (MPR) resulting in 5.7% growth in Weighted Average Value per Unit (WAFVPU) to \$1.68. WAFV for Food was flat, down 0.5 percent to \$1.00 and was combined with a 3.0 point decrease in MPR resulting in WAFVPU increasing 2.3 percent to \$0.73. These promotion tactics are designed to increase the number of products the consumer purchases per coupon to potentially increase brand loyalty or preempt competitive purchasing for a longer period of time.

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2013 versus 2012										
Class	Coupons Dropped (MM)		Avg Face Value (\$)		Avg Face Value Per Unit (\$)		% Multiple Purchase		Avg Duration (weeks)	
	2013	% Chg	2013	% Chg	2013	% Chg	2013	Point Chg	2013	% Chg
Non-Food	185,692	8.4%	\$ 1.97	6.9%	\$ 1.68	5.7%	20.6%	1.8%	6.2	-8.5%
Food	102,239	-1.4%	\$ 1.00	-0.5%	\$ 0.73	2.3%	42.0%	-3.0%	8.3	-0.6%
<b>Total CPG</b>	<b>287,210</b>	<b>4.5%</b>	<b>\$ 1.63</b>	<b>6.4%</b>	<b>\$ 1.34</b>	<b>6.7%</b>	<b>28.1%</b>	<b>-0.5</b>	<b>6.9</b>	<b>-5.8%</b>

Source: Kantar Media

Copies of the comprehensive 11th annual FSI Distribution Trends Report will be available by request through the Kantar Media website at: [www.kantarmediana.com/marx](http://www.kantarmediana.com/marx).

#### About Kantar Media

Kantar Media provides critical information that helps our clients make better decisions about communications. We enable the world's leading brands, publishers, agencies and industry bodies to navigate and succeed in a rapidly evolving media industry. Our services and data include analysis of paid media opportunities; counsel on brand reputation, corporate management and consumer engagement through owned media; and evaluating consumers' reactions in earned media. As the global house of expertise in media and marketing information, Kantar Media provides clients with a broad range of insights, from audience research, competitive intelligence, vital consumer behavior and digital insights, marketing and advertising effectiveness to social media monitoring. Our experts currently work with 22,000 companies tracking over 4 million brands in 50 countries.

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