

Summer 2012

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

Regional Coupon 101\102

Midwest

October 10, 2012
Crowne Plaza Hotel
Rosemont, IL

East

March 19, 2013
In conjunction with CIC
Summit
Alexandria, VA

Save the Dates! 2013 Industry Coupon Conference

April 23th - April 25th
2012
Loews
New Orleans, LA

For the latest details:

ACP headquarters
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As Coupons Continue to Build Business in the Current Economy, and Participation at the Association of Coupon Professionals (ACP) Events Reaches Record Levels, the ACP Announces Educational Seminars and 2013 Industry Conference

“Coupon 101/102” Regional Seminars in the Chicago and Washington, DC Areas Will Showcase How to Market Your Products Using Coupons

With over 76 billion coupons already distributed in 2012, and long-term industry redemption growth over the last five years (source: Inmar), the ACP continues to celebrate its 25th Anniversary as a leading association by announcing its upcoming educational seminars and annual conference.

Coupon 101/102 seminar dates and locations are:

- October 10, 2012, Crowne Plaza, Rosemont, Illinois (Chicago)
- March 19, 2013, Alexandria, Virginia (Washington, DC), in conjunction with the Coupon Information Corporation (CIC) Summit

Attendance at these events, including the Industry Coupon Conference, has reached 25-year record levels as manufacturers and retailers continue to use coupons to build sales and increase brand loyalty. Taught by leaders in the field, these seminars can help attendees plan a marketing campaign with coupons which maximizes their return on investment.

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

“The interest in coupons continues to grow, driven by today’s marketplace and consumer demand for incentives. Record attendance at our recent conference and coupon workshops clearly demonstrates the thirst for learning more about coupons,” stated by Val Stark, Director of ACP’s Education Committee. “Our educational seminars are led by industry coupon experts, who have enormous passion to share their knowledge.”

“There is much to learn about the coupon marketplace as new technologies infuse our industry, such as mobile and digital coupons, GS1 Databar, and the new UPC coding system,” adds Stark. “Marketing and Retail customers continue to expand their use of couponing strategies to support high consumer desire and drive incremental sales. The ACP offers the perfect opportunity to stay informed about this viable marketing tool.”



Welcome New Members

Remag

Circupon

Linkwell Health

A.Smith Marketing

Penn Food Merchants
Association

Board and Executive Elections

Elections were held during the Industry Coupon Conference in Nashville in April.

Elected to executive positions were Joanne Walk, Hormel, Vice President, Stanley Wadford, Winn Dixie Treasurer and Pam Samaniego, Catalina, Secretary.

Also elected to the Board of Directors to two-year terms were Naomi Ali, ICSB, Ross Ely, Prologic, Mike Sonsthagen, Promotion Eyes, Ron Fischer, RPR, and Mary Ann Pindulic, Unilever.

The lively, interactive sessions review all aspects of the couponing industry. Seminar topics include: Effective Coupon Strategies, Coupon Distribution Types, Coupon Design, Family Code Management, Redemption Cycle, Misredemption, Managing Risk and other areas. Attendees 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 are also included.

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

The annual ACP Industry Coupon Conference will be taking place April 23-25, 2013 in New Orleans, Louisiana. ACP members benefit from preferred rates to ACP Events.

ICANN launches New Domain Name Program

Comment period for .coupon, and .coupons is open

ICANN has launched a new Internet domain name program that could affect some of ACP's members. gTLD is an acronym for generic Top Level Domain name. Most of you are familiar with .com, .gov, .org or country domain such as .ca for Canada. This new program being administered by ICANN allows companies to apply for new domain names. .coupon and .coupons have been applied for. For information and if you want to comment, visit <http://newgtlds.icann.org/en/> The comment period started June 13, 2012 and ends August 12.

Awards

Industry Impact Awards

The ACP Industry Impact award was presented to Joanne Walk, Hormel, Ross Ely, Prologic, and Ken Conrad, Pinpoint Data.

Walk serves tirelessly on the executive committee, the board of directors and numbers task forces and committees.

Ely has helped bring the voice of the retailer to the board of directors and the various committees and task forces he serves on.

Conrad is an expert on GS1 Databar and continuously lends his expertise to the GS1 Databar task force and Education committees.

Congratulations Joanne, Ross, and Ken and thank you for your service to the coupon industry.

Committee & Task Force

The Association of Coupon Professionals Marks 25th Anniversary at Annual Industry Conference: “Coupon Nation, Celebrating the Past, Present, and Future of Coupons”, Highlighting Consumer Shopping Trends and Online Impact

Event Featured Keynote Speaker Michael Sansolo of the Food Marketing Institute and “Progressive Grocer” magazine- noting industry adapting to consumer shift to social networks

The annual Industry Coupon Conference, “Coupon Nation, Celebrating the Past, Present, and Future of Coupons,” was held recently in Nashville, Tennessee, marking the Association of Coupon Professionals’ (ACP) 25th Anniversary. The event featured keynote speaker Michael Sansolo, senior vice president of the Food Marketing Institute and editor of “Progressive Grocer” magazine.

This annual event is the only conference this year dedicated exclusively to coupons. It discussed the current industry landscape and future trends as well as changing consumer shopping habits and the impact of social networks.

The conference was presented by ACP in collaboration with the Food Marketing Institute (FMI), Grocery Manufacturers of America (GMA), GS1 US, Coupon Information Corporation (CIC) and the Promotion Marketing Association (PMA). The Conference Planning Task Force was led by co-chairs Val Stark of N.C.L. Graphic Specialties and John Irwin of Promotion Eyes, Inc.

The event serves as an ongoing look into important industry trends. “Consumer response to coupons continues to be strong, but it is changing,” said ACP Executive Director John Morgan. “For the marketer, it is not deciding between traditional paper distribution or Internet print-at-home or digital coupon, it is traditional coupon, and Internet print-at-home and digital coupon.”

Noteworthy industry issues were highlighted throughout the conference. These include: traditional coupons continue to grow; usage of Internet print-at-home coupons continues to evolve; GS1 Databar adoption is happening as retailers are reading them on their POS systems and manufacturers are releasing Data bar only coupons.. Coupon Counterfeiting is ongoing and retailers and manufacturers are using tools that are being developed to combat the issue.

As the keynote, Sansolo offered a diverse, in-depth and unique view of the changing nature of today’s shoppers and employees, business competition and the wide-ranging impact of economic issues. Over the years, Sansolo has developed an excellent perspective on the changing nature of business today and the challenge of success tomorrow.

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. And works on other opportunities to educate the industry.

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

Google's Lisa Landsman presented how technology has enhanced the path to purchase, explaining the "Zero moment of Truth" and the journey to purchase decision incorporating innovative technologies and digital incentives such as Google Wallet, Offers and digital coupon platforms.

Other highlights included:

- Steve Horowitz, Coupons, Inc., who analyzed "Emerging Technologies" and how mobile apps, and digital coupons will impact the industry in a look at the latest technologies and paradigm shifts shaping the future.
- A unique consumer panel, offering feedback directly from shoppers, was moderated by "All You" magazine's Melanie Oliva Shambaugh.
- Josh Pringle from AOL shared research on "How Digital Coupons Influence Shopper Behavior".

ACP also conducted its annual business meeting and awards presentation. "Industry Impact" Award Winners were: Joanne Walk, Hormel; Ross Ely, ProLogic; and Ken Conrad, Pinpoint Data.

Members who were elected to the ACP board of directors include: Catalina Marketing Corp., Pam Samaniego; ICSB, LP, Naomi Ali; ProLogic Redemption Services; Ross Ely, Promotion Eyes, Mike Sonsthagen; Redemption Processing Reps, Ron Fischer; Unilever, Mary Ann Pindulic; and Winn Dixie, Stanley Wadford.

ACP has also announced dates for next year's event: April 23-25, 2013 in New Orleans.

For more information, contact John Morgan at 610-789-1478, John.Morgan@acp-hq.org, or visit www.couponpros.org.

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 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

Industry Trends

Caution: Falling Redemption, Inmar Announces First Half Trends

The first half of 2012 saw coupon redemption drop 11% versus the first half of 2011. After several years of steadily increasing consumer response to coupons (+35% between 2006 and 2011), interest seems to be moving away from coupons. Long-term shift or temporary condition?

Coupon redemption is down “across the board”: both food and non-food coupon redemption fell (11% and 15% respectively) and every major coupon distribution method is showing redemption declines. For example, FSI redemption is down 14% and Internet print-at-home redemption is down 24%. While there are some exceptions to be found, positive activity in the marketplace does not represent a significant offset to the prevailing trend.

This decline has been steady, starting in the first quarter, with a 7% drop in redemption (vs. Q1 2011). Then came April, May and June when coupon redemption fell 17% compared to the same period last year.

Clearly something has changed, but what exactly? The four contributing factors include:

1. **Promotion Support Pullback.** Brands started reducing coupon distribution in the second half of 2011, and continued to do so through the first half of 2012 with a 3% distribution decline. And, it seems to be accelerating as the second quarter saw a 7% overall distribution decline. Add to this Nielsen's recent reporting of overall promotion support declines of 6% and 10% for the last two months. It appears that manufacturers are compensating for the earlier redemption pressures by significantly cutting back promotional efforts.
2. **Unattractive Offers.** Brands aren't just reducing the number of coupons in the marketplace, they're putting out much less lucrative offers. Face values are down 9.3% overall in the second quarter (vs. Q2 2011) with the value of food coupon declining even more -- 13.1% compared to 7.4% for non-food values. And, the redemption period continues to shrink; it's now down, on average, to 2.1 months. That's a reduction of 12.5% as compared to the redemption periods offered in the second quarter of 2011.
3. **Private Label.** Private label sales have been steadily increasing over the last few years; up 14% between 2009 and 2012 according to Nielsen. Arguably improved quality has made private label an acceptable substitute for many and economic pressures make it an easy choice when comparing price. Fewer and less attractive offers from national brands -- plus generally increasing prices -- equals an even bigger price gap between national brands and private labels. Still, private label sales have been somewhat flat in the most recent period as have sales for the national brands.
4. **Unemployment.** While all of these other factors weigh on shoppers' coupon use, our research continues to show that the most predictive metric over time is the unemployment rate. When unemployment is down, coupon use is down. In recent



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

CIC Summit with Coupon 101\102, March 19-20, 2013, Alexandria, VA

Industry Coupon Conference, Including Coupon 101\102 April 23-25 Hilton Nashville, TN

months, unemployment has been down – slightly, but down nonetheless. The result is a decline in coupon redemption influenced by a number of factors but significantly affected by improving unemployment numbers.

At the same time, it's clear that the consumer's inherent desire for a deal is not showing any signs of fading. Shoppers continue to seek savings and are finding it in TPRs and private label products. It's the role of coupons and other promotions that appears to be changing.

Looking ahead, unless there's a significant investment by CPG brands in coupons in the second half, we can anticipate a 5% -10% decline in coupon redemption for the year. Look for 3.2 - 3.3 billion coupons to be redeemed for the year and, at best, a leveling off of coupon distribution.

KANTAR MEDIA ANNOUNCES FREE STANDING INSERT (FSI) COUPON ACTIVITY DECREASED 1.2 PERCENT DURING THE FIRST HALF OF 2012

Retailer promotion activity increased 11.2 percent to more than 9.3 billion pages

Free Standing Insert (FSI) coupon activity decreased 1.2 percent based on Coupons Dropped during the first six months of 2012 versus the same time period a year ago according to Marx, a Kantar Media solution. "FSI coupons continue to be an effective advertising vehicle for brand marketers and retailers to reach shoppers in the home where they are writing shopping lists and planning shopping trips," said David Hamric, General Manager at Marx. "As FSI coupon redemption rates have increased, manufacturers are reducing their financial exposure by distributing fewer coupons at lower face values and shorter expiration periods. However, FSI coupon vehicles continue to deliver significant advertising impact and retailer merchandising opportunities based on their ability to reach millions of households on a specific day," concluded Hamric.

Kantar Media, the industry standard for tracking FSI coupon activity, also reports that retailer promotion activity continued to grow with an 11.2 percent increase to 9.3 billion pages in the first half of 2012. Walmart continued to lead in retailer activity followed by Walgreens which moved to second from a rank of fourth in 2011. Six of the top 10 retailers increased Pages Circulated during the first half of 2012 versus the same period a year ago.

"Retailers may gain a competitive advantage by participating in retailer FSI promotions to capture a greater share of shopping trips among households that use coupons," said David

Hamric. “For consumers, coupons are a proven way to save money on a specific item. For retailers, coupons can increase the overall retail value of each shopping trip by adding more items to the shopping basket and increasing the budget by the value of the coupons. Through Kantar Media’s new DirectHEAT® service for retailers, our clients are able to identify how competitive brands are aligning with retailer advertising and promotion programs during key weeks to drive trips, transactions, and profits,” concluded Hamric.

Overall FSI Activity

During the first half of 2012, more than \$227 billion in consumer incentives were delivered via FSI coupons in Sunday newspapers, down 4.3 percent from the same period in 2011. During the same six month period, more than 148 billion coupons were distributed within more than 111 billion FSI pages. FSI coupon Average Face Value declined by 3.2 percent to \$1.53 for the first half 2012. Average Expiration (Fuse) dropped to 7.5 weeks, down 9.2 percent versus a year ago which is the fourth consecutive year of declining Fuse lengths during the first half of the year.

First Half 2012 Results versus First Half 2011		
Measure	First Half 2012	% Change
Dollars Circulated	\$227 billion	-4.3%
Coupons Dropped	148 billion	-1.2%
Pages Distributed	111 billion	-0.4%
Face Value (average)	\$1.53	-3.2%
Fuse (weeks)	7.5	-9.2%

Source: Kantar Media

Sector Activity

The CPG sector remains the largest user of FSI pages with a 74.3 percent share, followed by Direct Response, which includes general advertising activity, and Franchise, comprised of restaurants, portrait studios, and other businesses. Direct Response had the largest percent decrease; down 6.8 percent to more than 17.3 billion pages, while Franchise reported the only increase, up 9.5 percent to more than 11.2 billion pages. CPG remained flat at 82.5 billion pages.

First Half 2012 Results by Sector versus First Half 2011			
Sector	Pages	% Change	Share
CPG	82,577	-0.1%	74.3%
Direct Response	17,302	-6.8%	15.6%
Franchise	11,214	9.5%	10.1%
Total	111,093	-0.4%	100.0%

Source: Kantar Media

Top 10 Retailers based on Pages Circulated

Retailer promotion pages increased 11.2 percent to more than 9.3 billion pages in the first half of 2012. The number of manufacturers participating in retailer promotion declined 19.2 percent to 232 while the number of retailers increased 3.6 percent to 116. Retailers from Mass (Walmart, Target), Value (Family Dollar, Dollar General), Drug (Walgreens, CVS), and Pet Specialty (PETsMART) comprised the top seven positions. Kroger, Safeway and Publix were the leading Food retailers and were ranked 8th, 9th and 10th respectively.

Walmart continued to hold the top spot based on number of Pages Circulated with an increase of 81.7 percent to 2.5 billion pages which was the largest actual increase among the top 20 retailers. PETsMART had the largest actual decline in Pages Circulated among the top 20, down 47.3 percent in the first half of 2012. H-E-B jumped from a rank of 27 in the first half of 2011 to a rank of 16 in the first half of 2012, which was the largest leap in rank among the top 20 retailers. Family Dollar more than doubled the number of Pages Circulated to rank 4th in the first half of 2012. 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 2011	Rank First Half 2012
Walmart	1	1
Walgreens	4	2
Target	3	3
Family Dollar	6	4
Dollar General	2	5
CVS Pharmacy	7	6
PETsMART	5	7
Kroger (banner)	9	8
Safeway	13	9
Publix	10	10

Source: Kantar Media

Top 10 Categories for New Product Activity

During the first half of 2012, there were 204 new products that delivered FSI coupons compared to 132 new products during the same period in 2011. Event dates increased from 208 to 312 and the total number of categories participating in new product activity increased from 52 to 75. The average number of event dates for a new product launch saw only a 4 percent decline from 1.6 per new product to 1.5.



First Half 2012 Results for New Products		
Rank	Product Type	# New Products
1	Snacks	16
2	Cereals	13
2	Milk/Milk Products	13
4	Other Packaged Goods	9
5	Vitamins	8
6	Yogurt	7
6	Prepared Food/Frozen	7
8	Household Cleaning Products	6
8	Beverages	6
10	Combination/Personal	5

Source: Kantar Media

CPG Non-Food vs. Food

In the first half of 2012, Non-Food categories distributed more than 91.8 billion coupons, up 4.2 percent versus the same time period in 2011, while Food categories distributed 56.4 billion coupons, representing a decrease of 9.0 percent. Within Non-Food, the Personal Care area had the largest actual increase in Coupons Dropped while within Food; the Shelf Stable Beverages area reported the only increase, up 20.8 percent.

Additionally, manufacturers are decreasing 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 decreased 6.4 percent to \$1.84 and was combined with a 0.1 point increase in Multiple Purchase Requirements (MPR) resulting in Weighted Average Face Value Per Unit (WAFVPU) decreasing 5.9 percent to \$1.61. WAFV for Food decreased 0.8 percent to \$1.03 and was combined with a 2.8 point increase in MPR resulting in WAFVPU declining 5.0 percent to \$0.74.

Class	Coupons Dropped (MM)		Avg Face Value (\$)		Avg Value Per Unit (\$)		% Multiple Purchase		Avg Duration (weeks)	
	1st Half 2012	% Chg	1st Half 2012	% Chg	1st Half 2012	% Chg	1st Half 2012	Point Chg	1st Half 2012	% Chg
Non-Food	91,830	4.2%	\$1.84	-6.4%	\$1.61	-5.9%	17.1%	0.1	7.0	-11.4%
Food	56,438	-9.0%	\$1.03	-0.8%	\$0.74	-5.0%	43.7%	2.8	8.4	-5.5%
Total CPG	148,083	-1.2%	\$1.53	-3.2%	\$1.27	-3.5%	27.2%	0.4	7.5	-9.2%

Source: Kantar Media

Top 10 FSI Product Types in First Half 2012 (by Coupons Dropped*)

The top 10 product types based on Coupons Dropped accounted for 37.4 percent of all FSI coupon activity during the first half of 2012. Combination/Personal products (a group of products which have extensions that cross multiple Personal Care categories) ranked first and increased 5.5 percent to distribute more than 7.5 billion coupons. Pet Food & Treats dropped to second place with a 19.5 percent decrease to 6.9 billion coupons. Bar/Liquid Soap moved into the top 10 having moved up one spot from a rank of 11 to 10 with a 13.8 percent increase to 3.6 billion coupons.

Rank	Product Type	Coupons Dropped (MM)			
		2011 (1st Half)	2012 (1st Half)	% Chg	Actual Chg
1	Combination/Personal	7,197	7,596	5.5%	398.8
2	Pet Food & Treats	8,642	6,955	-19.5%	-1,687.3
3	Vitamins	5,976	6,430	7.6%	453.7
4	Snacks	6,888	6,376	-7.4%	-512.3
5	Household Cleaning Products	5,737	6,040	5.3%	303.0
6	Shaving Cream/Razor	3,702	5,061	36.7%	1,359.7
7	CCSA	4,207	4,672	11.1%	465.5
8	Hair Care	3,534	4,346	23.0%	811.7
9	Rug/Room Deodorizer	5,253	4,240	-19.3%	-1,012.1
10	Bar/Liquid Soap	3,209	3,653	13.8%	444.3

Source: Kantar Media

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

KANTAR MEDIA REPORTS DIGITAL COUPON EVENTS ON LEADING WEBSITES INCREASED 17.1 PERCENT IN Q1 2012

Number of manufacturers distributing digital coupons on these sites grew by 29.1 percent

Digital coupon events across key websites monitored by Marx, a Kantar Media solution, increased by 17.1 percent in Q1 2012 as compared to Q1 2011, with some 368 manufacturers distributing digital coupon offers on these key digital coupon websites during that time, an increase of 29.1 percent over Q1 2011.

“Digital coupons are a key component within an integrated consumer promotion and advertising program. More and more manufacturers are becoming involved in digital promotion and coupons, aligning with multiple websites, potentially increasing consumer exposure to their brand message,” said David Hamric, General Manager Kantar Media Marx. “As a leader in digital insights, Marx captures competitive coupons on key websites for our clients, giving them an advantage in their integrated print and digital planning to stay aware and ahead of their competitors.” stated Hamric.

CPG Areas	Q1 2011 Digital Activity			Q1 2012 Digital Activity		
	Share of Activity (1)	Face Value (2)	Face Value Per Unit (2)	Share of Activity (1)	Face Value (2)	Face Value Per Unit (2)
Cereals	4.5%	\$0.78	\$0.68	4.4%	\$1.12	\$0.78
Dry Grocery	26.4%	\$1.08	\$0.80	24.9%	\$1.50	\$0.90
Frozen Products	6.4%	\$0.97	\$0.68	5.5%	\$1.94	\$1.17
Health Care	19.6%	\$2.55	\$2.42	19.8%	\$2.31	\$2.25
Household Products	10.3%	\$1.29	\$1.09	10.7%	\$1.31	\$1.05
Other Packaged Goods	1.4%	\$3.95	\$3.95	1.2%	\$3.67	\$3.34
Personal Care	20.5%	\$1.78	\$1.65	20.7%	\$1.69	\$1.56
Refrigerated Foods	9.3%	\$0.72	\$0.53	9.3%	\$0.96	\$0.67
Shelf Stable Beverages	2.8%	\$1.00	\$0.74	5.4%	\$1.41	\$1.00

(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



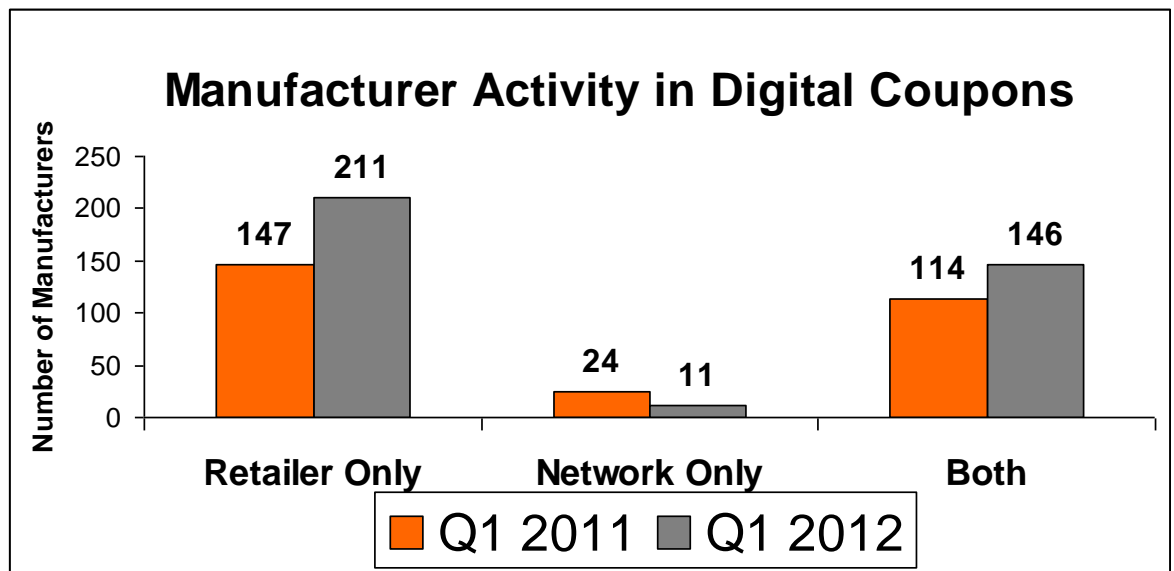
Non Food Areas: Health Care, Household Products, Other Packaged Goods and Personal Care

Source: Kantar Media

For the quarter, Food Areas represented 49.6 percent of digital coupon events, while Non-Food Areas represented 52.3 percent. (NOTE: Sum of all Areas may be greater than 100% due to events which include more than one Area). Three of four Non-Food Areas increased in share of activity, with Household Products having the greatest increase, growing 0.4 points from Q1 2011 to Q1 2012. Conversely, Dry Grocery saw the largest decrease in share, declining 1.5 points from Q1 2011 to Q1 2012.

More Manufacturers Promoted on Retailer Websites

Among the 368 manufacturers that distributed digital coupon across leading Network and Retailer websites monitored by Kantar Media during Q1 2012, 146 distributed digital coupons across both Retailer and Network websites, 211 manufacturers distributed digital coupons only on Retailer websites, and 11 manufacturers distributed digital coupons only on Network websites. The number of manufacturers distributing digital coupons on only Retailer websites grew by 43.5% in Q1 2012, compared to the same period in 2011.



Source: Kantar Media

Retailer Website Activity Exceeded 2,000 Events

The top five key retailer websites monitored by Kantar Media distributed 2,572 digital coupon Events across 296 manufacturers in Q1 2012. Kroger.com had the greatest number of Events at 726, but the lowest number of manufacturers active on their website in Q1 2012. Safeway.com was the second most active key retailer website with 634 Events and 102 manufacturers promoting in Q1 2012. Publix, the third most active website had the greatest number of manufacturers at 141, comprising more than half of the total manufacturers that were active across all websites in Q1 2012.

Q1 2012 Rank	Website	Number of Manufacturers (Q1 2012)	Number of Events (Q1 2012)
1	Kroger.com	99	726
2	Safeway.com	102	634
3	Publix.com	141	468
4	Walmart.com	113	397
5	Walgreens.com	104	380
	Total	296	2572

(NOTE: Sum of all Events and Manufacturers may be greater than 100% due to multiple Manufacturers per Event)

Source: Kantar Media

“Retailers provide an important link between manufacturers and their consumers through multiple advertising and promotion platforms that may be used to drive sales and build brand equity – including digital coupons. Retailers offer brand marketers and retail account teams different digital coupon programs including both Load-to-Card and Print-at-Home coupon programs. But many retailers go further by integrating digital coupon offers with other advertising programs to reach shoppers in the home and to drive a trip to the retailer’s store,” stated Dan Kitrell, Vice President of Marx Account Solutions, at Kantar Media NA. “To effectively partner with retailers in this complex media-driven world, manufacturers need to understand where their categories and brands fit within their retailer’s advertising and promotion programs so they may better align the right programs with the right retailers during the right weeks. Kantar Media’s DirectHEAT™ delivers these capabilities and provides actionable insights so our clients can stay ahead of their competition at their leading retail accounts. In a growing and more fragmented media space, delivering the right message with the right

promotion during the right week can have a significant influence on shoppers on their paths-to-purchase, resulting in improved incremental sales and promotional lift for manufacturers,” concluded Kitrell.

Association News

Coupon Counterfeiters Arrested



Robin Ramirez, Amiko (Amy) Fountain, and Marilyn Johnson were arrested by the Phoenix Police Department which executed search warrants at three locations as part of a multi-agency investigation of an alleged organized criminal enterprise that sold counterfeit coupons via www.savvyshoppersite.com, eBay, and other Internet venues. Four properties and 21 vehicles were seized during the raid. If convicted on all charges, the defendants face prison time and numerous financial penalties, including, but not limited to, fines and restitution.

Bud Miller, CPP, Executive Director of the Coupon Information Center said, “We’d like to thank Chief Daniel Garcia and Sergeant David Lake of the Phoenix Police Department for their leadership on this case, as well as the Federal Bureau of Investigation, ICE, FinCen, US Postal Inspectors, and Maricopa County Attorney’s Office for their efforts on this case. This investigation is an excellent example of the public-private partnership made possible by the efforts of CIC, The Hershey Company, PepsiCo, Procter & Gamble, and other CIC Members. We look forward to all the facts coming to light and for justice being served to any individuals and organizations who may have created, sold or used counterfeit coupons or otherwise violated the victims’ intellectual property rights.” “This case clearly demonstrates the dangers of

purchasing coupons on the Internet, whether it is from independent websites, e-mail or from online auctions,” Miller added. “Coupon buyers expose themselves to the possibility of becoming involved with counterfeits, stolen property or other criminal activities. They may also expose themselves to additional risk by providing their names, home addresses and financial information to organized crime rings.”

Coupons are a great way to save money, but, as with anything of value, can be subject to abuse from time-to-time. Fortunately, consumers can easily protect themselves by following a few simple guidelines:

1. Never pay money for coupons or coupon related “opportunities”
2. Beware of invalid disclaimers, such as “You are not paying for the coupons, but for the time and effort it took to clip them.”
3. Be wary of any coupon emailed to you by anyone but the manufacturer or its authorized distributor.
4. If a coupon is visible on a computer screen, it is probably counterfeit.
5. Free product coupons are seldom, if ever, distributed on the Internet.
6. If it seems too good to be true, it probably is.

More information about coupon fraud is available at the Federal Trade Commission: <http://www.ftc.gov/bcp/edu/pubs/consumer/invest/inv06.shtm>) or the Coupon Information Center (CIC), the coupon industry’s watchdog group: www.couponinformationcenter.com.

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

The Templates have been updated to GS1 Databar- Only

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

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

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

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

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

The ACP will email the PDF file to retailers free of charge. The cost of the program was funded

with the help of sponsors: Catalina Marketing, Coupons, Inc. Inmar, SEA Enterprises, NCL Graphics, News America, Prologic, RPR, with the support of the Food Marketing Institute (FMI) and GS1US

For more information about the poster, contact John Morgan at 610-789-9993 and John.Morgan@acp-hq.org, or visit www.couponpros.org.

ACP Providing Resources to Aid Transition to GS1 Databar

The ACP anticipates 2012 as the year that the industry transitions to GS1 Databar-only coupons. We are already tracking significant increases in the number of coupons that are “Databar-only”

The ACP GS1 Databar Task Force will provide resources to help this transition, including:

- Periodic updates of GS1 Databar issues and experience.
- A “how to” guide that incorporates industry developments and includes illustrations and an FAQ section.
- A “help button” on the ACP website, <http://couponpros.org/resources/>
- Volunteer subject matter experts available to answer questions.

ACP Coupon Guidelines Committee Update

The ACP’s Coupon Guidelines Committee continues to review and update various publications in our industry in collaboration with the Joint Industry Coupon Committee. The committee consists of 20+ members. Topics are addressed by both full committee and also smaller sub-groups. Work completed by the sub-groups are approved by the full committee. The completed work is also approved by the Association of Coupon Professionals Board of Directors and also sent to the Joint Industry Coupon Guidelines Committee for opinion and approval.

The guidelines committee and the ACP Board of Directors has approved the following topics:

- Family Codes
- Industry Glossary
- New Counterfeit Reason Code 36

Work is ongoing on the following topics:

- **How to Handle (formerly Hard to Handle)** sub-group is being lead Val Stark, SMS.

- **Reason Codes sub-group** – Stanley Wadford, Winn Dixie is the Project Lead and has been working with the committee to reduce the # of Codes being used. This group also wants to work on improving and standardizing descriptions.
- **“Self Checkout”** sub-group is being lead Pam Samaniego, Catalina Marketing.
- A new sub-group is forming to address the **“Adjustment\ Denial process”**.
- A New sub-group is forming to address **“Lost In Transit Invoices”**

ACP members can join the committee and sub-groups. Non-members can participate with special approval from the guidelines committee and the ACP board of directors. The committee is currently seeking volunteers for the Lost In Transit and Adjustment Denial Process Sub-groups.

For more information or to volunteer, contact John Morgan, Executive Director of ACP, at 610-789-9993 or John.Morgan@acp-hq.org.

Member's Corner

News, thoughts and announcements from ACP members.

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

CATALINA ACQUIRES MOBILE COMMERCE INNOVATOR MODIV MEDIA

Acquisition brings proven mobile commerce solution to the largest national network of retailers and brands.

Catalina Marketing Corporation, the leader in precision consumer marketing, today announced that it has completed its acquisition of Modiv Media, the industry-proven provider of mobile commerce solutions. The integration of Modiv into Catalina provides brands and retailers the ability to engage shoppers, influence their behavior, and boost loyalty with a unique mobile experience that saves shoppers time and money.

Catalina helps manufacturer and retail brands deliver unprecedented performance and healthier outcomes with integrated in-store and online marketing platforms. The acquisition extends Catalina's targeted consumer engagement to include shoppers' smartphones.

"We've been watching Modiv for quite some time now. Their success in driving in-store innovation is unmatched and their ability to deliver a scalable mobile commerce solution is exactly what retailers are looking for," said Jamie Egasti, CEO, Catalina Marketing. "The acquisition will allow Catalina to drive greater consumer engagement before and during the buying experience for brands, and deliver increased revenue and shopper loyalty for large-scale retailers."

"Modiv's retailer-proven mobile commerce solution, coupled with Catalina's scale, analytics and content, provides an unmatched mobile shopper marketing solution for large retailers," said Mike Grimes, SVP of mobile commerce for Catalina and former CEO of Modiv Media. "Helping shoppers save time and money through an intuitive and relevant mobile experience is paramount to the future of retail. When combined with Catalina's deep targeting and large CPG-funded offer pool, this becomes a must-have for retailers."

"Modiv has spent the last several years building in-store mobile solutions from the ground up, engineering for a very complex environment," adds Egasti. "Today, they have the only mobile commerce solution designed to meet the demands of high-frequency retail. From comprehensive integration with POS systems to leveraging loyalty and CRM to influence behavior, this solution integrates perfectly with Catalina and will change how retailers and brands engage and empower consumers."

Since its founding in 2001, the Modiv solution was built on the premise of connecting the physical store with the shopper via a mobile device. Already in over 350 locations, their retailer-branded solution influences over 1 million shopping trips per month that drive over \$1 billion in

retailer sales annually.

This February, Modiv introduced Modiv Social which enables retailers and brands to offer shoppers an integrated mobile coupon wallet experience that aggregates coupons from any couponing source (web, retailer, mobile, digital, etc.) and gives shoppers the unique ability to share select mobile coupons via Facebook. Going far beyond simple sharing, Modiv Social enables retailers and brands alike the ability to track, monitor, manage and analyze the lifecycle of a socially shared coupon, as well as identify 'shopping influencers' and rewarding those who share these coupons.

The entire Modiv team will remain in the Boston area and will be the foundation of Catalina's mobile efforts. The company is currently evaluating a new office location in Boston's Innovation District to support expansion plans for the mobile team.

COUPONS AND LOYALTY: PROLOGIC REDEMPTION SOLUTIONS ACQUIRES S&H SOLUTIONS

S&H's Loyalty Marketing Services Will Broaden the Scope of ProLogic's Offerings to Retailers

ProLogic Redemption Solutions, one of the industry's largest clearinghouses for manufacturer coupons, announced today that it has acquired S&H Solutions, a leading provider of consumer and loyalty marketing services for retailers. ProLogic will now be able to offer retailers a broad range of services from coupon clearing to loyalty marketing. S&H Solutions is also known as YOU Technology Retail Services.

S&H Solutions is a descendant of S&H Green Stamps, an iconic American brand from past decades. S&H Green Stamps were the original loyalty marketing program, distributing billions of stamps that consumers collected and redeemed for merchandise.

Today, S&H Solutions provides marketing and loyalty programs for retailers, branded either as S&H greenpoints or with the retailer's brand. Their technology enables retailers to identify specific segments of customers (such as best customers, new customers and lost customers) and deliver personalized, targeted offers that appeal specifically to each segment. S&H retailer customers believe that S&H's services enable them to be more competitive and build better relationships with their customers.

"ProLogic is extremely pleased to add S&H Solutions' consumer marketing programs to our suite of services for retailers," said Ross Ely, President and CEO of ProLogic. "ProLogic has built a reputation in the coupon industry as 'the retailer advocate' and we look forward to broadening this role as we integrate the S&H Solutions business."

S&H also provides ProLogic with the capability to enhance its services around digital coupons by offering redemption services to augment the clearing services that ProLogic already provides. S&H can integrate with every major POS system to give retailers the ability to accept digital paperless coupons as a part of their promotional mix.

S&H Solutions' new name will be "ProLogic Consumer Marketing Services" and it will operate as a division of ProLogic. The division will be led by Al Smith, a seasoned executive with over twenty years of experience in the loyalty marketing industry. The business will continue to operate from its existing location in Delray Beach, FL.

REAMG: Coupons Reward Consumers Who Recycle

REAMG, a program that rewards consumers with coupons when they recycle magazines and catalogs at interactive kiosks has secured its first supermarket tests. Save Mart Supermarkets (243 stores headquartered in Modesto, CA) will perform a test in eight of their Bay Area and Central Valley locations within the Save Mart and Lucky banners beginning mid-December. Locations include San Jose, San Bruno, and Modesto among others. This test will be followed by a three-store test in SuperMax in Puerto Rico beginning Feb. 1st. SuperMax is a San Juan based supermarket with eleven locations throughout Puerto Rico.

REAMG connects with consumers on three important decision-making factors:

1. Rewards in the form of cost savings through coupons
2. Rewards through donations to non-profits and schools of their choice
3. Rewards through a quick and convenient act of environmental recycling

REAMG, rewards consumers with instant coupons of their choice from various product categories when they scan magazines or catalogs at designated interactive recycling kiosks in participating stores. Once coupons are redeemed their favorite charity or school district receives a donation—a win-win for consumers, the local community, and the environment.

The interactive customer experience is simple, engaging, and fast. There are four easy steps:

1. Consumers bring their recycled magazines or catalogs to the REAMG kiosk at their local retailer.
2. They scan and insert the magazine or catalog for recycling.
3. The consumer selects the non-profit or school district that receives a monetary reward for each redeemed coupon.
4. Finally, the customer selects coupons of their choice from various leading consumer package goods (CPG) brands across multiple categories for immediate use.

REMAG offers brands and products the opportunity to connect with consumers as they enter the store. The ability to engage these consumers can enhance overall brand awareness and can enable marketers to get consumers to take specific actions through display ads. The rewards offered to consumers act as a trigger for consumer participation and helps drive product sale, increases brand impressions, and encourages greater coupon redemption.

Benefits of the REMAG program include:

- √ Ability to market brands or products directly to the customer as they enter the store thus resulting in increased sales and interaction with the brand.
- √ REMAG demonstrates CPG company's commitment to the environment through program participation. The REMAG kiosk will be front of store thus highlighting their efforts while building awareness.
- √ There will be increased awareness to new and existing customers through REMAG marketing efforts. This will help increase product sales and brand impressions featured in coupons and display ads.
- √ Charities or school districts are rewarded when coupons are redeemed. This will result in higher redemption rates for coupons.
- √ The program will create greater loyalty to the brand and will lead to increased positive associations by existing and new customers.

REMAG is currently seeking consumer goods company partners who would like to feature their products /coupons in the REMAG interactive kiosk. Become a green leader and showcase your commitment to the environment while building sales. If you would like to participate in REMAG, please contact Blake Patterson at 615.497.9958 or email blake@remag.com.

