

Summer 2010

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

Regional Coupon 101\102

Midwest

October 6th
Doubletree Hotel
Rosemont, IL

Northeast

November 16th
Crowne Plaza
Englewood, NJ

East

March 22, 2011
In conjunction with CIC Summit
Alexandria, VA

Save the Dates! 2010 Industry Coupon Conference

April 12th - April 14th 2011

For the latest details:

ACP headquarters
www.couponpros.org
(610) 789-1478
John.Morgan@acp-hq.org

In this issue:

Elections page 2
Conference Highlights page 2-11
Trends page 11
Cause Marketing page 22-25

Association of Coupon Professionals schedules Regional Coupon 101\102 Education Workshops for October, November and March.

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

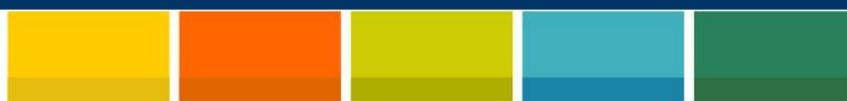
A one-day workshop is scheduled for the East and Midwest regions:

- MIDWEST, October 6, 2010, Doubletree Hotel, Rosemont, IL
- EAST November 16, 2010 Crowne Plaza, Englewood, NJ
- SPRING, March 22, 2011, in conjunction with CIC Summit, Hotel Monaco, Alexandria, VA

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.



ACP Board of Director's Elections Held

The recently held Industry Coupon Conference is also the annual meeting of the ACP. Elections for the board of directors were held and the following board members were re-elected: Pam Samaniego, Catalina Marketing Corp., John Irwin, Promotion Eyes, Ron Fischer, Redemption Processing Reps, and Mary Ann Pindulic, Unilever. Also, elected for the first time, was Terry Hedlund, ICSB and Ross Ely, Prologic Redemption. They join current board members, Debbie Settle, Inmar, Dan Abraham, Brand Coupon Network, Jane Michels, Coupons, Inc., John Bigler, Cunningham Electronics, Jackie Broberg, General Mills, Joanne Walk, Hormel Foods Corporation, Val Stark, NCL Graphics, Len Harris, Kellogg Company, Earl Ellsworth, Universal Marketing Services on the fifteen member board.

Executive Committee elections were also held. Joanne Walk, Hormel was re-elected Treasurer and Pam Samaniego was re-elected Secretary. Debbie Settle was elected Vice President to serve the remaining year of the Vice President's position that was vacated by Mike Sonsthagen's retirement from Kimberly Clark. John Irwin, Promotion Eyes serves as Past President to round out the

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 GS1 Databar.

Attendance is limited; please respond quickly so you won't miss this informative educational workshop.

For more information, call John Morgan, 610-789-9993, John.Morgan@acp-hq.org or visit www.couponpros.org

Which Performs Better: Internet Print at Home or FSI?

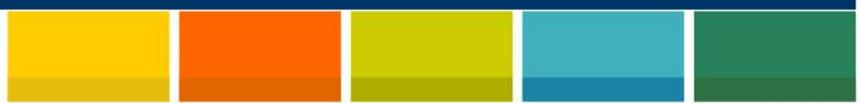
Which coupon vehicle – FSI or Internet Print at Home – gives marketers a bigger bang for their buck?

While traditional FSIs still dominate coupon distribution, a lot of the buzz in couponing nowadays centers on Internet print at home coupons and their steady growth, although from a small base, a race is hardly underway for top coupon share, and the two vehicles are radically different in terms of delivery. But a comparison even at this stage is instructive.

So how do they compare in terms of driving incremental volume, attracting new buyers, and Return on Investment (ROI).

To find out, Knowledge Networks, a market research firm with an expertise in coupon measurement conducted a two-year analysis of what's happening in the Internet print at home world and comparing it to the traditional FSI. It compared 17 Internet print at home events and 28 traditional events across similar categories over the last two years. The five categories making up the sample universe were four edible grocery and one non-food.

"This is a starting point of where we think this is going," said Neal Heffernan of Knowledge Networks. The senior vice president and general manager of the Cincinnati, Ohio-based firm explained the results in a presentation at the annual Industry Coupon Conference in Las Vegas. The well-attended event was hosted by the Association of Coupon Professionals (ACP).



5 member executive committee.

Welcome New Members

ICSB

BAM Strategy

Unicous

Grocerease

3C Interactive

PFC

WS Packaging

I2C

All You

ACP Offers Free Poster to Help Retailers Detect Fraudulent Internet Coupons

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.

The ACP Retailer Coupon poster comes in two sizes: 11-inch x 17-inch for placement in a retailer's break or training room and 8.5-inch x 5.5-inch for placement near the cash register at checkout.

From time to time, fraudulent coupons have been unknowingly accepted by some supermarkets

"Twenty-nine percent of coupon users are exclusive digital users," he said. "They're not clipping FSIs out of the Sunday newspaper. They're going online and they're using the coupons exclusively for their CPG shopping. This is very interesting as we think about the space growing so much over the last couple of years. It's going to become more and more important to understand the metrics of what's happening in the digital world."

According to the results of the study, the average Internet print at home incremental volume was 78% versus 63% for the traditional FSI – a 24% advantage to the digital FSI.

"78% incremental volume is a very strong result," said Heffernan. "I'm basing this on five categories, but what we see early on is very promising for digital coupons."

He said brand managers always want to know how many new buyers were brought into the franchise. The research methodology, based on loyalty card data, enables Knowledge Networks to look at redeemers and see how many were prior non-buyers of that brand and then redeemed on the coupon.

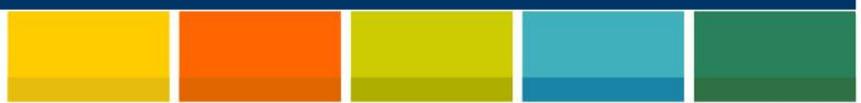
On average, 53% of redeemers of Internet print at home coupons were prior non-buyers versus 32% for traditional FSIs – a 66% advantage to the digital FSI.

The last metric examined was ROI. On average, Traditional FSIs returned \$0.67 on the dollar, compared to \$0.60 for digital FSIs yield a 10% lower ROI due to the higher CPM and redemption rates.

Heffernan runs the behavioral research division of Knowledge Networks that uses loyalty card data in its analysis.

"We're seeing a real analysis shift from store POS data to store loyalty card data over the last four to five years," he said. "Using loyalty card data is really where the analyses are taking place: getting to the actual shoppers, understanding what they have in the basket, and what drives them into the store.

"The loyalty card data allows you to see that bump in the last few weeks of the coupon fuse which the store POS model cannot pick up because there are too few redemptions (one to two on average) taking place in any given store," he said.



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 send the posters to retailers free of charge. The cost of the program was funded with the help of sponsors: E-centives, Carolina Services, Hormel Foods, Pepsico, Unilever, Brand Coupon Network, SEA Enterprises, Coupons, Inc., NCL Graphics, 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, or visit www.couponpros.org.

For 15 years, Knowledge Networks has relied on the National Shopper Lab (NSL) to measure coupons effectiveness and ROI.. The NSL database is home to 22 million unique frequent shopper households across grocery and drug retailers.

“We’ve analyzed over 1,600 coupons,” he said. “We’ve looked at many, many categories across all coupon vehicles over the last decade. We’ve got a very good understanding of what really works and we leverage this knowledge with our clients to help them improve their coupon ROI.”

Coupons in the Digital Age

With Permission from In-Store Marketing Institute

By Tim Binder

The message is clear: Brands and retailers not already developing digital coupon strategies need to get in the game. Now. Digital couponing, including mobile delivery methods, is here and growing at a feverish pace. Marketers who fail to get involved now will end up being left behind, according to experts speaking in April at the Association of Coupon Professionals’ annual industry conference in Las Vegas.

Digital and mobile technologies were the primary focus of the conference, where attendees learned what role digital delivery is already playing and the incredible impact it is expected to have in the near future.

“You hear, ‘its coming, its coming, its coming.’ It’s here,” said Alex Gershman, vice president of product development at digital marketing company Edo Interactive.

“What I hope that you can get out of this is to understand the speed [at which] things are happening,” said Laird Garner, founder of Digital Incentives Journal International and also co-chair of the ACP’s initial Digital Coupon Taskforce. “You really can’t wait and see any more. You really need to experiment — or even deploy — now.”

“Your customers are already there,” added Garner. “They’re already mobile. They’re already adopting these different technologies. [You need to] go meet them where they are already.”

Digital technologies have made the coupon industry far more



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 ACP at (610) 789-9993, or John.Morgan@acp-hq.org

Committees & Task Forces

The **Education Committee** develops and hosts Coupon 101\102, an introductory workshop for the coupon 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

dynamic than it has ever been before. These days, the marketplace consists of more than printable coupons and online codes — the latter of which has been utilized rather quietly for more than a decade now. More recent types that have gained momentum much more rapidly — thanks in large part to a recession-driven surge in redemption levels — are online save-to-loyalty-card services, mobile email, Smartphone applications and SMS (short message service) delivery.

“Brands are revolutionizing the way they interact with consumers. Retailers are making the investment and driving industry change,” said Gershman, during a presentation titled “Navigating the Mobile Coupon Landscape.”

In a presentation titled “Cutting Edge Technology,” Steve Horowitz, chief technology officer of Coupons.com, demonstrated how smartphone technology is rapidly progressing to influence shoppers at the “point of decision” within the store — with specific devices like the Apple iPhone and Google Android leading the way. Among the developing technologies are grocery list-making, barcode scanning, voice recognition and product image-recognition applications.

And with smartphones expected to outnumber “basic feature” mobile phones by as soon as the end of 2011 — they make up 30% of the cell phone base now — brands and retailers need to act swiftly, according to Horowitz.

“The most important thing is to engage consumers in a way that they find interesting, compelling and useful,” said Horowitz. “People are getting excited about these technologies, and they want to use them.”

Already in the Game

Ahold USA's Stop & Shop and Great Atlantic & Pacific Tea Co.'s A&P supermarkets are among the retailers already moving into the digital age through programs that were put in the spotlight during sessions at the conference.

Steven Vowles, Stop & Shop's senior vice president-marketing, detailed the chain's “Scan It!” service. (See “In-Store Media: Stop & Shop's Scan It!” in Related Articles.) Operated by Modiv Media, the service enables shoppers to use a personal scanner and “check out” their items as they shop while receiving relevant offers based on their individual shopping histories, store location and the products they've already scanned.

“We think this is in-store digital done right,” Vowles said. “The



The **Membership Committee** actively recruits new members

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

hand-held [scanner] ... we don't think it will last forever. It may go mobile. The important thing is the technology" behind the device, he said. [Editor's note: Modiv Media is already working to adapt its system for smartphones, according to a speaker at the In-Store Marketing Summit in April.]

Gregg Miller, manager of interactive marketing and Internet development at A&P, explained the digital coupon program his chain runs with Zavers, which at the moment lets registered users load coupons onto their store loyalty cards from A&P's website. Sixty-five manufacturers currently participate in the program, according to Miller.

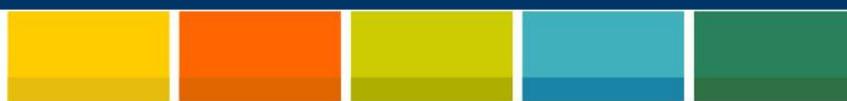
"The next logical step is to take it mobile," Miller said which is exactly what A&P did with Zavers in March by deploying a mobile platform through which shoppers receive offers via text message and reply with a simple code to have a coupon automatically linked to their cards.

Many other retailers are in the game as well: Over the last year, the Institute has covered initiatives from Wal-Mart's Sam's Club, Kroger, Safeway, Target, Publix, Ace Hardware and BP. (See Related Articles.) But others are just realizing that mobile's time has come.

"It's the wave of the future," said Heidi Happy, finance manager at BJ's Wholesale Club, which historically has been the only major warehouse club to accept manufacturer coupons — but recently was beaten to the digital punch by Sam's Club. (See "Sam's Club Goes Digital with 'eValues'" in Related Articles.) "I am aggressively researching it. The company sees it in its future."

The Coupon Craze

The coupon world overall changed dramatically last year, said Matthew Tilley, director of marketing at promotions logistics firm Inmar, during a trends presentation. Distribution increased 14% in 2009 to 367 billion coupons, according to Inmar's 2010 report, and redemptions skyrocketed 27% to 3.3 billion. (That still, however, is only a 0.9% redemption rate. By comparison, distribution increased 4.9% to 321 billion in 2008, while the redemption rate was 0.8%.) "Overlapping forces launched the current coupon craze," according to Gershman, who pointed to economic conditions coupled with a surge in Internet/deal sites, social media opportunities and the proliferation of mobile devices as the instigators of "coupon fever." Further evidence of the trend came through statistics from the 2010 report from Valassis-owned coupon clearinghouse NCH Marketing Services. NCH's annual survey found 94% of



respondents stating that the economy caused them to use packaged-goods coupons in the last year, and 77% saying they use coupons regularly. Those figures are up from 89% and 64% in 2007.

According to the Inmar report, redemption rose significantly among all major delivery vehicles in 2009. The Internet led the way with a momentous 263% gain, thanks in part to a 92% increase in distribution during the year. However, the channel still accounted for only 0.3% of all distribution and 1.5% of all redemptions, evidence of its relative infancy.

In comparison, the much newer “digital” coupons delivered through mobile technologies accounted for 0.1% of total distribution but a similar 1.5% of redemptions in 2009. Redemptions rose 31% compared with 2008.

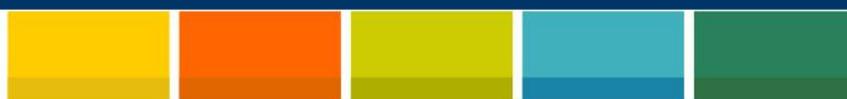
Free-standing inserts still accounted for 89% of all coupon distribution and 52% of redemptions during the year. Distribution increased 16%, while redemption grew 36%. The redemption rate, however, rose only marginally to 0.52% (vs. 0.50% in 2008). In comparison, the redemption rates for Internet and digital coupons were 4.3% and 8.6%, respectively.

Meanwhile redemption through in-store vehicles such as shelf pads, electronic checkout systems and on-pack IRCs (instantly redeemable coupons) grew from 30% to 50%, depending on the method, with redemption rates ranging from 6% to 17%. “Online coupon use is skyrocketing, but mobile coupon use will be exponential” in the coming years, Gershman said. Gershman and others believe these trends will continue even as economic conditions improve — largely because of emerging delivery technologies that make coupon usage so much easier than in the past. “[Digital/mobile is] driving change that is as significant as when the Internet was introduced,” Garner said.

Combating Fraud

The growth in Internet coupons has brought growing challenges in combating fraud, according to Bud Miller, executive director of Coupon Information Corp. (CIC). While print-at-home coupons are a legitimate promotional device, their rise has increased the number of counterfeits and counterfeiters, who are getting better at producing imitations and thereby confusing and burdening retailers. If unabated, “the integrity of the entire couponing industry may be undermined,” warned Miller.

CIC is therefore taking the lead in identifying counterfeits and



making public service announcements about their existence, as well as outlining steps manufacturers and retailers can take to meet the challenge. The industry's transition to use of GS1 Databar codes (to replace existing UPCs) will help by embedding additional information to assist in validation.

Final implementation of the GS1 system is scheduled for January 2011.

In Store Marketing Institute www.instoremarketer.org

Validating \ Clearing Solutions Highlight Exhibits at Industry Coupon Conference

Solutions are needed to combat the mis/malredemption and fraud associated with paper coupons. These persistent problems continue to create financial hardship for manufacturers, retailers, media partners, as well as retailer clearing houses and manufacturer agents.

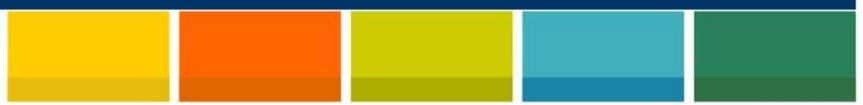
Some of these solutions were among several others on display last month in Las Vegas at the annual Industry Coupon Conference hosted by the Association of Coupon Professionals (ACP) in collaboration with other industry groups.

"The exhibits gave manufacturers and retailers the chance to learn about the latest technology and solutions that improve couponing," said John Morgan, executive director of ACP.

For example, the **Intelligent Clearing Network** (ICN) introduced a solution that electronically validates and clears coupons and other incentives at the point of sale (POS) in grocery, drug, and mass merchant retailers. By replacing today's manual, convoluted, and fraud-prone process, ICN's clearing network provides manufacturers, media companies, and retailers with true "real time" redemption information the moment the incentive clears the retailer's POS system.

"Solving the problem at the POS is the most effective way of addressing the problem," said Rich Thibedeau, ICN's Executive Vice President of Operations. He said the company's single connection to a retailer's POS also provides a very elegant digital solution which eliminates the need for downloading and uploading files to the POS.

By implementing a validation service for processing paper coupons



at the POS, he explained, the industry can potentially save up to hundreds of millions of dollars every year. Manufacturers and retailers will see direct improvements to their bottom lines.

Meanwhile, the growth of digital coupons is placing a strain on retailers' POS systems. As the popularity of digital coupons continues to grow, explained Thibedeau, ICN's software has the ability to take the strain off the retailer's POS systems and eliminates the need for downloading and uploading files to the POS. The more media programs the retailer adds the more complicated the POS processing becomes.

The bottom line: ICN provides a single connection to the retailer's POS which can serve the needs of both paper and digital coupon validation and clearing.

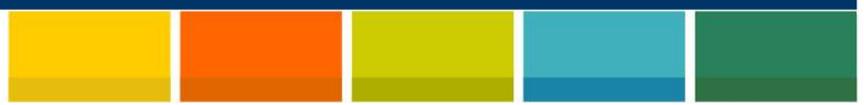
As Sales Keep Growing, Brands will Coupon More

It's no surprise that store brands have benefitted from the economic downturn. Shoppers have discovered that the quality of private label goods – and the lower price – fit their budgets comfortably nowadays.

But as the economy begins to recover, the shift back to brand names isn't happening as expected. In fact, an ongoing shopper experience study currently underway by The Integer Group and M/A/R/C Research shows that shoppers are definitely buying more private-label store brands than in previous years, and among those who are buying more, three in four say they don't plan to return to name brands.

"Consumers are discovering many private-label brands are relatively equal in quality, but priced lower than name brands," said Craig Elston, senior vice president of Insights/Strategy at Integer. "Although the top concern is saving money, consumers also want to feel like they are getting the best value — and to them this means the best quality product for the best price, equals value."

In food and drug stores, shoppers have always relied on coupons to increase the value of their purchases. But have the sales growth of private label products in tough times prompted makers of national brands to generate more coupons? If so, will that continue?



“There’s an enormous amount of pressure on national brands,” said Suzie Brown, chief marketing officer at Valassis. “Because of necessity, consumers have traded down – if you would – to private label. It is going to be a continuing challenge for branded marketers to bridge that price gap, which is what they tried to do with a coupon.”

Brown acknowledged that private label quality has improved, and believes that consumers are more satisfied with private label. So the challenge for branded marketers is to either gain that share back that they lost or try to get a new consumer to trade up into a brand from private label.”

“As CPG marketers faced the pressure of maintaining sales and fending off private label competition in the midst of the worst recession since the Great Depression, they strategically increased their use of coupon promotions in 2009 across all major forms of coupon media,” reported Charles Brown, Vice President of Marketing at NCH Marketing Services.

“Every brand’s circumstances and therefore their strategies are unique, but certainly the macro-level influences of consumer frugality and increased private label competition are drivers in the coupon market,” he said. “They’re intertwined really. Due to the economic downturn, consumers have become more price conscious and promotion sensitive. They stretch their budgets by trading down. But coupons equalize, if not improve, the price point comparison that shoppers are considering. So marketers are distributing them at an even greater rate than they did pre-recession. The trend continues in 2010, with coupon distribution up 14% through the first quarter on top of the growth seen in 2009.”

Consultant James Tenser agrees that the recent step-up in couponing may in some measure be a way that CPG brands are combating the strong showing by own-labels during the recent economic doldrums.

“Coupon promotions offer a face-saving way to drop retail prices temporarily to stimulate shopper demand. They effectively alter the price gap with private label while taking some of the ‘sting’ out for retailers by rewarding them for redemption,” said Tenser, principle with VSN Strategies based in Tucson, Ariz.

For brands to compete for the newly converted and veteran

private-label shoppers, they must offer incentives like couponing and loyalty programs to entice the consumer, according to Elston. “If brand names do this, then previous consumers will most likely return, and they can begin to increase awareness and trial amongst those who have typically purchased private-label brands.”

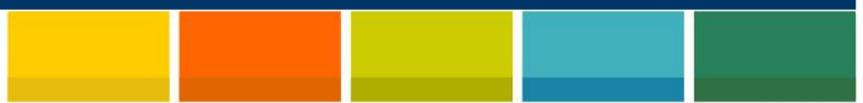
Tenser sums up: “Brands that use coupons tactically instead of TPRs or downsizing packages to meet a lower price point will hope to maintain their price image so they can sustain full margin sales later when the economy warms up.”

FREE STANDING INSERT (FSI) COUPON ACTIVITY INCREASED 10.1 PERCENT DURING THE FIRST HALF OF 2010

**Retailer promotion activity increased 56.2 percent to more
than 6.7 billion pages**

Free Standing Insert (FSI) coupon activity increased 10.1 percent based on Coupons Dropped during the first six months of 2010 versus the same time period a year ago according to Marx, a Kantar Media solution. This increase is the greatest observed during the first six months of a calendar year, surpassing the second highest growth reported in Coupons Dropped of 8.0 percent realized in the first half of 2004. “CPG manufacturers are continuing to use FSI coupons to reach consumers in the home to deliver advertising impact, influence consumer purchase decisions, and secure retail merchandising support,” said Mark Nesbitt, President, Kantar Media Intelligence.

Marx, the industry standard for tracking FSI coupon activity, also reports that retailer promotion activity continued to grow with a 56.2 percent increase to 6.7 billion pages in the first half of 2010. Target led retailer promotion activity based on Pages Circulated, with nine of the top 10 retailers increasing Pages Circulated during the first half of 2010 versus one year ago. Additionally, the number of manufacturers participating in retailer promotion events increased from 135 during the first half of 2009 to 213 during the



first half of 2010.

“In addition to Target’s expanded use of cooperative FSI coupon vehicles to support their retailer promotion activity, other leading retailers are expanding their use of retailer promotion events, especially within the Food, Drug, Value, and Pet Specialty channels. One of the trends observed in response to the declining economy was consolidation of retail shopping trips within the super center format. The increased use of retailer promotion events within cooperative FSI coupon vehicles may be an effective retail response to combat the consolidation of trips.” said Nesbitt.

Overall FSI Activity

During the first half of 2010, more than \$234 billion in consumer incentives were delivered via FSI coupons in Sunday newspapers, up 17.8 percent from the same period in 2009. During the same six month period, more than 155 billion coupons were distributed within more than 113 billion FSI pages. FSI coupon average Face Value achieved a new record level in the first half of 2010 at \$1.51, up 7.1 percent versus the first half of 2009. However, Average Expiration (Fuse) dropped to 8.8 weeks, down 9.0 percent versus a year ago which is the largest percent decline in Fuse for the first half of the year reported in the last five years.



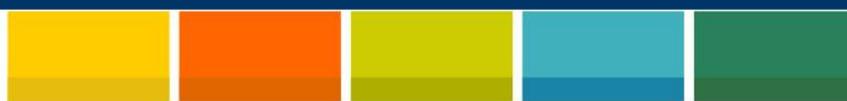
First Half 2010 Results versus First Half 2009		
Measure	First Half 2010	% Change
Dollars Circulated	\$234 billion	17.8%
Coupons Dropped	155 billion	10.1%
Pages Distributed	113 billion	6.5%
Face Value (average)	\$1.51	7.1%
Fuse (weeks)	8.8	-9.0%

Source: Kantar Media

Top 10 Retailers based on Pages Circulated

Retailer promotion pages increased 56.2 percent to more than 6.7 billion pages in the first half of 2010. While the number of retail banners remained flat, the number of active manufacturers that participated in retail promotion events increased 57.8 percent from 135 in 2009 to 213 in 2010.

Target continues to lead with more than 1.3 billion pages, up 66.9 percent versus the first half of 2009. Dollar General had the largest actual increase based on Pages Circulated among the top 10 retailers, increasing 566.8 million to more than 1.0 billion pages to rank second during the first half of 2010. Family Dollar went from a rank of 29 in the first half of 2009 to a rank of 5 in the first half of 2010, distributing an additional 488.9 million pages for a total of 512.8 million Pages Circulated. Walgreens and PetSmart also reported large increases in Pages Circulated, up 69.4 percent and 32.7 percent, respectively. These trends reflect the overall growth of retailer promotion within traditional FSI vehicles to drive trips, transactions, and profits across channels and retail formats.



Retailer	Rank First Half 2009	Rank First Half 2010
Target	1	1
Dollar General	2	2
Walgreens	4	3
PetSmart	3	4
Family Dollar	29	5
CVS Pharmacy	5	6
Kroger (banner)	6	7
PETCO	21	8
Publix	7	9
Ralphs	10	10

Source: Kantar Media

Top 10 Categories for New Product Activity

During the first half of 2010, there were 196 new products that delivered FSI coupons compared to 199 new products during the same period in 2009. However, event dates increased from 301 during the first half to 2009 to 308 during the first half of 2010, translating into an increase in event dates per new product from 1.5 to 1.6 during the same periods. The Snacks category led with 16 new products, followed by Alcoholic Beverages with 15 new products and Cereals with 9 new products.



First Half 2010 Results for New Products		
Rank	Product Type	# New Products
1	Snacks	16
2	Alcoholic Beverages	15
3	Cereals	9
4	Beverages	8
5	Household Cleaning Products	7
5	Combination/Personal	7
5	Milk/Milk Products	7
8	Vitamins	6
8	Prepared Food/Frozen	6
10	Pet Food & Treats	5

Source: Kantar Media

Top 10 FSI Product Types in First Half 2010 (by Coupons Dropped*)

The top 10 product types based on Coupons Dropped accounted for 39.6 percent of all FSI coupon activity during the first half of 2010.

Combination/Personal products ranked first and increased 20.8 percent to distribute more than 8.3 billion coupons. Pet Food & Treats moved to second place with a 19.6 percent increase to 7.7 billion coupons.

Bar/Liquid Soap moved up into the top ten with an increase of 48.9% to 4.0 billion coupons.

Rank	Product Type	Coupons Dropped (MM)			
		2009 (1H)	2010 (1st Half)	% Chg	Actual Chg
1	Combination/Personal	6,924	8,36	20.8%	1,440.2
2	Pet Food & Treats	6,482	7,75	19.6%	1,272.6
3	Household Cleaning Products	6,060	7,24	19.6%	1,188.8
4	Snacks	6,553	6,44	-1.7%	- 112.2
5	Vitamins	4,712	5,50	16.9%	795.5
6	CCSA	3,642	4,26	17.0%	617.8
7	Rug/Room Deodorizer	4,393	4,22	-3.8%	- 165.8
8	Hair Care	3,669	4,14	12.8%	471.4
9	Meat/Refrigerated	3,339	4,05	21.3%	712.4
10	Bar/Liquid Soap	2,693	4,01	48.9%	1,318.3



NUMBER OF DIGITAL COUPON EVENTS INCREASED BY MORE THAN 80 PERCENT IN THE FIRST HALF OF 2010 VERSUS THE SAME PERIOD IN 2009

**Number of manufacturers distributing digital coupons
increased by more than 30 percent versus year ago**

During the first half of 2010, the number of digital coupon events increased by 84.0 percent versus the first half of 2009 across key websites tracked by Marx, a Kantar Media solution. Additionally, 200 manufacturers distributed digital coupon offers, an increase of 31.5 percent compared to the 152 manufacturers that were active in the first half of 2009 across these key websites. “Digital coupons complement traditional FSI coupons to reach the consumer in the home while they are actively making purchase decisions,” said Mark Nesbitt, President Kantar Media Intelligence. “As more manufacturers distribute more digital coupons, it becomes increasingly critical to understand competitive digital promotion tactics to insure that events break through the clutter to deliver the right offer to the right consumer,” said Nesbitt.

CPG Areas	Mid-Year 2009 Digital Activity			Mid-Year 2010 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	8.0%	\$0.88	\$0.77	5.4%	\$0.77	\$0.63
Dry Grocery	29.6%	\$0.94	\$0.78	29.9%	\$0.97	\$0.78
Frozen Products	7.6%	\$1.12	\$0.85	9.5%	\$0.80	\$0.67
Health Care	15.0%	\$1.75	\$1.75	10.4%	\$2.14	\$2.06
Household Products	6.9%	\$1.12	\$1.07	6.5%	\$1.37	\$1.06
Other Packaged Goods	2.2%	\$3.93	\$3.93	4.1%	\$4.09	\$3.94
Personal Care	14.5%	\$1.44	\$1.34	16.5%	\$1.58	\$1.46
Refrigerated Foods	11.4%	\$0.83	\$0.57	15.3%	\$0.76	\$0.54
Shelf Stable Beverages	9.0%	\$1.10	\$0.80	4.5%	\$0.95	\$0.74

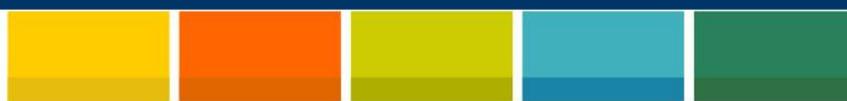
(1) Digital Share of Activity is based on Number of Events (NOTE: Sum of all Areas may be greater than 100% due to events which include more than one Area)

(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



Refrigerated Foods led the increase in activity within the Food Areas. This is a 3.9 point increase in the first half of 2010, contributing to an overall Share of Activity for the Food Areas of 64.6 percent. Health Care drove the greatest decrease in activity within the Non-Food Areas with a 4.6 point decrease in the first half of 2010, which resulted in an overall Share of Activity for the Non-Food Areas of 37.5 percent.

Face Value and Face Value Per Unit decreased in four of five Food Areas in the first half of 2010 versus year ago. In contrast, Face Value increased in all four Non-Food Areas during this period. All Food Areas had Face Value and Face Value Per Unit of less than \$1.00, while all Non-Food Areas had Face Value and Face Value Per Unit greater than \$1.00 during the first half of 2010.

Retailer Promotion – Digital versus Print

On retailer websites monitored by Marx during the first half of 2010, there were 268 manufacturers running digital promotion events. This is 25.8 percent more than the 213 manufacturers that participated in retailer promotion events in traditional print FSI vehicles during the same period. “Manufacturers are distributing coupons on retailer websites to build purchase intent with the consumer and drive shopping trips for the retailer,” said Bob Cristofono, Vice President of Sales at Marx. “Increasingly, manufacturers need to understand competitive promotion activity on retailer websites to fully understand retail pricing, merchandising support, and promotional lift,” said Cristofono.



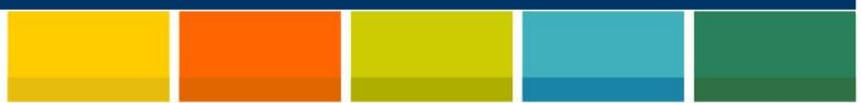
New Product Activity – Digital versus Print

Mid-Year 2010 New Product Introductions	Digital New Products	Print New Products
Total Active Categories	25	71
New Products	35	196
Total Event Dates	213	308
Average Event Dates Per New Product	6.1	1.6

During the first half of 2010, 35 new products included digital promotion events across the websites monitored by Marx compared to 196 new products that included traditional FSI coupons during the same period. However, there was an average of 6.1 Event Dates Per New Product for digital promotions compared to 1.6 Event Dates Per New Product for FSI coupon promotions. New products continue to gain support with digital coupons, with nearly four times the number of Event Dates in digital than in print.

Social Media Insights

“Manufacturers are blurring the lines between traditional FSI and digital promotion by developing integrated retailer and new product campaigns,” said Dan Kitrell, Vice President of Account Solutions at Marx. “In addition to moving coupons online, many leading CPG manufacturers are also including social media references in their FSI coupon creatives. Facebook is the primary social media being used, but Twitter is included in addition to Facebook in about half of the creatives analyzed. In most cases, the social media icon is



the only reference. However, some brands have developed programs to incent consumers to support social media websites including opportunities to download additional savings, join web clubs, and contribute to charities,” said Kitrell.

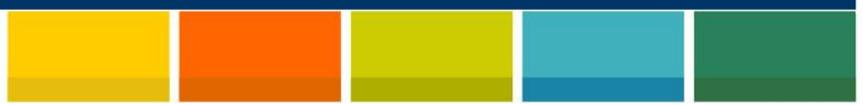
EZ-PIC Celebrates 5 Million Digital Coupon Redemptions

June 29, 2010 gave cause for a brief celebration at Unicus Marketing, Inc. That’s when the Chicago based company redeemed its 5 millionth digital in-store coupon according to Bob Bertram, the Company’s VP of IT. EZ-PIC has been using a combination of their attractive signage and proprietary digital coupon technology to feature and promote CPG brands at-shelf since November of 2006. Since its launch, they have enjoyed high triple digit growth each fiscal year.

EZ-PIC’s growth rate reflects or, in many cases, outpaces that of other digital coupons in the space. “In our view, EZ-PIC *Paperless In-Store Coupons* are more convenient for shoppers to use, less expensive for manufacturers to execute and unburdened by the inherent waste and potential for misredemption of paper coupons.”, said Bob Longo, VP Sales & Marketing. [Note, each EZ-PIC coupon redemption is tied to the retailers T-Log, so it can be validated to the exact UPC, store, checkout lane, time and cashier.]

Another reason for EZ-PIC’s growth is that shoppers *and* manufacturers both need to stretch their budgets; do more with less. In that regard, EZ-PIC helps both segments. Shoppers realize coupon savings electronically at the register when they fulfill the exact purchase requirements set by the brandgroup (typically EZ-PIC coupons promote multiple purchases). And, manufacturers see EZ-PIC as a cost-efficient coupon program that attracts, engages and incents shoppers at precisely the right time along the ‘*path to purchase*’....at the shelf, when many make their purchase decisions.

But along with trends toward digital coupon use, its proprietary software that interfaces directly with POS systems and tough economic times, EZ-PIC’s success also stems from unique partnerships forged with a growing network of retailers throughout



the country. “In contrast to Internet or newspaper distributed coupons that are redeemable at any banner, retailers in the EZ-PIC network see the program as a seamless way to pass along unique coupon offers to their shoppers and their shoppers alone.”, said John Thompson Executive VP of Operations.

Five million digital coupons redeemed is a solid accomplishment for an emerging company in this crowded and competitive arena. But given EZ-PIC’s consistent growth, the next 5 million redemptions should be upon them in short order.

Contact: Bob Longo, rlongo@EZ-PIC.com, 312-261-5625

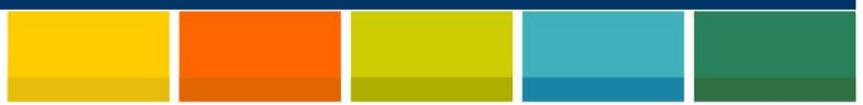
Bilingual, On-Line Coupon Program, webSaver.ca Launches in Canada

The Canadian coupon industry is vastly different from the US coupon industry and has unique operating procedures. The webSaver.ca team is made up of Canadian industry leaders from coupon redemption, brand marketing and online publishing bringing together all 3 key elements required for a successful online couponing program in Canada.

Designed by consumers for consumers, webSaver.ca is a BILINGUAL Canadian company that provides SMART and SAVVY Canadian consumers an ONLINE & DIGITAL connection to brands they love. With a few clicks on webSaver.ca, you can quickly and easily SELECT coupons that are RELEVANT to YOU and have them sent directly to your mailbox. Furthermore, for every webSaver.ca coupon redeemed in stores, webSaver.ca will donate 5¢ to a charitable organization. It’s a great way for consumers to save and help communities locally and around the world.

In the first 150 days of being live, webSaver.ca has:

- Issued over 3 million coupons!
- Has partnerships with great brands such as Tide, Pampers, L’Oreal Paris, French’s Mustard, Maple Leaf Chicken and many more!
- Has over 50,000 members and growing daily!
- Millions of impressions and growing daily!



Contact Marcelle Trask at marcelle.trask@websaver.ca or 514.394.7432

The A&P Family of Supermarkets Debuts *Text, Give, Save* Campaign

In a unique new promotion designed to “give back” while “getting back,” The Great Atlantic & Pacific Tea Company, Inc. (A&P) (NYSE: GAP) is making it easy and economical for shoppers to help the Children’s Miracle Network (CMN), an organization dedicated to saving and improving the lives of children by raising funds for 170 children’s hospitals throughout North America. The A&P family of supermarkets, in partnership with Procter & Gamble, Children’s Miracle Network, Zavers, mGive, Blue Chip Agency, and Vestcom, is launching the ***Text, Give, Save*** campaign.

A first-of-its-kind promotion, the ***Text, Give, Save*** campaign utilizes popular text messaging technology to benefit local children’s hospitals. Customers at A&P, Pathmark, Waldbaum’s, SuperFresh and The Food Emporium stores simply text “KIDS” to 90999 from their mobile phone to send a \$5 donation to the Children’s Miracle Network. Once the donation is confirmed, participants are rewarded with \$10 in coupons, which are automatically loaded onto their club card, for leading Procter & Gamble products, including Always®, Bounty®, Cascade®, Charmin®, Crest®, Gillette®, Olay®, Pampers®, Pantene®, and Tide®. Now, customers can save money while giving back to those in need. The ***Text, Give, Save*** campaign will be offered at all stores within the A&P family of supermarkets in the Northeast, including A&P, Pathmark, Waldbaum’s, SuperFresh and The Food Emporium, from July 15 to July 22.

“Our Company is dedicated to supporting causes that benefit the



health and welfare of children,” said Ron Marshall, President & CEO, The Great Atlantic & Pacific Tea Company. “This innovative campaign is the first of its kind in the market and will not only help us support CMN and the children that need its assistance, but it will also reward our shoppers for their generosity with great savings on national brands.”

The ***Text, Give and Save*** promotion capitalizes on key consumer trends including messaging, online giving and coupon usage. “Using text messaging as a way to solicit donations, while also providing valuable offers sets a new standard in innovation, convenience and value,” said Thad Langford, President and Chief Executive Officer for Zavers. “We’re proud Zavers technology can play a role in enabling this worthwhile initiative.”

For more information on the Children’s Miracle Network, visit:

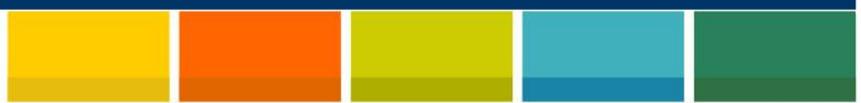
www.childrensmiracletnetwork.org.

Unified Grocers Partners with C&S Wholesale Grocers and Brand Coupon Network for ‘coupon for miracles’ initiative

Cause-Marketing Promotion Aims to Raise Funds for Children’s Miracle Network

Unified Grocers, the largest retailer-owned wholesale grocery cooperative in the western United States and C&S Wholesale Grocers of Keene, N.H., the largest privately held food wholesaler in the United States, are partnering with Brand Coupon Network, LLC (BCN), and an innovative leader in online print-controlled coupon technology, to launch *Coupons for Miracles* on February 23, 2011. The goal of the project is to raise needed funds for Children’s Miracle Network through an online innovation to couponing and fundraising.

Historically, nonprofit organizations suffer in times of economic crisis, as donations become more difficult for families with rising costs of living. “The beauty of *Coupons for Miracles* is that we are helping supporters save money on their groceries and creating a



venue where they can do so while helping their cause of choice,” states Dan Murphy, SVP of Perishables and Retail Support Services at Unified Grocers.

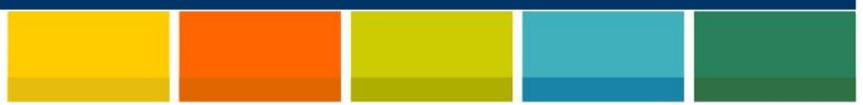
“Coupons for Miracles are a socially conscious, engaging initiative that Unified Grocers embraces. We have partnered with City of Hope and Doernbecher Children’s Hospital for years. We look forward to working with Children’s Miracle Network,” stated Murphy.

“With the conviction that our society and our business partners can make a difference, our company is proud to support this program, and even prouder that we’ll be touching the lives of some brave children,” said Gina Goff, Director of Community Involvement at C&S Wholesale Grocers, Inc. “Helping kids and their families cope with serious illness is a privilege, and the work that Children’s Miracle Network does offers hope and resources to them,” she added.

Consumers (supporters) will be able to visit www.couponsformiracles.org or an affiliate website, print out desired coupons and receive the full amount of the savings on participating brands. Neither donations nor solicitations are required. All funds generated through the *Coupons for Miracles* program will be distributed to the Children’s Miracle Network hospital in the community where the coupons were redeemed.

“Coupons for Miracles is an innovation in online fundraising and corporate partnering that makes donations obsolete. We have had overwhelming response from brands, agencies and brokers. With the launch slated for 1st quarter 2011, prospective partners have time to get us in their 2011 budgets. We are very excited,” said Dan Abraham, founder of BCN. “Consumers champion their cause while they save money on products they normally buy or would like to try.”

Brand sponsors participating in *Coupons for Miracles* benefit from being charged only for coupons redeemed. Traditionally, coupons can be an expensive initiative for companies because of the costs associated with printing inserts or because they’re charged every time a coupon is printed from a website. “Because participating companies only pay for redeemed coupons, participating in



Coupons for Miracles is a cost effective marketing spend tying brands to a noble cause. In addition to the coupon, Unified Grocers will have tie-in opportunities at over 1,200 stores in the Western United States,” said Abraham.

“It is just good business to help our communities and give back when we can,” states Kory Burwell of Unified Grocers. “Everyone wins when they can just download their coupons from the *Coupons for Miracles* website and, by doing so, help sick children at our hospitals.”

Coupons for Miracles will launch on February 23, 2011 with full retailer support from Unified and C&S.

For more information contact info@brandcouponnetwork.com or call 877-7COUPON.

Learn how to use coupons to reach your sales goals by attending Brand Packaging Magazine’s upcoming webinar:

“Building Your Brand Using Coupons”.

Whether you are currently using coupons or want to learn the process, this webinar will show you how to increase market share and build consumer loyalty.

Hear from industry experts on:

- How couponing is changing the landscape of competition
- How you can use couponing to build sales and loyalty at the moment of truth when buying decisions are made at the shelf
- How to implement a coupon program, find a redemption house, and capture retail results

Register for our webinar today, sponsored by WS Packaging Group and *Brand Packaging* magazine, at www.wspackaging.com/couponing.