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Downturn boosting coupon books

Celilo Group Media receives funds to expand

Portland Business Journal - by [Wendy Culverwell](#) Business Journal staff writer



Cathy Cheney | Portland Business Journal

Celilo Group Media President Nik Blosser will soon publish the Chinook Book in Denver and San Jose, thanks to a new investment from the Oregon Angel Fund.

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The shaky economy has helped [Celilo Group Media](#) secure \$1.2 million in angel funding to start publishing its popular Chinook coupon book in Denver and San Jose.

[The Oregon Angel Fund](#) was the single largest investor in the round, which included about 14 investors, said Celilo President Nik Blosser.

With consumers wary about spending, Blosser said advertisers are looking to the Chinook Book and similar coupon books as a way to attract customers.

“I think more recently, there is more interest in driving in traffic,” Blosser said.

The company’s newest “It’s hip to clip” campaign is attracting some high-price advertisers not usually associated with coupons.

The Portland restaurateurs Bruce Carey placed four \$20-off coupons in the Chinook Book this year, one for each of his restaurants: Bluehour,

saucebox, 23Hoyt and clarklewis.

While Celilo casts the Chinook Book as a tool for enticing new customers to sample a business, Carey said its emphasis on sustainability motivated him to advertise in it for the first time this year.

“Chinook Book defines a community,” he said. “I want my restaurants to be known as a vigilant member of that community.”

Portland-based Celilo Group Media publishes Chinook Books in Portland, Seattle, Minneapolis and the East Bay area. It just released the 2009 book, its ninth edition.

The 2009 Portland edition weighs almost as much as a can of soda and includes 390 coupons with a collective face value of nearly \$1,078. With discounts and other specials, the coupons have an estimated value of about \$5,300, well above 2008’s \$3,000 to \$4,000 value, said Jenn Adams, market director for Portland.

The book is not unique.

Nationwide, coupon use is gaining new respect, according to Matthew Tilley, director of marketing for [CMS Inc](#), a Winston-Salem, N.C., logistics company that handles coupon payments to retailers. CMS has tracked coupon trends for more than 20 years.

Coupon use tends to follow unemployment rates, offering a handy measurement of the nation’s economic health. When times are good, customers use fewer coupons. That’s been the case since the early 1990s, said Tilley.

Nationally, advertisers distributed 302 billion grocery-related coupons in 2007, which is consistent with the number issued for about a decade. Add in coupons for restaurants and other advertisers likely to use vehicles such as Chinook Book and the figure could be 50 percent larger, Tilley estimates.

About 2.6 billion coupons were redeemed in 2007, down from 4.7 billion a decade ago.

That’s consistent with the relatively flush period in which consumers didn’t feel pressured to pinch pennies.

Now, consumers aren’t feeling so secure. The Consumer Confidence Index hit an all-time low this week, dropping 23.4 points from a year ago.

For Celilo, that translates into new opportunities.

It has more advertisers placing coupons in its book and it expects to sell more copies of the Chinook Book, which retails for \$20.

It printed 36,000 copies of the 2009 Portland edition, 1,000 more than last year. The Chinook Book is sold as a fundraiser by schools and other groups, and through a variety of retail outlets, including bookstores and groceries. It’s also marketed as a corporate thank-you gift to Realtors and other sales professionals.

New Seasons is a longtime Chinook Book advertiser. The current book carries a full-page add and three coupons offering various goods and services for free.

Marketing Director Helen Neville said New Seasons advertises in Chinook Book because it shares its sustainable approach to business and because of the high redemption rate.

According to a reader survey conducted for Celilo the average Chinook Book owner uses 15 coupons with a total value of about \$75.

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