



Forensics under the microscope

Iraq after the election

A look back at 1955

Battle for the skies

All special reports

## Top business stories

The `office spouse' phenomenon

Attribution a mistake, Tribune reporter testifies

New: GM recalling trucks, SUVs • Defective pogo sticks, push toys recalled

New: Overflow crowd delays United court fight

Airline castoffs struggle to find new jobs, lives Age-old enticement

"Coupons are an age-old solid tactic to engage consumers to purchase products," said PMA President Claire Rosenzweig. "During periods of economic downturn, consumers use coupons more, but over time, usage still remains pretty consistent. If someone is giving you 11 or 12 percent off what you just purchased in the store, who wouldn't take it?"

Acquiring coupons is a lot more sophisticated today. Collectors in places including Chicago form coupon clubs where they gather each month to exchange coupons and share bargain secrets. They trade coupons online. They use coupon-clipping services and they flock to Web sites that identify grocery stores in their area that have the lowest prices each week on the items they need.

Coupons are everywhere. They arrive in the mail or slip out of dispensers when shoppers walk through the grocery store aisle. They are on grocery labels, on the back of store receipts and on the Internet. But most people still get coupons the old-fashioned way--by sorting through the Sunday newspaper where 75 percent to 85 percent of the coupons are found, according to industry analysts.

"Nobody wants to pay retail anymore, and not using coupons is like throwing money away," said Donna Montaldo, the coupon and bargain expert for the about.com Web site, which offers consumer advice. "Some people haggle over whether to leave a 15 or 20 percent tip at a restaurant, but they won't think twice about leaving a dollar coupon off their dog's food in the newspapers. Frugal-minded people can't imagine letting money slip through their fingers like that."

Rachelle Bowden, 29, used to think coupon collecting was for little old ladies who had nothing better to do. But when she moved to Chicago from New York last year, she got hooked. Though Chicago is not a market that regularly offers double or triple coupons, in which retailers match or add to the value of the manufacturer's coupon, it is still possible to save a lot of money at the grocery store.

"For me, it's a Sunday routine. I sit down with a cup of coffee and watch news programs while I clip coupons from the Sunday paper," said Bowden, a Web page designer who recently saved \$15 on her \$130 grocery bill.

Montaldo of Baton Rouge, La., said she considers the \$4,500 a year she saves using coupons as an increase in her salary. Sokol said the \$6,000 she and her husband saved on groceries helped with the down payment on their new house. She runs a Web site called feedindy.com that offers subscribers the best weekly grocery bargains in the Indianapolis area. It also lists sale items needed by charity groups.

Sokol said she spends four to five hours a week on her business, which allows her to work from home and care for her 7- and 2-year-old daughters. Her savings help boost the family's \$300-a-month grocery budget.

Keep it simple

Her methodology is simple. Each week, 150 to 200 coupons are available in the Indianapolis area, she said. She simply matches those coupons with the sale ads that come out on Thursdays and makes a shopping list based on the items she can purchase at the lowest price.

The key, she said, is to stockpile and to never buy anything that is not on sale. She says she never runs out of necessities like shampoo, so she never has to rush out and purchase a bottle at full price.

"People are always complaining about how expensive cereal is. But I never pay more than 50 cents a box for cereal," said Sokol. "But I don't encourage people to hoard. I might have five coupons, but if there are only five of those items on the shelf, I will leave one. I'm a courteous shopper."

Teri Gault, CEO and founder of thegrocerygame.com Web site, said she encourages shoppers to think about deals before they jump on them. A \$1

coupon for a 12-roll pack of toilet paper on sale for \$8.99 might sound like a great deal, but it is not as good as a \$1 coupon for a four-roll pack that sells for \$1.99. With the smaller package, you are paying about 25 cents a roll.

According to Gault of Santa Clarita, Calif., sales come in cycles. Grocery products are divided into about 15 categories, such as cleaning goods, dairy and cereals, and each category goes through a sale cycle every 12 weeks. That is when the lowest prices are offered.

"It's like the stock market. You have to know when to buy and when to use that coupon," said Gault, who offers a list of grocery store savings to subscribers in 43 states, including Illinois. "About half of what you see in the store ads are phantom sales, which means they are not as low as they will go. We tell people to save the coupon for a week or two until the rock bottom cycle comes around."

## Checkout traffic jam

Kim Matelic, 27, of Westfield, also collects coupons. But like most shoppers, there is no method to what she does. She simply carries a stack of coupons to the grocery store and lets the checkout clerk help her sort them. It is a time-consuming process that people in line behind her hate.

"I'll give her a dollar. Let's just move on," said one shopper waiting in line as the clerk scanned a stack of coupons, returning the ones that were expired or did not apply to Matelic's purchase.

But Matelic was unfazed by the long line of impatient shoppers. She saved \$85.29 on her \$263.11 grocery bill.

It angers a lot of people, she acknowledged, "but I've just pocketed almost \$100. So I look at it a little different."

Manufacturers spend about \$7 billion a year on coupons used primarily to introduce new products or to entice shoppers to switch to their brand, according to the PMA. But as the Internet became more popular, so did coupon fraud, which costs retailers and manufacturers \$500 million a year, according to the Grocery Manufacturers of America, or GMA, the trade group for companies such as Coca-Cola and Nestle.

Grocers that refused to honor Internet coupons are beginning to accept them as new technology makes counterfeiting more difficult, analysts said.

Last year the GMA lobbied eBay to ban the sale of bulk coupons online. But even with eBay's new regulations, the GMA has reported more than 800 illegal auctions online.

"We see a lot of auction sites and coupon clipping sites online where people are offering their time and energy to clip coupons for a fee. It is illegal to charge for coupons, and though they say they aren't, we want to severely limit that activity," said Marjorie DePuy, manager of industry affairs for the GMA.

In more than 30 years of coupon clipping, Susan Samtur of Yonkers, N.Y., said she has seen the industry change. When she started in 1973, she said, the average coupon was about 15 cents, compared with an average of about 71 cents today. There used to be no expiration date, she said, but now most expire in about three months.

"The coupons used to be just for supermarkets and for things like groceries and health and beauty aids. Now the retail outlets have their own coupons, as well as a lot of restaurants. You can even get coupons for eyeglasses," said Samtur, 60, who publishes the Internet newsletter, Refundle Bundle.

Manufacturers also aren't particularly happy with coupon queens. Though Sokol said she tells her subscribers to buy three Sunday newspapers for the coupons, she does not encourage them to use 20 coupons to get 20 bottles of ketchup.

But Philip von Stade, president of VSI Targeting, which helps companies market coupons, said there is value in coupon queens.

	"The manufacturers are quite distressed by coupon queens. But I tell them they are like Major League Baseball players. They go out and try to beat the system, but they inspire others to go out and use coupons. There might be only 100 of them, compared to the 100 million households in the U.S."
	dglanton@tribune.com
	Copyright © 2005, Chicago Tribune
	>> Save 54% off the newsstand price - <u>Subscribe to the Chicago Tribune</u>
Home   Copyright and terms of service   Privacy policy   Subscribe   Contact us   Archives   Advertise   Site tour	
	•