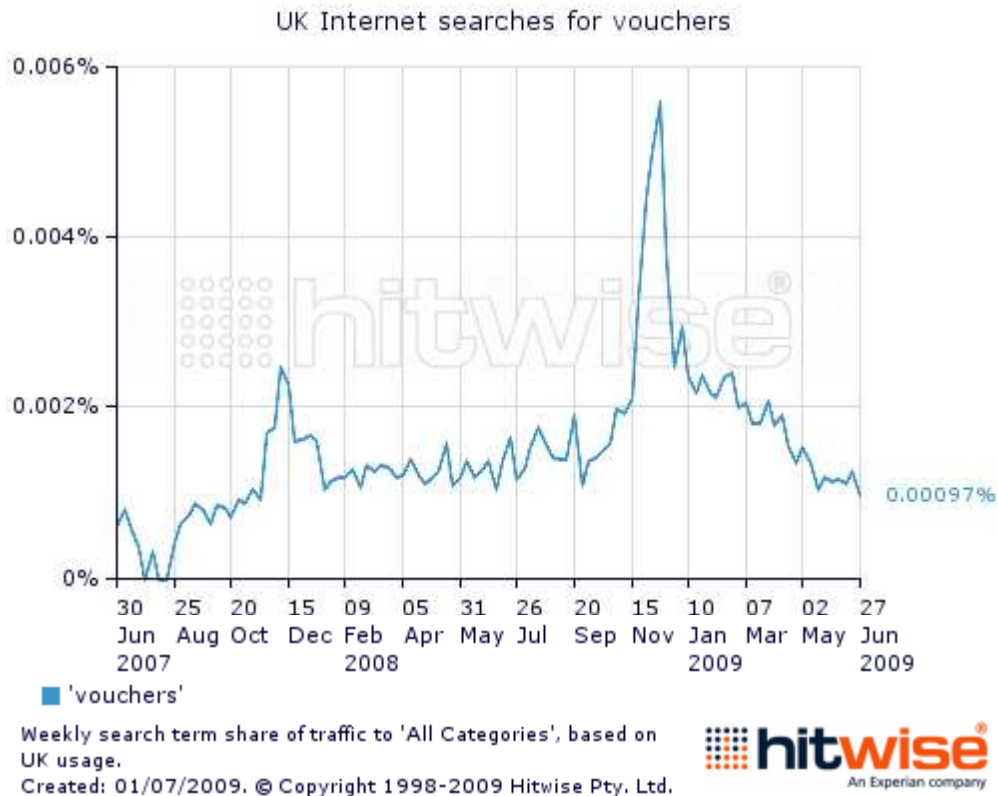


Are online discount vouchers on the decline?

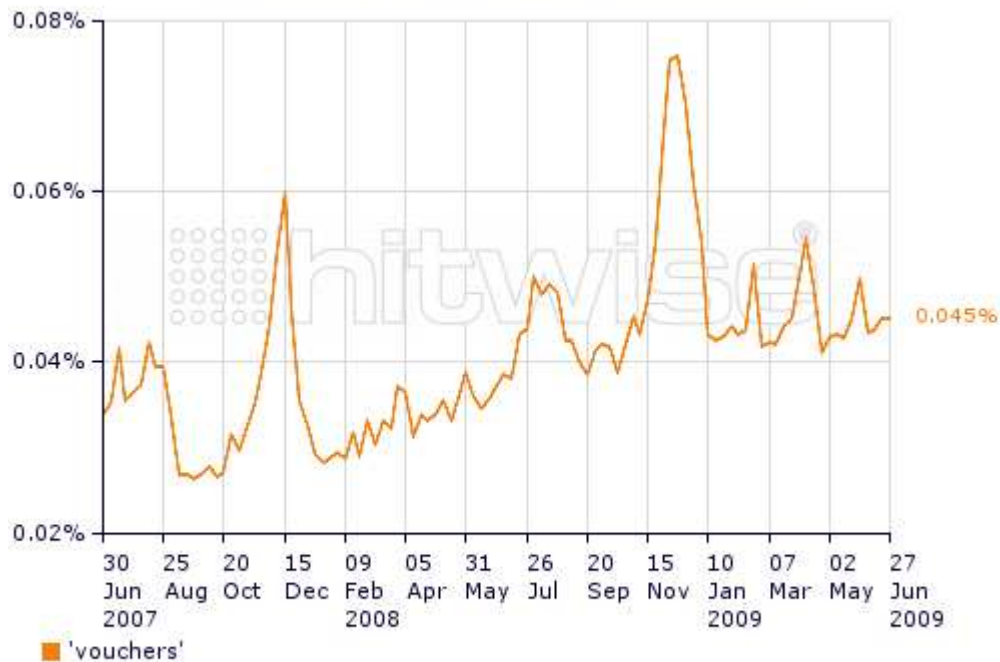
July 01, 2009

As we've reported a number of times, online vouchers have been one of the recent online success stories. [Voucher searches shot up massively in the run up to Christmas](#) as savvy shoppers looked to find a bargain during the recession. But recently we've heard some talk that the boom times for discount vouchers may be coming to an end. This begs the question: are consumers and retailers tiring of discount vouchers? To test this hypothesis, I charted searches for the term 'vouchers' over the last two years.



As you would expect, there has been a significant decline since Christmas; but last week (w/e 27/06/09) searches for 'vouchers' were also down 28.6% on the equivalent week last year (28/06/08). So voucher searches are down? Not so fast – the above chart only includes searches for the single term 'vouchers'. Over 96% of UK searches containing the word 'vouchers' are for a longer term (e.g. 'discount vouchers', 'tesco vouchers', etc.) rather than just the single word 'vouchers', so it important to consider the broader picture. The chart below tracks the breadth of searches for the term 'vouchers' – i.e. the number of search terms in the UK that contained the term 'voucher'.

Breadth of UK Internet searches for vouchers



Weekly number of unique search terms represented as a share of all search terms, based on UK usage.
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The breadth of searches for 'voucher' has also declined since Christmas, but in this case it is still up year-on-year. This data points to an increasingly sophisticated voucher-searching audience. Now that people are used to looking for vouchers online, they are searching for specific discounts rather than more generic terms. Certainly, the rate of increase in voucher searches has flattened – it is now starting to look more like a mature than a growing market. The final piece of the puzzle is to look at traffic to voucher specific websites (such as [Hot UK Deals](#), [Money Saving Expert](#) and [My Voucher Codes](#)). As the chart below illustrates, this has flattened since Christmas and is actually down 12.1% on last year. However, from the retailers' perspective, voucher sites are sending more traffic now than a year ago. During May 2009 the top voucher websites accounted 0.53% of all upstream traffic to the Shopping and Classifieds industry. This was down from the peak of 0.82% during December, but up from 0.43% in May 2008.

UK Internet visits to voucher websites



Weekly market share in 'All Categories', measured by visits, based on UK usage.

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So, in conclusion: the online voucher market is still huge and voucher sites are sending a significant amount of traffic to retailers. But the market is maturing fast and is no longer growing at the rate it once was.

Story Link:

<http://weblogs.hitwise.com/robin-goat/2009/07/are-online-discount-vouchers-on-the-decline.html>