

## Summer 2011

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

### Regional Coupon 101\102

#### Midwest

October 12, 2011  
Doubletree Hotel  
Rosemont, IL

#### East

March 20, 2012  
In conjunction with CIC  
Summit  
Alexandria, VA

### Save the Dates! 2012 Industry Coupon Conference ACP 25<sup>th</sup> Anniversary

April 24<sup>th</sup> - April 26<sup>th</sup>  
2012  
Hilton  
Nashville, TN  
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#### For the latest details:

ACP headquarters  
[www.couponpros.org](http://www.couponpros.org)  
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## As Coupons Continue to Build Business in the Current Economy, The Association of Coupon Professionals Schedules Two Regional Educational Seminars and its 2012 Industry Conference

### *Seminars in the Chicago and Washington, DC Areas Will Showcase How to Market Your Products Using Coupons*

In 2010 coupon distribution increased 8.1 percent to 333 billion, and redemption was 3.13 billion. These numbers have maintained the same 2009 levels, which already reflected a significant 27 percent increase over 2008. (Source: 2011 Inmar Coupon Report)

As manufacturers and retailers continue to use coupons to build sales and increase brand loyalty, the Association of Coupon Professionals (ACP) will hold two educational seminars, taught by leaders in the field, which can help attendees plan a marketing campaign with coupons which maximizes their return on investment.

Seminar dates and locations are:

- October 12, 2011, Doubletree Hotel, Rosemont, Illinois (Chicago)
- March 20, 2012, Hotel Monaco, Alexandria, Virginia (Washington, DC), in conjunction with the Coupon Information Corporation (CIC) Summit

Seminar participants will learn how to market their business with this time-tested tool, can refresh their knowledge of coupons or bring themselves up to speed on new technologies. Digital, Internet Print-at-Home and traditional paper coupons will be discussed. Technologies like Mobile and Click-to-Card (frequent shopper card) coupons will also be explored.

“As coupons have become more popular in today’s economic climate – now is the time to learn more about them,” stated Val Stark, Director of ACP’s Education Committee. “Retail customers are using coupons more than ever before. Marketing with coupons is a critical -- and time tested -- strategy for building business and connecting with customers. Our educational seminars include coupon industry veterans who can bring you up to speed on the basics, or introduce you to new technologies such as mobile coupons, digital coupons, and GS1 DataBar, the new UPC coding system.”

**Welcome New Members**

M-Dot

Velocity Fulfillment

Arrowhead Promotion

Hewlett Packard

Winn Dixie

Target

Revtrax

Infinian

Visible Brands

Benetel

AOL Shortcuts

Synergistic Marketing

Z Mobile Ventures

**Board and Executive Elections**

Elections were held during the Industry Coupon Conference in Atlanta in April. Jackie Broberg of General Mills was elected President, and Debbie Settle of Inmar was elected Vice President. They both will serve two year terms. Also elected to the Board of Directors to two-year terms were

The lively, interactive sessions review all aspects of the couponing industry. Presenters are industry experts who can draw on decades of experience in the field in answering questions and providing advice.

Seminar topics will 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 view of all the functions in the process. Updates to the transition to the GS1 Databar will also be included.

Attendance is limited and potential participants should contact the ACP without delay as sessions fill-up quickly. A limited number of rooms have been set aside for attendees who are not able to fly in and out the same day.

In 2012 the ACP will be celebrating its 25<sup>th</sup> Anniversary and have announced its annual industry conference taking place April 24 – 26 in Nashville, Tennessee.

For more information visit [www.couponpros.org](http://www.couponpros.org), or contact John Morgan, Executive Director of ACP, at 610-789-9993 or [John.Morgan@acp-hq.org](mailto:John.Morgan@acp-hq.org).

**2010 Coupon Distribution Continued to Increase;**

**Redemption Maintained**

*Trend Highlighted at Recent Industry Coupon Conference*

*Shows Increase Shift to In-Store and Internet Print-at-Home Vehicles*

At the annual Industry Coupon Conference presented by the Association of Coupon Professionals (ACP) held April 12-14, 2011 in Atlanta, Ga., titled "Coupons: Opportunities & Options," it was outlined that 2010 coupon distribution increased 8.1 percent to 333 billion.\* Redemption in 2010 was 3.13 billion which maintained the same 2009 level already reflecting a significant 27 percent increase over 2008.\*

Also presented in conjunction with the statistics above, by Matthew Tilley, Director of Interactive Communications for Inmar, Inc., co-chair of the ACP Conference Planning Task Force, were various results based on last year's (2010) research including a 10 percent decline in FSI redemption- dropping it to 44 percent of overall industry redemption volume.\* Redemption, on the other hand, is shifting more in-store where Instant Redeemable was up 44 percent and Shelf Pads increased by 27 percent. Additionally, Internet Print-at-Home rose 81 percent .\*

Jane Michels, Coupons, Inc.; Joanne Walk, Hormel Foods Corporation; Val Stark, NCL Graphics; Len Harris, Kellogg Company; and Earl Ellsworth, Universal Marketing Services. Stanley Wadford, Winn Dixie was appointed to a one-year board term by the board.

### **Awards**

#### **Lifetime Achievement**

The ACP Lifetime Achievement award was presented to Len Harris of Kellogg Company and John Irwin of Promotion Eyes. Harris and Irwin become just the eighth and ninth recipients of this prestigious award. Both individuals are past presidents of the ACP, have held leadership positions and have worked tirelessly to improve the industry.

Congratulations  
Len and John!

#### **Industry Impact**

“Year after year, the annual Industry Coupon Conference is the ‘must attend’ event where industry leaders converge to learn and discuss the latest trends, research and developments in traditional, digital and Internet-based coupons,” said John Morgan, Executive Director, ACP, “and this year was no exception,” he furthered, noting increased attendance across the board.

This year’s conference highlights included numerous presentations regarding ever-changing consumer behavior. There is a clear shift away from newspaper and TV toward Internet and mobile. Marketers are attempting to keep up with this change in media consumption by experimenting with digital coupon offers, new mobile APPs and increasing Internet Print-at Home coupon distribution.

Conference presenters and topics included:

- “How to Reach and Influence the Evolving Consumer,” presented by Jason Rogers of Catapult
- “Emerging Technology,” presented by Laird Garner of Garner Consulting
- A Consumer Panel moderated by Suzanne Quint of *All You* magazine
- Integrated Media - Adjusting to Changes in Consumer Buying Habits,” presented by Barbara Reilly of Valassis
- “Digital Coupon Trends and Insights,” presented by Dan Kitrell of Kantar Media
- Digital Coupon Update,” presented by Susan Jones of Inmar, Inc. and Chair of ACP’s Digital Task Force
- “iPad and other Mobile Marketing Solutions for Coupons and Samples - Solutions and Trends,” presented by Henri Lellouche of News America

Other topics and trends showcased at the conference included:

- Jackie Broberg of General Mills, leading a panel of experts to discuss GS1Databar and answering the most detailed of questions regarding implementation
- Bud Miller, Executive Director of CIC giving a presentation on coupon fraud and prevention techniques as well as announcing the arrest of the “Coupon Guy,” a Rochester, NY college student who developed and shared information about how to create counterfeit coupons
- John Morgan, Executive Director of ACP, assured the retailer voice was heard by leading a panel of retailers including Stanley Wadford of Winn Dixie, Jeremy Payson of Big Y, Sue Knotts of Wakefern and Dana Eldridge of Defense Commissary
- Jill Cataldo, Founder of Super-Couponing Workshops, gave attendees an update on coupon bloggers, consumers and the emerging “coupon coaches” and what strategies they are employing to strategically shop

Also taking place at the conference were ACP’s board of director’s elections welcoming Jackie Broberg of General Mills as President, and Debbie Settle of Inmar as Vice President. Board of Directors elected to a two-year term were Jane Michels, Coupons, Inc.; Joanne Walk, Hormel Foods Corporation; Val Stark, NCL Graphics; Len Harris, Kellogg Company; and Earl Ellsworth, Universal Marketing Services. Stanley Wadford, Winn Dixie was appointed to a one-year board term.



## Awards

The ACP Industry Impact award was presented to Earl Ellsworth of Universal Marketing and Dick DeBlasio of Inmar. Ellsworth is a board member and serves on many committees and task forces, while DeBlasio has had a significant impact on the Education committee for many years.

Congratulations Dick and Earl and thank you for your dedicated service to the industry.

## ACP Offers Free Updated 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

Additionally, two Lifetime Achievement awards were given to Len Harris of Kellogg Company and John Irwin of Promotion Eyes, and two Industry Impact awards were presented to Earl Ellsworth of Universal Marketing and Dick DeBlasio of Inmar. Harris and Irwin become just the eighth and ninth recipients of this prestigious award. Both individuals are past presidents of the ACP, have held leadership positions and have worked tirelessly to improve the industry. Ellsworth is a board member and services on many committees and task forces, while DeBlasio has had a significant impact on the Education committee for many years.

## Industry Trends

### ACCORDING TO KANTAR MEDIA, FREE STANDING INSERT (FSI) COUPON ACTIVITY DECREASED 3.9 PERCENT DURING THE FIRST HALF OF 2011

#### Retailer promotion activity increased 27.3 percent to more than 8.4 billion pages

Kantar Media announces that free Standing Insert (FSI) coupon activity decreased 3.9 percent based on Coupons Dropped during the first six months of 2011 versus the same time period a year ago. This decline is the first reported in Coupons Dropped in the first half of the year since 2008 when there was a 3.4 percent decline. "After several years of significant growth, FSI coupon activity may be stabilizing while more integrated print and digital coupon promotion tactics are emerging. For example, some CPG brands are using their FSI events to drive shoppers to their brand websites or social media websites to download coupons." said Mark Nesbitt, President, Kantar Media Intelligence NA. "Additionally, some CPG manufacturers are distributing digital coupons on retailer websites to support their major corporate scale themed FSI coupon events. Clearly, FSI coupons remain a critical component within an integrated promotion mix," concluded Mr. Nesbitt.

Kantar Media, the industry standard for tracking FSI coupon activity, also reports that retailer promotion activity continued to grow with a 27.3 percent increase to 8.4 billion pages in the first half of 2011. Walmart jumped from being ranked 13<sup>th</sup> based on Pages Circulated during the first half of 2010 to lead retailer promotion activity for the first half of 2011. Seven of the top 10 retailers increased Pages Circulated during the first half of 2011 versus one year ago. Additionally, the number of manufacturers



Coupon poster is 11 x 17-inches for placement in a retailer's break or training room. A PDF file is also available.

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

participating in retailer promotion events increased from 211 during the first half of 2010 to 293 during the first half of 2011.

"More manufacturers are partnering with their leading retailers on promotion events designed to reach shoppers in-the-home when they are developing purchase intent and planning shopping trips. Walmart may be using retailer promotion events to emphasize their renewed focus on product assortment and to attract a greater share of shoppers that use coupons to their stores." said Nesbitt.

### Overall FSI Activity

During the first half of 2011, more than \$236 billion in consumer incentives were delivered via FSI coupons in Sunday newspapers, up 0.8 percent from the same period in 2010. During the same six month period, more than 149 billion coupons were distributed within more than 111 billion FSI pages. FSI coupon average Face Value achieved a new record level in the first half of 2011 at \$1.58, up 4.9 percent versus the first half of 2010. However, Average Expiration (Fuse) dropped to 8.3 weeks, down 6.3 percent versus a year ago which is the third consecutive year of declining Fuse lengths during the first half of the year.

First Half 2011 Results versus First Half 2010		
Measure	First Half 2011	% Change
Dollars Circulated	\$236 billion	0.8%
Coupons Dropped	149 billion	-3.9%
Pages Distributed	111 billion	-2.0%
Face Value (average)	\$1.58	4.9%
Fuse (weeks)	8.3	-6.3%

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: 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).

### **Top 10 Retailers based on Pages Circulated**

Retailer promotion pages increased 27.3 percent to more than 8.4 billion pages in the first half of 2011. While the number of retail banners declined slightly, the number of active manufacturers that participated in retail promotion events increased 38.9 percent to 293 in 2011. Retailers from Mass (Walmart, Target), Value (Dollar General, Family Dollar), Drug (Walgreen's, CVS), and Pet Specialty (PETsMART, PETCO) comprised the top eight positions. Kroger and Publix were the leading Food retailers and were ranked 9<sup>th</sup> and 10<sup>th</sup> respectively.

Walmart has overtaken Target for the top spot based on number of Pages Circulated with an increase of 1,488% to 1.4 billion pages which was the largest actual among the top 20 retailers. Target had the largest actual decline in Pages Circulated among the top 20, down 19% in the first half of 2011 dropping to the number three spot behind Walmart and Dollar General. BJ's Wholesale Club went from a rank of 82 in the first half of 2010 to a rank of 21 in the first half of 2011, which was the largest leap in rank among all retailers. Walgreens and CVS Pharmacy also reported large increases in Pages Circulated, up 38.2 percent and 60.6 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.

**Internet Coupon Guidelines now available for Free to Retailers, Manufacturers and Industry Supporting Solution Providers**

At the June meeting of the Association of Coupon Professionals, the board of directors passed a motion allowing the ACP's Internet Coupon Guidelines to be distributed to interested Retailers, manufacturers and industry supporting solution providers free of charge. The document is a comprehensive guide to Internet coupons that discusses trends, benefits, opportunities, and challenges as they apply to consumers, retailers, processors, and manufacturers. This guide also presents recommendations for the development of an effective Internet coupon

If you are interested in obtaining a copy please contact John Morgan, Executive

Retailer	Rank First Half 2010	Rank First Half 2011
Walmart	13	1
Dollar General	2	2
Target	1	3
Walgreens	3	4
PETsMART	4	5
Family Dollar	5	6
CVS	6	7
PETCO	8	8
Kroger (banner)	7	9
Publix	9	10

Source: Marx, Kantar Media



Director of ACP, at  
610-789-9993 or  
[John.Morgan@acp-hq.org](mailto:John.Morgan@acp-hq.org).

**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](mailto:John.Morgan@acp-hq.org)

**Top 10 Categories for New Product Activity**

During the first half of 2011, there were 132 new products that delivered FSI coupons compared to 196 new products during the same period in 2010. Event dates also declined from 308 during the first half to 2010 to 208 during the first half of 2011; however, event dates per new product remained flat at 1.6. The Beverages category led with 11 new products, followed by Cereals with 10 new products and Alcoholic Beverages with 9 new products.

First Half 2011 Results for New Products		
Rank	Product Type	# New Products
1	Beverages	11
2	Cereals	10
3	Alcoholic Beverages	9
4	Meat/Refrigerated	8
5	Pet Food & Treats	7
5	Snacks	6
5	Milk/Milk Products	6
8	Household Cleaning Products	5
8	Sugar	5
10	Combination/Personal	4

Source: Marx, Kantar Media


**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

The **Membership Committee** actively recruits new members

The **Digital Coupon & Redemption Task Force** is developing

**CPG Non-Food vs. Food**

In the first half of 2011, Non-Food categories distributed more than 87.9 billion coupons, down 4.4 percent versus the same time period in 2010, while Food categories distributed 61.9 billion coupons, representing a decrease of 3.3 percent. Dry Grocery and Health Care reported the only increases, up 3.5 and 2.2 percent respectively.

Additionally, manufacturers are increasing the value of the offers that are being delivered to consumers in both the Non-Food and Food segments. Weighted Average Face Value (WAFV) for Non-Food increased

5.0 percent to \$1.96 and was combined with a 1.7 point increase in Multiple Purchase Requirements (MPR) resulting in Weighted Average Face Value Per Unit (WAFVPU) increasing 3.4 percent to \$1.70. WAFV for Food increased 5.4 percent to \$1.04 and was combined with a 1.5 point increase in MPR resulting in WAFVPU increasing 4.3 percent to \$0.77.

Class	Coupons Dropped (MM)		Avg Face Value (\$)		Avg Value Per Unit (\$)		% Multiple Purchase		Avg Duration (weeks)	
	1st Half 2011	% Chg	1st Half 2011	% Chg	1st Half 2011	% Chg	1st Half 2011	Point Chg	1st Half 2011	% Chg
Non-Food	87,974	- 4.4%	\$1.96	5.0%	\$1.70	3.4%	16.9%	1.7	7.9	- 8.3%
Food	61,979	- 3.3%	\$1.04	5.4%	\$0.77	4.3%	40.8%	1.5	8.9	- 3.9%
<b>Total CPG</b>	<b>149,711</b>	<b>- 3.9%</b>	<b>\$1.58</b>	<b>4.9%</b>	<b>\$1.32</b>	<b>3.3%</b>	<b>26.8%</b>	<b>1.8</b>	<b>8.3</b>	<b>- 6.3%</b>



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.

### Upcoming Industry Events

PMA Law Conference, November 15-16, 2011 Chicago, IL

CIC Summit with Coupon 101\102, March 20-21, 2012, Alexandria, VA

### Top 10 FSI Product Types in First Half 2011 (by Coupons Dropped\*)

The top 10 product types based on Coupons Dropped accounted for 36.3 percent of all FSI coupon activity during the first half of 2011. Pet Food & Treats products ranked first and increased 11.2 percent to distribute more than 8.6 billion coupons. Combination/Personal products moved to second place with a 14.1 percent decrease to 7.1 billion coupons. Shaving Cream/Razors moved into the top 10 having jumped from a rank of 13 to 8 with a 14.8 percent increase to 3.7 billion coupons.

Rank	Product Type	Coupons Dropped (MM)			
		2010 (1st Half)	2011 (1st Half)	% Chg	Actual Chg
1	Pet Food & Treats	7,755	8,625	11.2%	869.9
2	Combination/Personal	8,364	7,182	-14.1%	-1,182.1
3	Snacks	6,354	6,888	8.4%	533.7
4	Vitamins	5,508	5,884	6.8%	376.6
5	Household Cleaning Products	7,108	5,737	-19.3%	-1,371.2
6	Rug/Room Deodorizer	4,227	5,253	24.3%	1,025.2
7	CCSA	4,260	4,207	-1.2%	-53.1
8	Shaving Cream/Razor	3,224	3,702	14.8%	477.6
9	Hair Care	4,141	3,534	-14.7%	-606.8
10	Meat/Refrigerated	4,049	3,307	-18.3%	-742.3

Source: Marx, Kantar Media

\*Coupons Dropped equals the actual number of coupons distributed in FSI inserts for manufacturers' brands.

Industry Coupon  
Conference, Including  
Coupon 101\102  
April 24-26 Hilton  
Nashville, TN

## **KANTAR MEDIA REPORTS DIGITAL COUPON EVENTS WERE FLAT IN THE FIRST HALF OF 2011**

### **Growth in load-to-card digital coupon events outpaces growth for print-at-home digital coupon events**

#### **Media "Hits" For ACP**

The Association of Coupon Professionals (ACP) has partnered with Philadelphia-headquartered Metroerspective Communications for public relations services. Since then the ACP and its members have been featured in such media outlets as "Progressive Grocer," "ProLogic's e-Newsletter," "Supermarket News," "CBS Money Watch," "Retail Touch Points," "Private Label Buyer" magazine (podcast) and "REFRESH," a blog supported by Penton Media's "Supermarket News" (SN) and "SN Whole Health" magazines.  
[www.metroerspective.net](http://www.metroerspective.net)

Digital coupon event activity was flat in the first half of 2011 as compared to the same six months in 2010 across key websites tracked by Marx, a Kantar Media solution. Additionally, 194 manufacturers distributed digital coupon offers in the first half of 2011, an increase of 2.6% over the number of manufacturers that distributed digital coupon offers in the first half of 2010.

"Increasingly, marketers are implementing promotion tactics that integrate digital coupon offers with print coupon events. For example, some CPG brands are using their FSI coupon events to drive shoppers to their brand websites or social media websites to download coupons," said Mark Nesbitt, President, Kantar Media Intelligence North America. "Similarly, manufacturers are aligning their digital coupon activity with major corporate scale themed events like Procter & Gamble has done with their P&G brandSAVER®. Kantar Media delivers key digital coupon insights across leading network, retailer, and brand websites, so that our clients stay ahead of their competition and optimize their strategies with our holistic competitive view of emerging integrated promotion tactics or shifts in activity," said Nesbitt.

CPG Areas	H1 2010 Digital Activity			H1 2011 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	5.4%	\$0.77	\$0.63	5.0%	\$0.75	\$0.65
Dry Grocery	29.9%	\$0.97	\$0.78	26.0%	\$1.09	\$0.88
Frozen Products	9.5%	\$0.80	\$0.67	7.4%	\$0.88	\$0.67
Health Care	10.4%	\$2.14	\$2.06	16.3%	\$2.14	\$1.97
Household Products	6.5%	\$1.37	\$1.06	10.2%	\$1.42	\$1.25
Other Packaged Goods	4.0%	\$4.13	\$3.98	0.7%	\$1.94	\$1.94
Personal Care	16.5%	\$1.58	\$1.46	20.8%	\$1.66	\$1.55
Refrigerated Foods	15.3%	\$0.76	\$0.54	12.0%	\$0.68	\$0.50
Shelf Stable Beverages	4.5%	\$0.95	\$0.74	3.2%	\$0.94	\$0.75

Source: Kantar Media

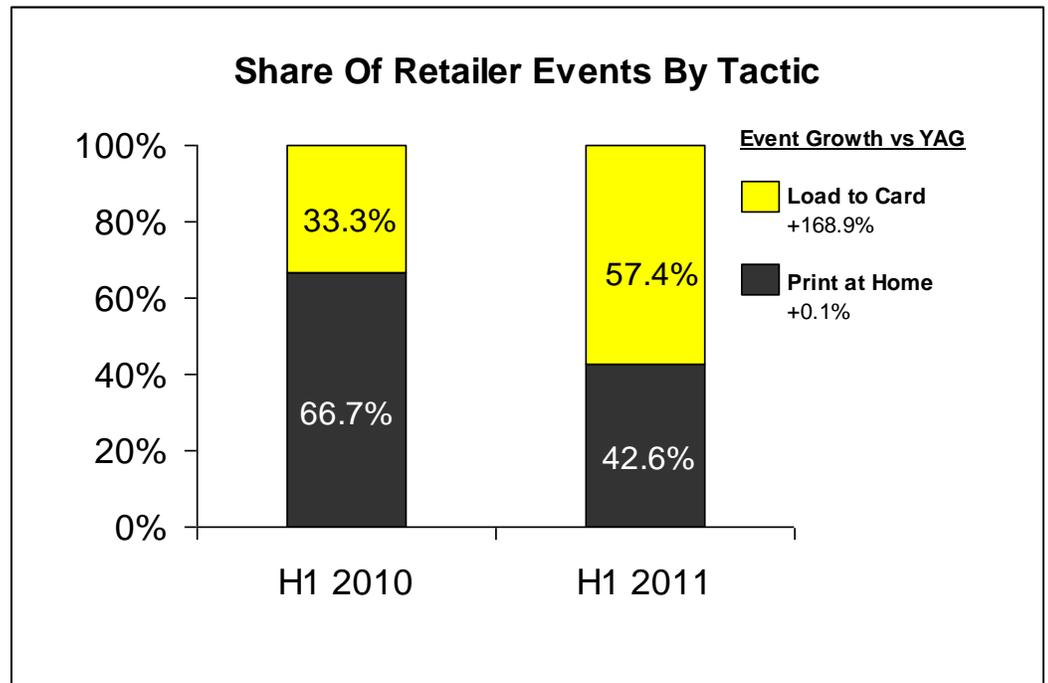
(1) Digital Share of Activity is based on Number of Events (NOTE: Sum of all Areas may be greater than 100% due to events which include more than one Area)

(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

Non-Food Areas increased their share of digital coupon events in the first half of 2011 to 48.0 percent (NOTE: Sum of all Areas may be greater than 100% due to events which include more than one Area). Three of the four Non-Food Areas increased share of activity in the first half of 2011 compared to the same six months in 2010. Health Care had the greatest increase followed by Personal Care with increases of 5.9 points and 4.3 points respectively. Food Areas represented 53.6 percent of digital coupon events with all five of the Food Areas decreasing in share of activity. Dry Grocery had the greatest decrease, declining 3.9 points. This decline is a shift in trends from Q1 2010, when Refrigerated Foods declined the most at 5.7 points.

### **Load-to-Card versus Print-at-Home Retailer Website Activity**

Although digital coupon activity on leading coupon network websites was flat, digital coupon activity on retailer websites monitored by Kantar Media increased 69.8% in the first half of 2011 versus the same period in 2010. The number of load-to-card digital coupon offers (i.e., offers that must be downloaded by a shopper to a retailer's loyalty program account) grew 168-percent to represent 57-percent of the total digital coupon activity recorded on key retailer websites monitored by Kantar Media. Previously, in the first half of 2010, load-to-card events represented 33-percent of all digital coupon offers on key retailer websites. Print-at-home offers increased by less than 1-percent versus the prior year, and were overtaken by load-to-card offers in overall share of activity.



Source: Kantar Media

“Manufacturers are partnering with leading retailers to reach shoppers in-the-home when they are making purchase decisions and planning shopping trips. However, retailers are increasingly leveraging their loyalty card programs to build equity for their retail banners with their shoppers,” stated Dan Kitrell, Vice President of Marx Account Solutions at Kantar Media. “In addition to the growth in load-to-card digital coupon activity, we are also seeing a growth in store brand coupon activity on retailer websites. Manufacturers can continue to align their digital coupon events on retailer websites with their overall integrated promotion programs, but they must also be aware of the increasing level of store brand digital coupon activity which may be competing for share of mind with the consumer and share of merchandising support with the retailer,” concluded Kitrell.

## Association News

### GS1 DATABAR FOR COUPONS IN 2011

The Joint Industry Coupon Committee (JICC) affirms the implementation of the new GS1 Databar for coupons is on schedule and that UPC-A barcodes may be removed from coupons beginning January 1, 2011. With the removal of UPC-A codes, retailers must be able to scan the GS1 Databar beginning January 1, 2011, or will be required to manually validate and enter the value for coupons that no longer have the UPC-A symbol. Manufacturers and other coupon publishers may remove the UPC-A code from coupons at their discretion between January 1 and June 30 of 2011, but should confer with their trading partners about their readiness to scan the GS1 Databar before doing so.

### GS1 DATABAR AND RETAILER CONSIDERATIONS

Retailers may be exposed to potential risks and impacting their customers if they are not ready to process all the GS1 DataBar for Coupons elements. Some of the key exposures and consumer impact are:

- Inability to systemically validate complex offer criteria
- Unable to detect expired coupons without cashier intervention
- Allows continue inefficiencies due to manual intervention
- Inability for consumers to use self checkout
- Creates an unsatisfactory consumer experience
- Increased chargebacks due to noncompliance

### GS1 DATABAR AND STORE COUPONS

The Store Coupon Flag is intended to allow retailers to create Store Coupons (traditionally PLUs) using the GS1 DataBar construct, with the Flag being used to address net sales and tax calculations. If you as a retailer do not intend to issue nor want to accept GS1 DataBar coded store coupons, we recommend you inactivate this feature in your point-of-sale system or enforce validation against your company's GS1 prefix or against your Global Location Number. Please review the commentary below which has been excerpted from the GS1 DataBar Coupon POS Implementation Guide.

**Q:** *What, if any, limitations will a Store Coupon designation has on the balance of the DataBar interpretation?*

**A:** *There is a desired interdependency between the Store Coupon flag and the Retailer GLN/CP. Although the Specification does not explicitly indicate a relationship between the fields, nor any related requirements, it is reasonable to expect that a retailer who issues a store coupon would only want that coupon redeemed in their*

*locations. It is likely that POS implementations will offer the option of requiring a Retailer GLN/CP when the Store Coupon flag is true. It is strongly recommended that in practice, issuers of Store Coupons always use the Retailer GLN/CP field.*

The Retailer ID, used to indicate at which retailer (or retailer location(s)) the coupon can be redeemed. The spec allows for either a Retailer GS1 Company Prefix (CP) or Global Locator Number (GLN) to be used for the designation. The POS software will likely allow the retailer to use whichever data is preferred for each installation. In the case of the GLN, it will require the POS system to recognize the store location and its “parent” locations by using the leading digits to match the coded offer.

For more information contact Todd Turner, GMA, [Tturner@gmaonline.org](mailto:Tturner@gmaonline.org)

### ACP Coupon Guidelines Committee Update

The ACP’s Coupon Guidelines Committee continues to review the various publications in our industry and work with member of the Joint Industry Coupon Committee. Our committee consists of 22 members that have completed their updates of the following documents that our Board of Directors has approved.

- Family Codes
- Glossary
- New Counterfeit Reason Code 36

The How To section is about ready, but we have been asked to add the Hard to Handle to this section. Some committee members feel additional changes to the Reason Codes are needed and are working on suggested changes.



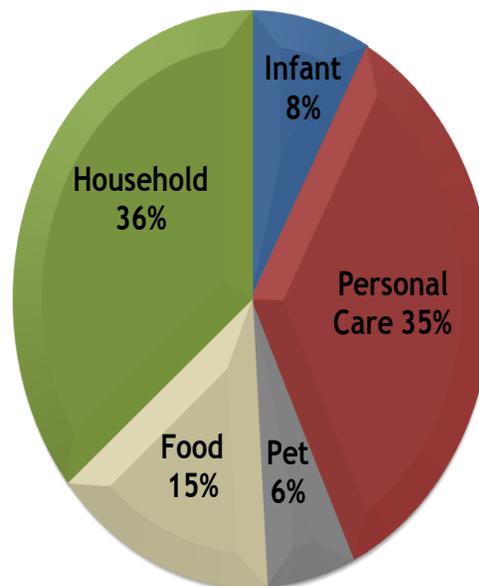
## Canadian Coupon Distribution and redemption down in first 6 months of 2011.

### SUMMARY

Coupon distribution in Canada softened in the first 6 months of 2011. Marketers distributed more broad reach coupons into the marketplace resulting in lower redemption rates. Canadian shoppers redeemed less coupons overall in the first half of 2011 as compared to 2010.

### DISTRIBUTION

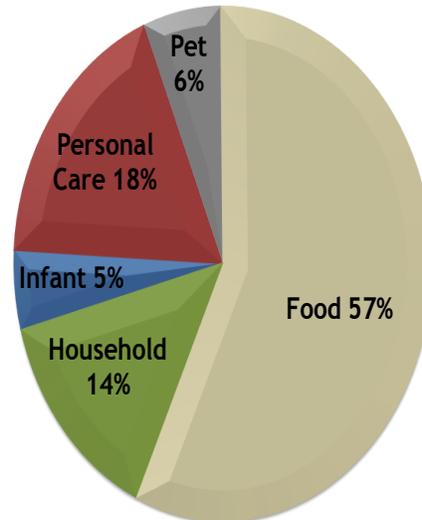
Jan-June 2011 Distribution



Overall coupon distribution in Canada was 11% lower in comparison to the same period (Jan-Jun) in 2010. Distribution of Household, Personal Care, Infant Care and Pet Care coupons decreased by similar percentages (between 11% to 13%). The Food category maintained comparable distribution levels (down 2%), mainly due to a 50% increase in the amount of Free Standing Insert (FSI) coupons distributed. FSI's continue to be the dominant medium, accounting for 85% of coupons distributed across categories, with the exception of Food (40%). CPG manufacturers couponing in the Food category continued to offer savings In Store and also took advantage of lower distribution costs by printing more coupons directly on packaging. The In Store and On Pack media accounted for 21% and 19% of Food distribution, respectively.

REDEMPTION

Jan-June 2011 Redemption



The decline of coupons distributed in higher redeeming media (In Store and Instant Redeemable) resulted in an overall 12% drop in redemption volumes during the first half of 2011 as compared to the same period in 2010. In Store and On Pack coupons had the highest share of redemption in 2011, 28% and 17% respectively, followed by FSI at 15%. Canadian Shoppers redeemed almost 23% more Personal Care coupons in the FSI and In Store media. Canadian redemption saw a decline of coupons in the Food (-20%) and Household categories (-19%). Infant Care and Pet Care coupons redeemed were slightly higher in 2011 vs. 2010 (3%). The Infant Care category in 2011 realized a 45% redemption rate from coupons mailed directly to Canadian shoppers, a successful media for this category. Almost 41% of the redemption activity for Pet Care can be attributed to coupons available In Store.

## Taking the Bite out of Counterfeit Coupons

Counterfeits no longer need be a significant threat to the coupon industry thanks to a new information service just launched by the not-for-profit Coupon Information Corporation with the active support of Wakefern. According to CIC Executive Director, Bud Miller, CPP “We are very pleased to be able to provide retailers with the tools to automatically identify and refuse counterfeit coupons at the point of sale. Best of all, this service is 100% free for any retailer who wants to participate. Miller expressed his appreciation for the support Wakefern and members of the Joint Industry Coupon Committee (JICC) provided while working with the CIC and designing the data and protocols, security program.

What began as an idea and a series of discussions at the March 2011 CIC Industry Leadership Summit transformed into an implementable program that could save the industry tens of millions of dollars a year and help reduce consumer confusion. Total time from initial concept to first implementation: less than four months. This is a great example of how retailers, manufacturers and others can work together to protect the overall integrity of the industry.

Retailers interested in participating in the program are urged to e-mail their contact information to [Lesley@couponinformationcenter.com](mailto:Lesley@couponinformationcenter.com)

## Law Enforcement & Retailer Team Up Against Coupon Counterfeiter

Lucas Townsend Henderson, 22, known as “The Coupon Guy”,



was arrested by the Federal Bureau of Investigation on May 11<sup>th</sup> and charged with counterfeit coupon related crimes (wire fraud and trafficking in counterfeit goods). Henderson allegedly distributed counterfeit coupons and an instruction manual on how to make counterfeit coupons via a website best known for controversial images and coordinated computer hacking attacks. Many of the website’s participants

engaged in active discussions about how to best exploit the counterfeit coupons and what kinds of excuses to use if caught. If convicted, Henderson faces up to 30 years in prison and financial penalties. More information is available [here](#).

### **A Malicious Attack**

Bud Miller, CPP, CIC's Executive Director, stated, "We congratulate the FBI on a job well done and we look forward to the successful prosecution of Henderson and his allies. Although Henderson's malicious attack on the industry has failed, he caused harm to countless retailers, who accepted his counterfeits, as well as innocent consumers whose legitimate Internet Print-at-Home Coupons were refused by the stores."

Henderson attended the Rochester Institute of Technology (RIT), majoring in computer science with a focus on computer security and forensics. He worked at RIT's Information & Technology Services' Help Desk; Henderson's resume includes a reference to taking a class entitled Ethics in IT.

### **Industry Adapted to Protect Itself**

CIC recognized the threat and quickly adapted to minimize the losses caused by Henderson. Continuing efforts will substantially enhance the CIC early warning system and will alert retailers' point of sale systems about counterfeits thereby reducing the chance that counterfeit coupons will be accepted. There will be no charge for retailers to participate in this alert system.

## **CIC Position on Extreme Couponing**

The Coupon Information Corporation (CIC) expresses its disappointment with TLC's current series, Extreme Couponing, and offers assistance to TLC and Sharp Entertainment (which produces the show) to enhance the program with more accurate and realistic information. In addition, we hope they address potentially illegal acts that appear to have been portrayed on the show.

Professionals in the coupon industry believe this show creates unrealistic expectations about how coupons work and promotes the misuse of coupons. For example, the show appears to portray coupons being used in violation of the terms and conditions printed on the coupons, such as using coupons to obtain products other than those specified by the coupon offer, and focuses on consumers who have procured large quantities of coupon inserts from unknown sources, which may raise civil and/or criminal issues.

In most instances, individuals attempting to use such large quantities of coupons or attempting to use them in violation of the terms stated on the coupons would have their coupons refused at the register or, depending on the circumstances, be investigated by law enforcement. According to media reports, TLC recently stated,

*“While the series documents extreme couponing strategies, we take any concerns about specific tactics seriously and are looking into the situation.”*

We look forward to hearing what TLC discovers.

Previous offers of assistance (by CIC and other industry experts) to the producers to make this an educational show that accurately reflects appropriate coupon strategies and use, were declined.

### **CIC Suggests New Voluntary Best Practices for Retailers’ Coupon Acceptance Policy**

CIC has published the following new, voluntary, best practices to provide retailers with suggestions on how to protect themselves from coupon abuse. These suggestions were created by working with retailers under the guidance of CIC Legal Counsel and antitrust expert Tom Queen:

As a customer friendly retailer, we encourage the use of coupons by our guests in our retail stores, in accordance with the following guidelines.

#### **GENERAL**

1. All valid coupons should be presented to the cashier at the time of checkout.
2. We accept only coupons that scan accurately at the register.
3. We do not accept expired coupons.
4. Coupons cannot be exchanged for cash or gift cards.
5. We do not accept coupons for items not carried in our stores.
6. The number of manufacturer coupons may not exceed the number of items in the transaction.
7. The total value of the coupons may not exceed the value of the transaction.
8. Use of 40 or more coupons per transaction, a transaction involving more than \$100 in coupons, or coupons totaling more than 20% of the gross sales price will require approval by a Manager.
9. Any applicable sales tax must be paid by the consumer.
10. We reserve the right to reject any coupon or to limit the number of coupons being used in a transaction.

### **FREE PRODUCT COUPONS**

We check for the CIC Hologram when a free product coupon with no separate purchase requirements is presented (i.e., Buy One, Get One Free coupons generally don't feature the CIC Hologram).

### **SALE ITEMS**

We will accept a manufacturer coupon for an item that is on sale.

### **BUY ONE, GET ONE FREE COUPONS (BOGO)**

1. BOGO coupons cannot be "chained" (i.e., two BOGO coupons cannot be used to on two items to get both for free). Unless stated otherwise on the coupon, the use of one BOGO coupon requires that two of the valid items are presented at checkout; one item will be charged to the consumer and the second item will be discounted by its full retail price.
2. In a BOGO transaction, a second cents-off coupon cannot be counted towards the purchase price of the first (buy one) product.

### **INTERNET/PRINT-AT-HOME COUPONS**

1. We accept valid Internet/Print-at-Home coupons. Note: There are currently no valid Internet Print-at- Home coupons that provide a 100% discount or free product.
2. Internet Print-at-Home coupons feature unique serial numbers (often referred to as Pin Numbers) printed on them and follow an industry-standard format. Coupons printed on home or office equipment without these features will NOT be accepted.
3. We do not accept Internet Print-at-Home coupons valued in excess of 75% of the sale price of the product.

### **COUNTERFEIT COUPONS**

1. We will reject coupons if they appear to be copied, distorted, blurry, or altered.
2. We monitor the CIC web site for announcements of new counterfeit coupons.
3. We will work with law enforcement authorities to prosecute individuals using counterfeit coupons.

## RETURNS

If a consumer returns a product purchased with a coupon, the value of the coupon will be retained by store so the funds can be refunded to the manufacturer. The coupon will not be returned to the consumer. The cash refund to the consumer will be the consumer's out-of-pocket cost, taking the coupon into account.

As with most living documents, continuous review and updating based on real experience are necessary. These suggestions will be reviewed at the next CIC Industry Leadership Summit to be held on March 2012. Retailers will be able to attend this meeting free of any registration fee.

## Member's Corner

### News, thoughts and announcements from ACP members.

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

## COUPONS.COM RECEIVES \$200 MILLION INVESTMENT

### *Capital to Fuel Continued Shift of Coupons Online, Expand Coupon Market*

Coupons.com Incorporated, the recognized leader in digital coupons, including online printable, social, mobile and loyalty card promotions, today announced that it received an investment of \$200 million from institutional investors. The investment will be used to further accelerate the company's growing momentum in shifting the newspaper-dominated coupons industry to digital as well as expand the coupon industry. Up to \$100 million of the funds will be used to facilitate liquidity for employees and early investors.

"This investment will help fuel our growth, as we continue to revolutionize the multi-billion dollar coupons industry that, for decades, has relied predominately on newspapers for distribution," said Steven Boal, CEO of Coupons.com Incorporated. "As newspaper readership continues to decline and more consumers are looking online for savings, digital coupons are gaining significant momentum, transforming an industry and offering consumers innovative options to save on the more than half a trillion dollars spent on grocery items alone in the U.S. every year."

Coupons have already experienced a considerable shift from print to online. Digital coupons represent the fastest growing segment of the coupon industry, which distributed more than 332 billion coupons to consumers in 2010. In 2009, digital coupons represented 10 percent of all coupons redeemed, up from 1.1 percent in 2006. Newspaper coupons as a proportion of all coupons redeemed declined from 63

percent to 50 percent during the same three-year period.<sup>1</sup>

The company's goal is to expand its reach across the digital landscape—everywhere brands and retailers can engage with consumers. The investment announced today will be used, more specifically, to:

- Meet the demand for the accelerating shift of the coupon industry online by growing the company's staff across the organization. Coupons.com intends to hire an additional 100 employees in 2011 to grow its nearly 300 person staff by more than a third in just six months. The company expects the growth to come across the organization but primarily in its engineering, sales and client marketing departments.
- Grow the digital coupon industry by increasing the number of coupon issuers and coupons available and number of consumers using them.
  - Continue to deploy new tools to further lower the barriers to entry for companies to offer coupons, enabling smaller manufacturers, which could not place offers in the newspaper insert because of budget requirements or category exclusivity restrictions, to utilize coupons to engage with consumers.
  - Continue to attract a new demographic of coupon user, who engage with new couponing methods, like digital, social and mobile coupons, but typically would not engage with traditional paper coupons.
- Introduce new products and services. Offer new money-saving services to provide consumers with more ways to save, including new mobile and social media couponing offerings.
- Further expand internationally. While the company offers coupons and vouchers in 12 European countries through its 50 percent ownership of UK-based Couponstar Ltd., it intends to invest to increase and strengthen its international presence.
- Complete acquisitions. The company has made several strategic acquisitions in its history, most notably Free State Labs LLC, the developers of Grocery iQ, now the leading shopping list application for mobile phones, which enables users to create, manage and share shopping lists and get and use coupons. The company intends to continue to make opportunistic acquisitions.

“Frugal is the new black,” continued Boal. “As consumers are looking for savings and deals more than ever before, Coupons.com is expanding the coupons and promotions market, by allowing more brands to connect with more consumers at every touch-point across the digital landscape. Coupons.com has created a digital marketplace where brands, retailers and consumers can connect at every step along the consumer's path to purchase.”

Coupons.com is by far the largest provider of digital coupons. Its digital coupon network is comprised of tens of thousands of websites across the Internet, including retailer sites that span 46,000 store locations, as well as affiliate publisher's sites. At the center of the network is Coupons.com, the 43<sup>rd</sup> largest website in the U.S. (Nielsen, April 2011). The Coupons.com digital coupon network also includes consumer electronics, shopping carts and kiosks, as well as apps, including the

company's own Grocery iQ and Coupons.com mobile applications.

In addition, the company is the go-to source for manufacturers wanting to integrate coupons into their digital media initiatives, including social media, such as Facebook Fan pages and Twitter feeds, corporate websites, product microsites, email campaigns, banner ads and mobile applications. More detailed company information and a list of products and services can be found in the Coupons.com Company Fact Sheet at [www.couponsinc.com/corporate/OurCompany/AboutUs.aspx](http://www.couponsinc.com/corporate/OurCompany/AboutUs.aspx).

Allen & Company LLC acted as financial advisor to Coupons.com Incorporated.

1 NCH Marketing Services, Inc

### Anti-Counterfeit and Brand Protection Technologies for Package and Labeling Coupon Programs

*DSS' "Bar Code Barricade" and "Pantograph 4000" Packaging and Labeling Technology Offers Critical Anti-Counterfeiting Solutions Across Multiple Industries*



Document Security Systems (NYSE/AMEX: DSS), has been working in conjunction with its licensing agreement with ATL Security Label Systems, Inc. ("ATL"), to apply its proprietary anti-counterfeiting technologies, AuthentiGuard® Bar Code Barricade and AuthentiGuard® Pantograph 4000™, with much success and it is currently being utilized by a major, international beverage company for their peel-off high value coupon labels.

This not only marks the second significant consumer beverage application of the DSS Bar Code Barricade and Pantograph 4000™ technologies but also the first time the technologies have been applied to labels in a peel-off, roll format. These rolls containing the secure, peel-off labels are being processed on industry standard high-quality digital and conventional presses, eliminating any requirement to re-engineer the manufacturing process.

"With our expanded manufacturing capabilities, DSS has extended its reach into all areas of brand protection for coupons, packaging and documents. Our relationship with ATL has demonstrated our ability to integrate our technology on to any printable substrate." said Jason Grady, Director of Worldwide Sales and Marketing. "These technologies are gaining traction for brand owners that are becoming educated to the value of counterfeit deterrent technology that is not only effective, but adds little cost to the productions and no extra consumables cost."

Pantograph 4000™ provides the most powerful, patented pantograph technology in the marketplace today. Hidden words, company logos or designs, appear when the

item is photocopied or scanned, clearly identifying unauthorized duplications. In addition, the patent-pending technology behind Bar Code Barricade interferes with the ability to counterfeit by rendering copies and scans of a bar code virtually "unreadable" by a barcode scanner in a retail environment, prompting retail employees to look more closely at the counterfeit where they will see the revealed pantograph images. These two technologies can be integrated across the offerings of a brand owner's couponing, labeling and packaging lines, leading to a succinct anti-counterfeiting and brand protection platform that incorporates the most up to date and effective, patented technology while maintaining current manufacturing processes.

In 2010, DSS signed a two-year agreement with Wisconsin-based ATL Security Label Systems, Inc. to manufacture security labels containing the DSS' AuthentiGuard suite of technologies, with Bar Code Barricade and Pantograph 4000 being the flag ship features of the technology & manufacturing partnership. The relationship is highly scalable and provides DSS with an established sales partner for its enhanced solutions in the secure label and coupon markets, as well as access to major pharmaceutical companies through ATL's existing industry relationships.

### **Cunningham Electronics Promotes New Redemption System**

"Bill Cunningham an ACP member since January 1999, (12½ years) continues to promote changes in the way coupons are redeemed with his system's ability to eliminate coupon fraud. Bill states that it has been an uphill battle but there is light at the end of the tunnel in our attempts to get the coupon industry into the digital age of coupon redemption and payment. Our systems ability goes way beyond eliminating coupon fraud it provides the transparency needed to restore trust between the trading partners. To view our system's attributes go to our website [www.cunninghamcouponsystem.com](http://www.cunninghamcouponsystem.com)

## Thank You

I would like to thank Nancy Lindemood, representing CIC and its member companies; Scarlett Jackson representing CMS and other coupon processors / vendors; and Danna Eldridge representing DECA and other industry retailers for recently presenting me with a beautiful glass and black marble award marking my 25 years of service inscribed as “Dedicated, Vigilant and Passionate Leadership, Protecting the Integrity of the Coupon Industry”.

It was a great surprise and, for those of you present, yes, I was actually speechless. (Miracles do happen!) It has been an honor, a privilege and a humbling experience to serve in my role over the years, but, despite the many changes in the industry, the goals have always been the same: Integrity, fairness, constant improvement, objectivity, honesty and innovation.

I keep the award next to my desk as a constant reminder of your friendship and the high standards and expectations that I hope to always meet.

Bud Miller, CPP

President

Efficient Research Solutions, Inc.

[www.erswebsite.com](http://www.erswebsite.com)