

## Spring 2013

Mark your calendar and make plans to join your coupon industry colleagues at these ACP events

**Regional Coupon  
101\102**

**Midwest**  
October 9, 2013  
Rosemont, IL

**Save the Dates!  
2014 Industry  
Coupon Conference**

April 22<sup>th</sup> - April 24<sup>th</sup>  
2014  
Hilton, Lake Buena  
Vista  
Orlando, FL  
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**For the latest details:**

ACP headquarters  
[www.couponpros.org](http://www.couponpros.org)  
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## Looking Like The Big Easy:

### The Association of Coupon Professionals Marks Record Attendance for “Jazzed About Coupons: New Platforms, New Directions, New Orleans” Annual Industry Coupon Conference

#### The Scene

From beignets to Basin Street, the French Quarter to quarter slots, jambalaya to jazz, New Orleans just doesn't get any better- except maybe when some of the most expert coupon professionals from all over the world meet to share their insight, experience and collegiality. The coupon industry faces many unique opportunities and challenges and the professionals who just gathered truly make the absolute best in couponing look like “The Big Easy”.

After a successful year celebrating its 25<sup>th</sup> Anniversary in 2012, the Association of Coupon Professionals (ACP) recently presented its annual Industry Coupon Conference for 2013, “Jazzed About Coupons: New Platforms, New Directions, New Orleans”. The event marked for ACP not only record participation, but many first-time attendees.

The Annual Industry Coupon Conference brings together national and international representatives from retailers, manufacturers, coupon processors and solution providers that support manufacturers or retailers. As the only national conference dedicated exclusively to coupons in 2013, it highlighted throughout its programs the current industry landscape and future trends as well as changing consumer shopping habits and the impact of social networks.

“This year featured longtime industry veterans and many new faces in the coupon world, all discussing the relevant opportunities and challenges,” said ACP Executive Director John Morgan. “The energy and expertise was remarkable and clearly demonstrated the strength and viability of coupons.”

#### The Industry Experts

To kick off the week, The Association of Coupon Professionals in support of its mission to provide an industry forum that fosters expertise, education, and leadership that enriches the development, distribution, and redemption of coupons, ensuring they remain a viable sales and marketing tool, provided the Coupon 101/102 education workshop. The workshop reviews all aspects of the couponing industry in an informative and interactive format designed for individuals new to couponing, or those who need an update and refresher course. Presenters

are industry experts and pertinent topics included:

- Industry Overview
- Effective Coupon Strategies
- Coupon Distribution Types
- Coupon Design
- The Redemption Cycle
- Family Code Management & GS1 Databar
- Coupon Misredemption & Managing Risk

## Welcome New Members

Common Kindness

Kraft Foods

Reading for Education

PromoPoint Marketing

Brand Technologies

Avid, Inc.

Quality Health

Hopster

## Committee & Task Force

Anyone from an ACP member company can volunteer to serve on a committee or task force. It's an opportunity to participate in the improvement of the industry while developing new relationships with industry leaders. Most work is done through monthly conference calls and on-line collaboration. If you are interested in volunteering, contact John Morgan, Executive Director of

In the main conference session, as the keynote presenter, Phil Lempert, the "Supermarket Guru", shared his expert analysis of consumer behavior, marketing trends and the retail landscape. He is a widely known industry specialist from The Lempert Report, Supermarket News, as well as extensive media and television appearances including the Today Show and The View. In addition to the keynote address, Lempert moderated a consumer panel - "hear it from the source!" In this live event, consumer readers from "All You" magazine discussed their coupon usage and shopping habits.

"One of the most important takeaways from this year's ACP Conference is how consumers' shopping habits are changing - and how ACP's members continue to work together to meet those changing behaviors," said Lempert. "As the industry continues to help bridge the gap between higher food prices and staying on budget, it is abundantly clear that offering value through coupons - both traditional and digital will continue to be part of Americans' everyday lives."

The ever-changing coupon industry is evolving with new technologies, and shifting consumer behavior in an unpredictable economy. As always, there was much to see, hear, and learn at the Industry Coupon Conference. Highlights included:

- Barbara Reilly and Frank Kroger, Valassis, who contributed research regarding retailer media consumption and shifts in consumer coupon usage.
- Mark Heckman, coupon industry consultant, discussed the "Digital Disconnect" and assessed where digital is right now and where it needs to go to adapt to smart phone carrying consumers who want access to information and offers digitally.
- Heckman also moderated a Digital Coupon Panel that explored the successes, opportunities and challenges of this emerging coupon vehicle. This expert panel of digital coupon leaders included: Brian Brinkley, Zavers by Google; Cheryl Black, You Technologies; John Caron, CATALINA; Bill Catania, Inmar; Henri Lellouche, News America.
- Marisa Peacock, CMS Wire, discussed improving the mobile coupon shopping experience from a consumer perspective.
- Dawn Shirley, dunnhumby USA demonstrated through use cases how to optimize coupon engagement and redemption across channels to drive incremental value for the business over time.

ACP at (610) 789-9993, or

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### **Committees & Task Forces**

The **Education Committee** develops and hosts Coupon 101\102, an introductory workshop for the coupon industry. And works on other opportunities to educate the industry.

The **GS1 Databar Task Force** works to implement the new GS1 Databar coupon coding

The **Internet Couponing Task Force** identifies and reports Internet coupons' benefits and issues

The **Industry Coupon Conference Planning Task Force** develops the annual industry coupon conference

The **Coupon Guidelines Committee** creates best practices on coupon design and processing

There are currently several sub-groups:

- Dan Kersten, Kimberly Clark and Jonathan Trieber, Revtrax, presented valuable insight highlighting brand usage of data and analytics to personalize consumer communication, and as a result, improve marketing ROI.
- Back again was the afternoon of track sessions where attendees chose from presentations tailored to their specific interests including: Digital Coupons, Redemption trends, Counterfeit Coupons, and Coupon Guidelines updates.

### **The Valued Supporters**

The conference was developed under the leadership of the Association of Coupon Professionals in collaboration with the Food Marketing Institute, the Grocery Manufacturers of America, GS1 US, Coupon Information Center and the Promotion Marketing Association.

The Conference Planning Task Force was led by co-chairs Pam Samaniego, Catalina Marketing and Ross Ely, Prologic Redemption.

The Platinum Sponsor: CATALINA. For nearly 30 years, Catalina has influenced the preferences, purchases and behavior of consumers by delivering the right message to the right audience in the right environment. We help the world's leading CPG brands and retailers drive lift and loyalty by personalizing the consumer's path to purchase through mobile, online and in-store networks powered by the largest shopper history database in the world. Only Catalina knows the evolving purchase history and individual needs of more than three-quarters of American shoppers. We use that insight and access to create customized, measurable campaigns that motivate high-value consumers to try new products, increase consumption, and stay loyal to brands.

The Catalina network spans digital, in-store and mobile channels driving measured lift and loyalty for the world's largest CPG brand manufacturers and retailers.

Sponsors Included: Gold: HP, Revtrax, Zavers by Google; Silver: Coupons Inc., Cunningham Electronics, Document Security Systems, Inmar, K12 Coupons, Pinpoint Data, Prologic Redemption; Bronze: Universal Marketing; Events: Intelligent Clearing Network, Brand Technology, Mandlik & Rhodes, SEA.

### **The Award Winners**

As is conference tradition, the spotlight awards, Lifetime Achievement and Industry Impact, were presented.

The Lifetime Achievement Award, formerly the William B. Cargill Award, is the most prestigious award given by the ACP. This award is designed to recognize an industry professional who has succeeded within his or her own organization and spurred change and growth within the coupon promotion industry.

Bud Miller of the Coupon Information Center (CIC) was awarded the Lifetime Achievement Award.

As Executive Director of the CIC, Bud has worked on numerous industry initiatives and has managed its operations since it began operations in 1986. The CIC is the coupon industry's only watchdog group and has been involved in every significant coupon fraud case since its inception. Bud has played a central role in the design, implementation and evolution of all CIC activities, programs and data systems. Prior to his current position, Bud was a Staff Assistant for the U.S. House of Representatives. He is a Member of the national Economic Crime Council, a past Chairman for the 1,450+ Members of The National Capital Chapter of The American Society for Industrial Security International; recipient of the 2003 IMAN Outstanding Alumni Award. Miller also is a member of Federal Security Systems, Inc's Board of Directors. Bud has a MA in International Commerce from the University of Maryland and a BA in International & Public Affairs from The George Washington University.

The Industry Impact Award is presented to individual(s) who display outstanding achievement within an annual period. This award was designed to honor those who embrace and proliferate the mission and goals of the Association of Coupon Professionals.

Stanley Wadford from Winn Dixie received the Industry Impact Award.

Stanley Wadford is truly a story of dedication to the retail industry. Born and raised in Sumter, South Carolina, he began working for Winn Dixie Stores as a teenager. Over 42 years later, he has served in many vital roles for the organization. These include positions in the areas of: Retail Stores, Accounting and Systems Processing, Training, Internal Auditing, Assistant Controller and Controller. For the last 12 years, he has served as Region Support Manager in Jacksonville, Florida.

A graduate of Clemson University with a B.S. in Accounting, Wadford represents Winn Dixie on numerous professional boards. These include the ProLogic Board of Advisors and the Association of Coupon Professionals. For ACP, he has been an active board member and serves on the Coupon Cost Task Force and Coupon Reason Code Committee.

He is married with two daughters who have families of their own. With two young granddaughters as well, it's no wonder his favorite travel destination is Disney World.

### **The Fraud Fight**

The dedicated, expert effort to fight fraud continues for the Coupon Information Corporation. In addition to the valuable information shared at the conference by CIC Executive Director Bud Miller, here are some industry updates:

*Clipping Coupon Counterfeiters' Wings:* CIC's efforts to work closely with law enforcement officials and industry participants to combat coupon counterfeiters have been increasingly successful. All of the defendants in *Operation Super Coupon* in Arizona have pled guilty and sentences have included significant jail time, probation, and the seizure of tens of millions of

Reason Codes  
Lost in Transit Invoices  
Coupon Adjustment  
Process Improvement

The **Membership Committee** actively recruits new members

The **Digital Coupon & Redemption Task Force** is developing guidelines for digital coupon promotions

The **Market Research Task Force** develops unique consumer coupon insight from research data

The **Printer Task Force** – develops guidelines for security for the printing and delivery of coupons

The **Canadian Task Force** – addresses coupon issues unique to Canada.

The **Awards Task Force** accepts nominations and determines Lifetime Achievement awards, Industry Impact awards and other special recognition awards.

assets including luxury automobiles, weapons, real estate and even a speedboat. Up to \$5 million dollars in restitution orders is expected in the near future.

Lucas Henderson a/k/a "Coupon Guy" is also expected to pay restitution to his victims until at least 2033. The message from the law enforcement community is clear: Coupon Counterfeiting is a serious matter with serious penalties.

*CIC Counterfeit Coupon Prevention Systems are Turning the Tide:* The growth of counterfeit coupons has been a well-documented trend since 2009. Indeed, the CIC now obtains and disseminates information about more counterfeit coupons during a typical day than was discovered from 1986 until 2006.

CIC is leading the way to address these issues with a strategic vision that includes working closely with law enforcement agencies, enhancing the physical security of coupons by making them more difficult to counterfeit with the CIC hologram, educational efforts, and a specialized retailer outreach program.

These efforts are having a significant impact that benefits all industry players. A quantifiable difference in counterfeit coupon submissions between retailers that participate in the CIC outreach program and those that don't participate has been reported by at least one industry participant. Another industry participant recently noted that, while there were more counterfeit coupons identified in 2012 than ever before, the financial losses due to the counterfeits were the lowest since they began tracking this issue several years ago.

There is still a long way to go, but the tools are in place to substantially reduce this illegal activity. There is no charge for retailers to participate in this program. Industry participants experiencing counterfeit coupon challenges are urged to contact the CIC at (703) 684-5307 or at [aa@couponinformationcenter.com](mailto:aa@couponinformationcenter.com).

*CIC Coupon Auctioneer Education Program Continues:* CIC has recently sent a series of educational letters to many of the most prolific coupon sellers on a popular Internet auction site. The focus of the letters is to inform auctioneers about manufacturers' non-transferability policies and includes a request for them to cease their unauthorized sales of coupons. The letter also included a Memorandum of Understanding (MOU) seeking information about the source(s) of their coupons, a pledge for them to cease future sales. As of this date, 49 percent of the auctioneers have stopped selling coupons.

### **The Leadership**

The annual ACP elections were held. As per the organization's by-laws, in odd numbered election years such as this, the position of President and Vice President are elected for two-year terms. The overall board of directors generally consists of 14-19 members (currently at 16) who work along with the Executive Director to keep ACP proactive, visible and vital in the coupon

### **Upcoming Industry Events**

FMI Show June 10-13  
Chicago, IL

ACP Regional Coupon  
101102  
Midwest  
October 9, 2013  
Rosemont, IL

### **Save the Dates! 2014 Industry Coupon Conference**

April 22 - 24 2014  
Hilton, Lake Buena  
Vista, Orlando, FL  
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industry.

With this in mind, Jackie Broberg from General Mills was re-elected President for a two-year term. At General Mills, Jackie is responsible for the coupon execution process and controls. She also is the industry liaison for coupon-related industry groups including current President for the ACP, Co-Chair of the Joint Industry Coupon Committee, and Board Director for the CIC. At General Mills she is responsible for internal process controls/Sarbanes-Oxley, compliance to industry and internal guidelines, risk management, vendor reviews, fraud, and coupon processing/manufacture agent management. Jackie has been with General Mills over 20 years and has worked specifically with the coupon industry for more than 15 years.

Joanne Walk of Hormel Foods was re-elected Vice President to a two-year term. A team member at Hormel for over 25 years, Joanne is responsible for managing syndicated data resources and coupon processes and policies companywide. A member of ACP for over a decade, she has served on the board since 2005 in various roles and chairperson positions.

Wakefern was assigned a one-year term, served by Sue Knotts. The Pennsylvania Food Merchants Association was also assigned to a one-year term, served by Autumn Thomas.

In addition to executive committee members Jackie Broberg and Joanne Walk, others elected to the board of directors include: Coupons, Inc., Jane Michels; S.M.S., Val Stark; Kellogg Company, Cheryl Riley; and Universal Marketing, Earl Ellsworth.

### **The Future**

For next year, we will go from the beautiful bayous to the sunshine state, where we will convene in fresh and fun Orlando, Florida, April 22-24, 2014. As always, the Conference will attract the leaders of the industry to discuss trends, innovations and best practices in coupons.

We look forward to seeing you in the sunshine.

### **Association of Coupon Professionals Schedules Regional Coupon 101\102 Education Workshops October 9, 2013 in Rosemont, IL**

#### **Attendees can learn the basics of the business or refresh themselves on coupon topics**

The sessions review all aspects of the couponing industry in an informative and interactive format designed for individuals new to couponing or those who need an update and refresher course. Presenters are industry experts who can answer couponing questions.

The topic include: Effective Coupon Strategies, Coupon Distribution Types, Coupon Design, Family Code Management, Redemption Cycle, Misredemption, Managing Risk, and other areas. Attendees will follow the path of a coupon from the time it is issued through redemption, financial

settlement and reporting with a detailed review of all the functions in the process.

“Leading marketing and promotion executives have attended Coupons 101-102. It is an up-to-date way of staying abreast of what’s going on in the coupon industry,” said Val Stark, education director of the ACP and a member of its board of directors.

Please join us as industry experts answer all your questions and review all aspects of coupons including planning, design and processing in an informative and interactive format designed for individuals new to couponing, those who need an update and refresher course, and those preparing for the transition to the new GS1Databar.

For more information, call John Morgan, 610-789-9993, [John.Morgan@acp-hq.org](mailto:John.Morgan@acp-hq.org) or visit [www.couponpros.org](http://www.couponpros.org)

## **Industry Trends**

### **Coupon Redemption Fell Significantly in 2012**

### **Consumer Interest Remains High**

Inmar’s Coupon Trends Report – Insights and Analysis for year-end 2012 is available for download. The industry source for detailed promotion metrics regarding counts and trends for distribution, redemption, method, share and performance for 25 years, the 2013 edition of the report delivers two important new components:

- **Shopper insights:** Results gleaned from the consumer research and findings from Inmar Analytics, which debuted in 2012 and is being led by industry veterans John Ross and Devora Rogers. Both joined Inmar from Interpublic Group’s Shopper Sciences where they served as CEO and Group Director, respectively.
- **Key digital promotion metrics:** While the digital promotion landscape continues to grow and evolve at a rapid pace, Inmar believes that the space has matured enough – and produced sufficient data – to begin speaking to tactics and trends for those channels and methods with a degree of confidence comparable to the paper-based promotions Inmar has supported for more than three decades now.

“We are very proud of this report – now in its 25th year of publication,” says Inmar CEO David Mounts, adding that, “This edition takes the critical promotion data contained in the report and delivers an entirely new level of value through the inclusion of consumer research findings and the addition of digital promotion trends.”

The report and all supporting information can be accessed at the company’s website.

Key trends include:

- Coupon redemption is down significantly and macro-economic trends are not the reason. The decline in 2012 resulted from a gap that has arisen between consumer preference and the budget tightening that has taken place among many CPG marketers.
- As CPG marketers pulled back in 2012, others such as ecommerce "Daily deal" sites (Groupon, LivingSocial, et al), and retailer/store discounts stepped forward to fill the void. All are all benefiting from the "tightening" of coupon tactics by manufacturers.
- Consumer interest in coupons is extraordinarily high, particularly among new/emerging coupon user profiles including millennials, young adults and men. These groups are seeking out discounts more than ever, and they have more tools at their disposal for discovering them. These emerging multi-channel shoppers will bring a whole new era of insight-driven activation.
- Digital promotions, though still small as percentage of the total, are growing to large enough levels for marketers to be able to track impressions, clicks and responses for shoppers who visit physical stores. Digital is giving marketers a view into offline purchasing that they have never before seen: who saw, who clicked, who bought, all in real time.

### **Kantar Media Reports Digital Coupon Events on Leading Websites Increased 28 Percent in Q1 2013**

*Number of manufacturers distributing digital coupons on these websites increased 14 percent*

Digital coupon events across key websites monitored by Marx, a Kantar Media solution, increased by 28 percent in Q1 (January – March) 2013 compared to the same period last year. 414 manufacturers distributed digital coupon offers on these key websites during Q1 2013, an increase of 14 percent as compared to the same period in 2012.

"Double-digit growth continued in the first quarter of 2013, demonstrating the ongoing importance of all digital coupon formats, including digital paperless coupons, which are typically loaded to a loyalty card, and internet print at home coupons, which are initially obtained online," stated David Hamric, General Manager, Kantar Media Marx. "Manufacturers are creating new, effective and targeted online offers each and every day that shoppers can obtain digitally and may share socially.," said Hamric.

CPG Areas	Q1 2012 Digital Activity			Q1 2013 Digital Activity		
	Share of Activity (1)	Face Value (2)	Face Value Per Unit (2)	Share of Activity (1)	Face Value (2)	Face Value Per Unit (2)
Cereals	4%	\$1.12	\$0.78	4%	\$0.95	\$0.70
Dry Grocery	25%	\$1.49	\$0.90	24%	\$1.16	\$0.76
Frozen Products	5%	\$1.95	\$1.18	6%	\$1.47	\$0.91
Health Care	20%	\$2.31	\$2.25	14%	\$2.17	\$2.07
Household Products	11%	\$1.31	\$1.05	12%	\$1.26	\$1.01
Other Packaged Goods	1%	\$3.81	\$3.46	5%	\$3.94	\$3.80
Personal Care	21%	\$1.69	\$1.56	23%	\$1.75	\$1.58
Refrigerated Foods	9%	\$0.98	\$0.69	8%	\$0.99	\$0.75
Shelf Stable Beverages	5%	\$1.42	\$1.00	7%	\$1.25	\$0.90

(1) Digital Share of Activity is based on Number of Events (NOTE: Sum of all Areas may be greater than 100% due to events which include more than one Area)

(2) Digital Face Value and Face Value Per Unit are averaged values

Food Areas: Cereals, Dry Grocery, Frozen Products, Refrigerated Foods, and Shelf Stable Beverages

Non Food Areas: Health Care, Household Products, Other Packaged Goods and Personal Care

Source: Kantar Media

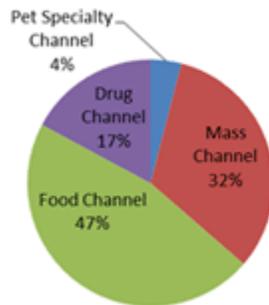
Non-Food share of activity was 54 percent in Q1 2013, an increase of 2 points from the same period in 2012. Food Areas were included in 48 percent of digital coupon events in Q1 2013, a decrease of 1 point from Q1 2012. (NOTE: Sum of all Areas may be greater than 100 percent due to events which include more than one Area). Personal Care Area leads within Non-Food Areas with a 23 percent share of activity and Dry Grocery Area leads with a 24 percent share of activity during Q1 2013. If Personal Care continues to grow in share of events, it may overtake Dry Grocery in share of activity by the end of 2013. Face Value was down in four of five Food Areas, which is reflected in a 4 percent decrease in overall Face Value for all Areas in Q1 2013.

### Specialty Channel Impact

To understand channel relevance in terms of non-traditional coupon activity, including digital paperless and digital print at home coupons, the Pet Food and Treats category was examined. In Q1 2013, the share of events in the Pet Food and Treats category by channel was led by the Food Channel with 47 percent share of events. The Mass Channel was second largest at 32 percent share of coupon events in Q1 2013, followed by the Drug Channel at 17 percent. The Pet Specialty Channel reported the smallest share of coupon events at 4 percent in Q1 2013.

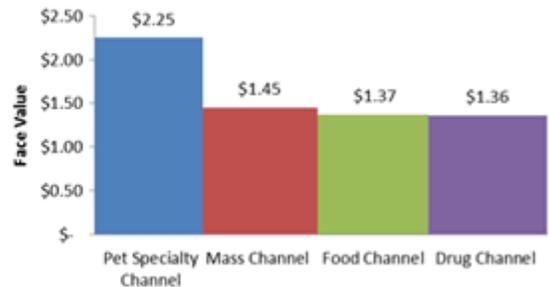
Incentive levels varied across these channels, with the higher value non-traditional coupon offers distributed in the Pet Specialty Channel, at \$2.25. The next highest level of incentive was in the Mass Channel for the Pet Food and Treats category at \$1.45, measuring at \$0.80 less or 35 percent lower than the pet specialty channel incentive level. Drug and Food Channels were one-cent apart at \$1.36 and \$1.37, respectively.

**Share of Coupon Events By Channel**  
Q1 2013



Source: Kantar Media

**Incentive Levels by Channel**  
Q1 2013



Source: Kantar Media

“Shoppers seek out relevant offers by channel before planning their trip,” commented Darcy Douglas, Director, Account Solutions, Kantar Media Marx. “This may include planning for a regular weekly Food Channel trip or a less frequent specialty Pet Channel trip. Manufacturers can take advantage of this cycle of planned purchases by driving trips to their brands and their categories at retailers who promote the right incentive level,” continued Ms. Douglas.

“The Pet Food and Treats category offers an excellent example of how digital coupon values vary by channel and how much greater of an incentive may be needed to win the Pet Food and Treat category trip. It is no surprise that the Food Channel distributes the greatest share of digital coupons considering the frequency of Food Channel trips that occur. However, the Pet Specialty Channel has to work harder to win the less frequent Pet Food and Treat category trip. To win shopper’s trips to the Pet Specialty Channel in the first quarter of 2013 the incentive in pet specialty was much higher, at \$2.25 or 55 percent more than the next closest channel. The shopper wins by earning a greater incentive that supports their planned trip and increases their engagement within a channel that offers a unique in-store experience. The pet retailer wins too; they’ve gained a shopper’s trip that may have been lost to another channel,” concluded Douglas.

### 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 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, to marketing effectiveness and social media monitoring. Our experts currently work with 22,000 companies tracking 3 million brands in 50 countries.

For further information, please visit us at [www.kantarmedia.com](http://www.kantarmedia.com)

## DIGITAL COUPON USERS SPEND 42% MORE ANNUALLY THAN AVERAGE SHOPPERS – UP 7% VERSUS 2011

GfK tracked over 120 Coupons.com campaigns

A new GfK report, based on over 120 campaigns run by Coupons.com in 2012, shows that digital coupon users spend 42% more per year at supermarkets than the average shopper – a differential of \$1,029. This reflects a 7% increase compared to 2011.

The report, which covers six major product categories and 49 subcategories, also shows that heavy digital coupon users (defined as the top 1/3 of redeemers) are among the most desirable shoppers, spending 50% more per shopping trip and \$3,171 more per year than average shoppers. The major categories covered are Food, Beverage, Personal Care/Baby Care, Household Care, Health Care, and Pet Care.

The prolific shopping of digital coupon users becomes more noticeable when examining just “stock-up trips,” or occasions when shoppers spend \$75 or above. Digital coupon users make 48% more stock-up trips than average shoppers: 19.5 per year, compared to 13.2. Heavy digital coupon redeemers make 169% more stock-up trips annually, for a total of 35.5.

“GfK’s National Shopper Lab enables us to measure actual consumer purchases that give us incredibly accurate and insightful metrics on the shopping behaviors of our digital coupon users,” said Mike Scriven, Vice President of Client Marketing for Coupons.com Incorporated. “The findings reinforce the value of these shoppers, who measurably drive sales for brand marketers as well as increased basket size and shopping frequency for retailers.”

“We are pleased to be working with Coupons.com to provide this ongoing source of insights to the industry,” said Neal Heffernan, Senior Vice President, Shopper & Retail Strategy, at GfK. “Digital coupon users represent a powerful force in shopping trends and a key target group for marketers in food and personal care. Online coupons remain a key motivator among essential target groups – especially for the digitally savvy heavy coupon redeemers.”

The data source is GfK’s National Shopper Lab (NSL), which consists of transaction-based, UPC-level purchase data from over 20 million US loyalty card households. Through NSL, GfK maintains a three-year rolling purchase history with price and coupon redemption information, resulting in top-quality data and insights. The demographic profile of NSL consumers is representative of the total U.S.

The report is available at <http://marketing.gfkamerica.com/050813-1516/index.html>

## Association News

### **CPG Manufacturers and Retailers Issue Digital Coupon Guidelines to Combat Fraud, Increase Efficiency**

The Food Marketing Institute (FMI), Grocery Manufacturers Association (GMA) and National Grocers Association (NGA) released guidelines designed to promote model practices in the “end-to-end” digital coupon process and reduce the incidence of coupon fraud.

“These guidelines are a win-win for manufacturers, retailers and consumers,” said Pamela Bailey, president and CEO of GMA. “Manufacturers and retailers reduce costs by streamlining their coupon programs and reducing fraud, and consumers will have a better shopping experience in the store and at check out.”

“Couponsing has seen unprecedented growth in the past decade and digital coupons represent the fastest growing segment,” said Peter J. Larkin, NGA president and CEO. “These first of its kind guidelines for digital coupons will become a go-to resource for the industry.”

“Retailers have long appreciated the popularity coupons have with consumers as means of increasing their purchasing power,” said Leslie Sarasin, president and CEO of Food Marketing Institute. “Digital coupons add a welcomed high-tech layer of ease to the couponsing adventure, but also introduce new possibilities of fraud that this set of guidelines seeks to address, keeping coupon use fair and simple for all consumers.”

Produced by the Joint Industry Coupon Committee (JICC), Voluntary Guidelines for Digital Coupons, shares model digital coupon practices in order to ensure a positive experience for consumers, proper settlement for retailers and effective and well-controlled promotions for manufacturers.

The Guidelines include:

- An overview of the digital coupon lifecycle for those new to the topic
- Standardized file layouts for set-up and redemption
- Recommendations for validation of digital coupons without using visible barcodes
- A checklist of key control points
- Recommendations for clear coupon design
- A discussion of stacking prevention and audits
- The eight process components needed to prevent fraud

The Guidelines highlight the key distinctions between digital and paper coupons, including the presence of barcode data, distribution methods, consumer acquisition and presentment, purchase validation and offer set-up at point of sale.

The JICC is made up of member companies from GMA, FMI and NGA. The JICC considers the *Voluntary Coupon Guidelines* complimentary to the GS1 *Digital Coupon Management Standard Specification*. The JICC plans to work with the GS1–U.S. Member Organization to ensure clear communication of both important standards documents.

For a complete copy of *Voluntary Guidelines for Digital Coupons*, contact John Morgan, Executive Director, ACP, [john.morgan@acp-hq.org](mailto:john.morgan@acp-hq.org), 610-789-9993

## **ACP Offers Free Updated Poster to Help Retailers Detect Fraudulent Internet Coupons**

### ***The Templates have been updated to GS1 Databar- Only***

The Association of Coupon Professionals (ACP) has developed an easy-to-read poster to help store associates tell the difference between legitimate and fraudulent Internet coupons. It is available to retailers free of charge in a PDF format.

The ACP Retailer Coupon poster is ideal for placement in a retailer's break or training room.

From time to time, fraudulent coupons have been unknowingly accepted by some supermarkets and the subsequent negative publicity has given Internet coupons a black eye. The poster aims to prevent those occurrences.

"The poster was developed by the Internet Coupon Guidelines Task Force to help educate cashiers and provide tips in recognizing legitimate Internet coupons," said John Morgan, executive director of ACP.

The poster instructs cashiers to look closely for obvious alternations in the coupon, unusually long expiration periods, free/high-value offers, and other indications of possible fraud. Examples of legitimate coupons are on the poster for comparison sake.

The ACP will email the PDF file to retailers free of charge. The cost of the program was funded with the help of sponsors: Catalina Marketing, Coupons, Inc. Inmar, SEA Enterprises, NCL Graphics, News America, Prologic, RPR, with the support of the Food Marketing Institute (FMI) and GS1US

For more information about the poster, contact John Morgan at 610-789-9993 and [John.Morgan@acp-hq.org](mailto:John.Morgan@acp-hq.org), or visit [www.couponpros.org](http://www.couponpros.org).

## Member's Corner

News, thoughts and announcements from ACP members.

The ACP does not endorse any companies, products, or services

### Whoa...Hold Your eHorses!

#### Are paper promotions ready to be “put out to pasture”?

As I recently watched my daughter, Kaylyn Rose, hunt and peck her two-year-old way through the game menus on my iPad, it occurred to me that the “digital age” is upon us. I know...what a revelation. We now get a steady stream of prophets proclaiming the demise of any company (or industry) that is not rapidly developing a dynamic and diverse digital platform. I agree with the prophets...sort of.

If you are in the Marketing Department of any Consumer Packaged Goods company and you are not testing or implementing digital and Internet-based promotion strategies, you are probably making a big mistake. My dear departed father would say, “You can't get where you're going if you don't start.” He was—and is, of course—right! eMarketer, an independent research company, reported that only 6.0% of mobile phone owners used mobile coupons in 2011; however, that user percentage grew to 16.3% in 2012 and is projected to go even higher in 2013. The moral of the story is...get started or you are never going to master the new marketing technologies available.

But—and you knew this was coming, because there is always a “BUT”—before you go riding your eHorse off into the sunset to live happily ever after, let's take a gander at some other facts. NCH Marketing Service, Inc., in their annual Coupons Facts Report, stated that of the 305 billion coupons distributed in 2012, less than 1% were distributed through ALL the digital formats combined. Redemption numbers for mobile or Internet home-printed coupons are growing, but combined only represent 6.9% of redemption in 2012, according to the NCH study. If you take out the 5.6% that are delivered via the Internet but printed at home and redeemed with paper, it leaves only 1.3% of all redemptions being truly “all digital.”

Inmar, Inc., reported in their 2013 Coupon Trends that Internet distribution for 2012 remained flat from the previous year at 0.4% of all coupons distributed. The Inmar study also reported redemption rates for those coupons were down from 4.7% in 2011 to 4.6% in 2012. The moral of *that* story is...don't put all our eggs in one eBasket.

The question is really this: Can progressive digital-based strategies co-exist in the same

company with older paper-based promotions without ripping the company apart and polarizing leadership? They had better. The NCH report shows that 90.1% of coupons in 2012 were distributed through Free Standing Inserts (FSI), and another 9% in a distribution channel that utilized paper...yes, paper. Another moral: We need both—and we need both to be productive.

But (yes, another “BUT”)...exactly who is getting these paper FSI coupons? According to the Newspaper Association of America website (updated March 18, 2013), only 29.6% of the Sunday readership (with FSIs) are adults between the ages of 18 and 34. If your target audience is adults above the age of 35, then this distribution channel makes perfect sense. However, if adults in the 18 to 35 range are a part of your target audience, maybe not.

Obviously we marketers are thinking and testing all of the time, trying to find better promotional ideas and better distribution channels for all promotions, including coupons. I think I finally found one: A distribution model that reaches a narrow, but very desirable audience—adults with school-age children.

The company I represent is launching “K12 Coupons” this coming 2013-14 school year. K12 Coupons, LLC, is one of our family of companies which works exclusively with K12 schools. The idea is simple: We will use our existing relationships with schools to distribute a booklet filled with CPG coupons to each family in the school. Paying the school for distribution creates an “affinity-based” program while saving each family real money on every trip to the supermarket. We call it a “win, win, win”! Schools earn money, families save money and the CPG companies sell a lot of product to families with school-age children. Oh, and yes, we will be launching with paper.

Don't get me wrong, K12 Coupons will have a digital component. In fact, K12 Coupons as a business model is new and distinctive enough to be “Patent Pending”...including the digital components. However, the facts suggest that “paper” is still king with the consumer. I believe it is hard to beat putting the right paper coupon into the hands of the right customer at the right time. A short FAQ video (less than 10 minutes) explaining the K12 Coupons program can be viewed by clicking [www.k12coupons.com/info](http://www.k12coupons.com/info).

I am glad we have our eHorses. Today, 24.9% of our business is being conducted online. It is an important part of our marketing strategy. I am certain you appreciate your eHorses as well. I suggest that we feed those eHorses, groom them, train them...but remember while preparing your “horse for tomorrow” to be creative with the mature horses that are plowing the fields today. Use all the horses in your stable. And remember, regarding coupon distributions, consumers do not lie: they still prefer paper.

One side note before I close: After one of my executives read the first draft of this article, he proclaimed that I was now the “Coupon Cowboy.” Ha! I carry the title with pride. Yee hah!

Back to my daughter Kaylyn Rose for a moment: Yes, she is my precious baby who is already

navigating menus and playing games on my iPad. She will be racing off into a world full of digital devices, apps and platforms. But (this is the last one!) she is also the child who digs the same copy of *Llama Llama Red Pajama* out of the toy box every night and begs me, or her mother, to read it to her. And so we do...turning one page of PAPER at a time.

## **Grocery Manufacturers and Retailers Considering New Faster, More Accurate Coupon System to save 60% of Current Redemption Costs**

Manufacturers and Retailers who attended the recent ACP Coupon Conference, showed a great deal of interest in a new, revolutionary Coupon System, developed by Cunningham Electronics, which promises to save millions (60% off current redemption costs) while also making redemption faster, more seamless with far more accurate digital reporting. The estimated savings would amount to over \$700,000,000.

“Our system took ten years in development and it is now ready to replace the old clunker system that hasn’t even been updated for decades.” said Bill Cunningham, the CEO of the company. “The system is fully ready to be implemented and takes very little time and almost no effort to install it in grocery stores and other retail stores.

To summarize, the 3<sup>rd</sup> party, all-digital coupon redemption system is designed to provide the transparency required to insure accurate coupon redemption and reporting with next day reimbursement to retailers and a 10 day delayed payment by manufacturers. An in-store Coupon Processing Appliance (CPA);

1. Redeems both digital and paper coupons based on manufacturer’s established purchase requirements.
2. Establishes a “firewall” to prevent the redemption of counterfeit and bogus coupons.
3. Eliminates shipping coupons by providing a “proof of purchase” audit trail that records the date, retailer’s store and the store’s transaction number for each coupon redeemed and shredded.
4. Enforces the “one coupon per purchase” rule to prevent coupon “stacking”. Based on the registered coupon’s barcode, only one coupon can be redeemed at any one purchase event, regardless of the source of the coupon, whether paper or digital.
5. Provides a SSAS 16 Audit, as required by the Sarbanes Oxley Act, to assure accurate coupon redemption and reporting.

The 3<sup>rd</sup> party, all-digital Coupon Redemption System pays retailers the coupon face value + 4¢/coupon redeemed, less our fee of \$1.00/day/store and 1¢/coupon redeemed, with no charge backs, the next day, for coupons redeemed the previous day.

The Manufacturer’s payment for coupon redemption is only 4¢/coupon redeemed and is due 10 days after receipt of each day’s coupon count. In the process, we replace the present, antiquated, manual coupon redemption system with a far superior, modern all-digital coupon redemption system that assures accurate coupon redemption and reporting.

### “Coupons Delivering Full Value”

With the rapid increase in freight costs today, many Consumer Packaged Goods companies running promotional sampling, premium and/or appeasement fulfillment programs are turning to Full Value Product Coupons as an alternative to sending actual products to consumers. These high-value coupons can be redeemed for full size products at their local retailer. While this may not work for every product, many brands are looking for alternatives that still allow them to get their product in the hands of consumers. It can be a win-win for the manufacturer who can reduce their fulfillment costs and free up their budget to reach more consumers.

As with most coupons, there is always the potential for coupon fraud. Be sure to consult your coupon printer or fulfillment partner for specific design requirements that may deter such behavior.