



E-zine Newsletter Winter 2009

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

Regional Coupon 101\102

East
March 23rd
With CIC Summit
Washington, DC

2009 Industry Coupon Conference

April 28th - April 30th 2009
Hyatt Regency River Walk
San Antonio

For the latest details:

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Industry Coupon Conference Scheduled for April 28-30 in San Antonio

The Association of Coupon Professionals (ACP) presents the annual Industry Coupon Conference April 28-30 at the Hyatt-Regency River Walk in San Antonio.

The conference theme is "The Dynamic Transformation of Coupons: Are You Ready?"

The ever-changing consumer wants what they want, where they want, and when they want. Marketers, Retailers, traditional and new media incentive providers are challenged to meet their needs - three days of learning and networking with industry leaders will help you prepare for the new consumer.

An evolutionary agenda has been developed under the leadership of the Association of Coupon Professionals (ACP) in collaboration with the Food Marketing Institute (FMI), the Grocery Manufacturers of America (GMA),

GS1 US, and the Promotion Marketing Association (PMA).

This will be the only conference dedicated exclusively to coupons in 2009.

Agenda highlights include:

- Harold Lloyd a Retail Expert, and motivational speaker with conduct two thought provoking sessions; "Are you the Leader You Need to Be" and "Merchandising Magic",
- The impact of the economy on consumer behavior and coupon usage will be presented by trends expert Charles Brown of NCH,
- Brian Hart of IBM will analyze Shopper Advocacy,
- Unique consumer coupon insights from our newly formed Market Research Task force
- Additional research and insight from Stephanie Nelson "The Coupon Mom", founder of CouponMom.com and from Coupons, Inc.

Industry Coupon Conference Scheduled for April 28-30 in San Antonio cont'd

- Updates and discussion on the implementation of the new GS1 Databar, and plenty more of the latest trends from industry experts.

The conference will be preceded by the acclaimed Coupons 101-102 during the day on April 28. The session reviews all aspects of the coupon industry in an informative and interactive format for individuals new to couponing or those who need an update or refresher course. Topics include Effective Coupon Strategies, Coupon Distribution Types, Coupon Design, Redemption Cycle, Family Code Management, Misredemption, Managing Risk and others.

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

education director for ACP and member of its board of directors.

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

Coupon Information Corporation to hold Industry Leadership Summit.

Regional Coupon 101\102 Workshop to be held also

Members of The Coupon Information Corporation (CIC) invite manufacturers, retailers, coupon processors, government officials and industry associations with an interest in coupon security issues to our third Industry Leadership Summit to be held on March 25-26, 2009 in Washington, DC. We will focus on common concerns of industry participants and address the greatest challenges & solutions currently facing the coupon industry. Information is available at <http://www.cents-off.com/>

The Association of Coupon Professionals will hold a Regional Coupon 101\102 Education Seminar in conjunction with the CIC Summit in Washington. Attendees can learn the basics of the business or refresh themselves on coupon topics. The one-day workshop is scheduled for March 24th, 2009 in Washington, DC. More information about this day long class, including registration procedures and costs, can be obtained at:

http://www.couponpros.org/101_102Workshop.shtml

What is the forecast for coupons in 2009?

Experts predict stronger than normal redemption for traditional coupons and major gains by mobile coupons and those printed from the Internet. Meanwhile, FSIs will remain the dominant format while the industry moves along its timeline for adoption of the GS1 DataBar, the new bar code on coupons.

What is the Forecast for Coupons in 2009? cont'd

“Given the economic issues, I think we are heading into an era of thriftiness,” said John Morgan, executive director of the Association of Coupon Professionals (ACP). “Consumers will still spend, but they will be wiser and will actively look for bargains and discounts. Coupons are an ideal vehicle for brands to protect the perceived value of a product while offering an incentive for purchase. I foresee stronger than normal redemption.”

Ron Fischer, president of Redemption Processing Representatives (RPR), said coupons can be considered a “bail out” that everyone can enjoy. Coupon usage has risen and will continue to rise as retailers are returning to doubling and tripling.

“Mobile phone technology will also promote the use of couponing to the younger generation and those who don’t want to take the time to clip coupons from FSIs,” he said. “Also, I’ve

seen a definite increase with manufacturers that have never couponed before. The ACP Annual Conference in San Antonio in April is a great way for the new couponers to learn about the industry.”

The slight surge of redemption in the fourth quarter of 2008 offered an early promise of increases in 2009, according to Matt Tilley, director of marketing for CMS, Inc. “Since the economic news seems to only get worse, consumers will continue to be pressed to save, likely keeping coupons on the value radar for the coming year.”

He said last year’s distribution of 317 billion coupons, which was the second highest level of the past five years, suggests continued investment by brands in coupons as a marketing vehicle.

“Digital promotions will continue to come into their own this year,” he added, “with more brands and retailers trying out new concepts and leveraging existing, successful models.”

Not surprisingly, Fran Garcia, vice president of marketing solutions at Coupons, Inc., agrees. Also, interest in online printable coupons will continue to soar after “phenomenal increases” in 2008 due to the economic downturn as well as the struggling newspaper industry.

“Coupons.com anticipates traffic to our network will continue to grow, as will the amount of savings printed,” he said. “In 2008 users printed more than \$300 million in savings. For 2009, we’re targeting \$1 billion in savings printed. Our expanding digital coupon platforms will provide much greater access; in short – everything, everywhere, everyone.”

The company this year has already launched an application on Facebook and acquired the iPhone application Grocery iQ. In the coming months, Coupons, Inc. will be launching a free update to a lifestyle app that helps consumers with their grocery lists. Coupons.com will also be making digital coupons available to

What is the Forecast for Coupons in 2009? cont'd

consumers in stores and in their homes.

Meanwhile, Ken Conrad, vice president of marketing at Pinpoint Data, sees the conversion of coupon bar codes to the new GS1 DataBar proceeding smoothly in 2009.

“The biggest issues that really we’ve heard and seen are the size parameters of the interim barcode,” he said. “Even with the minimum magnification of 80% with the minimum required information, the interim bar code is bigger than the old coupon barcode with the same data. So, the biggest issue that we’re seeing is related to the size and the fact that manufacturers have to adjust the standard artwork to be able to fit a larger bar code.”

Manufacturers, in an 18-month period that started in January 2007, must migrate from printing UPC-A/EAN-128 barcodes on coupons to the interim code (that is, old and new codes together). In

January 2010, they must issue coupons with only the new GS1 DataBar.

“Just learning something new and implementing a new process with a new standard is a big challenge for a lot of companies,” said Conrad.

The GS1 DataBar will enable manufacturers to code more complex offers and give them more options for values and purchase requirements. It will allow coupons to be validated at checkout to ensure the manufacturer intended the purchase that was made.

CPGs Still Seek Precise Insights to Drive Lift for Brands

Question: Why do CPG executives keep retracing hit-and-miss coupon efforts that lead to low redemption rates, even in a tight economy that would reasonably be expected to drive notably higher consumer usage of these savings instruments?

Answer: CPGs still lack a consistently reliable view of true effect of these promotions— that is, how coupons perform

free of the influence of factors such as weather, seasonality and competitors’ actions. That’s the collective view of readers interviewed by CPGmatters on the topic of coupon metrics.

Even the well-publicized attempt by ConAgra to improve analytics and refine coupon offers to achieve specific brand objectives inspired comments that – while many were impressed – even deeper insights could improve industry-wide coupon performance. These insights could also reveal whether specific tactics do effectively help build new product trial and meet other CPG goals with each event.

Our sources understand it will take more for CPG to achieve best practices in couponing, standardize performance benchmarks and become better predictors of demand.

One major shortcoming, for example, is data sharing, said John Gaffney, senior analyst, Retail Touchpoints,

CPGs Still Seek Precise Insights to Drive Lift for Brands cont'd

Hasbrouck Heights, N.J. "If I'm couponing Crest toothpaste, I want to know that it added sales, I want data that informs my next coupon offer, and I want to use it to earn an end cap at Kroger and target my advertising. Yes to all. Yet I'm starting to hear that agencies want a piece of that data, too. It's a reasonable argument to have. But if I'm a CPG spending money to drive sales and customer data, I'm not going to short-sell that information. I want to leverage it for my own best interest.

"If a CPG company spills the data easily, what does that say about the value of the data? If I show Kroger, that's one thing, but if I show an agency, that's quite another," Gaffney went on to say. "As a CPG, I need to maintain the valuation of customer data I've been able to generate. I want retailers to pay attention to me and buy my products. I'm trying to close attention deficits and revenue deficits. If a

coupon doesn't drive sales, but does drive traffic to a site, I need to know that because while I want sales, the retailer needs foot traffic. In a down economy, I'm more concerned about revenue deficit than attention deficit. That's the more immediate concern."

Here's another sign of the value of leverageable customer data. Looking back more than a decade, Catalina Marketing sold its services by "showing that 60% to 70% of untargeted FSI supermarket coupons were used to purchase brands the customer already preferred...and a significant number of these purchases were also made when the brand was on sale," M. Jericho Banks, partner-owner, Select Marketing, in Lincoln, Calif., recalled from his tenure at that company.

More current research from Promotion Decisions indicates that "53% of FSI coupon redemptions were generated by new or lapsed users of the product, and that 18% to 24% of redeemers adopted the brand,"

Banks noted. He calculated this by incorporating figures from Santella & Associates, an Elmwood Park, Ill., auditing and promotion consultancy to major CPG brands such as Kimberly-Clark, Frito-Lay and Kraft Foods. Santella's data show that 35%-40% of the 53% of "tryers" buy once more, and that 60% buy a second time. Banks further determined that brand adoption ends up at a mere 0.14%-0.19%.

"Are 1,431 to 1,908 enough brand adopters out of 1 million coupons distributed and 15,000 redeemed?" posed Banks. "Santella and others tell us there is no reliable ROI information regarding coupons."

The proper measure of coupon performance depends, of course, on the goal of each event, as suggested by Gaffney.

Banks feels the same. "Impressions are that if the goal is to create trial and adoption, untargeted coupons seem like a pretty inefficient tool. If the goal is to help brokers

CPGs Still Seek Precise Insights To Drive Lift for Brands cont'd

induce buy-in and stock-up by retailers, it's a marginally better tool, but with little data to back it up.

"If the goal is to move lots of product at the end of a poor sales quarter or year, it's a pretty good tool, especially if the cost can be moved to the next fiscal year," Banks continued. "However, this last use of FSIs is often unavailable because a competing brand has already locked up exclusivity for the preferred issue, and because lead times can be as long as a year."

Despite the nominal ROI, Banks sees little to shift brand managers away from the \$7 billion business that is FSI coupons (for printing and distribution only, not redemption and handling). "It continues to be a fall-back tactic for brand manager's intent on completing their stint at that level and being promoted to another level in their company. They simply don't want to take a

chance on change," he said.

Industry Veteran Patsy Dye Joins SEA Enterprises

Brenda Morris, President of S.E.A. Enterprises, Inc., an authorized retail clearinghouse since 1970, is proud to announce: Patsy Dye joins S.E.A. Enterprises, Inc. as the National Sales Manager. We are proud to have such an experienced and knowledgeable addition to our staff. She has over 20 years of experience in every aspect of the coupon redemption industry. Prior to joining the SEA Coupon Redemption Service, Ms. Dye had her own business for several years. She worked as a consultant with the Retail Systems Consulting team in the coupon industry. Ms. Dye also worked as the Vice President of Trade Relations and Sales/Marketing for Carolina Coupon Clearing (CCC) during the ten years that represented the fastest growth and development at CCC. In addition to being responsible for all retail sales, she

developed market goals and strategies, analyzed industry trends and identified new markets. Ms Dye was also involved in the development and implementation of Electronic Data Transmission Services; One Step Process System, Scan-Quick Pay Programs; In Ad Services; and Client Consulting Services. During her years in the industry she also worked with many manufacturers and their coupon programs. An important part of Ms. Dye's success involved understanding the financial impact and accounting needs and requirements for the coupon redemption industry. Ms. Dye was one of the founding members of the Association of Coupon Professionals (ACP) and sat on the Board of Directors for over 12 years. She participated on various committees including those involving recommendations for coupon scanning codes, hard to handle coupons, charge-back issues, the coupon industry manual and processing standards for the industry.

Industry Veteran Patsy Dye Joins SEA Enterprises cont'd

In addition to her experience, the professionalism, honesty and ethics by which she was known in the industry represent the qualities that are most important to those of us at S.E.A.

Enterprises Inc. and our clients. We are honored that Patsy has joined our team!

For more information about S.E.A.

Enterprises, Inc. please visit our website,

www.coupon-redemption.com.

Mobile Trends, Ride the Wave

Goss International announces GossRSVP capabilities

Today, 64% of all mobile phones owners use their text messaging (SMS) capabilities. For internet access texting a keyword to a short code continues to be the preferred method rather than typing in a long URL. For the foreseeable future, SMS will continue to act as the gateway to internet content.

Internet access via wireless, wi-fi, and hot spots are being provided just about everywhere and soon dead zones will be a thing of the past. Everyone expects internet access all the time and providers are aiming to capitalize on this.

Internet access on cell phones is widely available, but its use is still only ~15-18% with large growth expected over the next years. Cost of use is the largest deterrent, but prices are coming down. Future features with 3G & 4G services will be amazing. Internet service will not be limited to smart phones. It is already available on some basic low cost consumer phones. Internet service cost on cell phones will continue to drop, since most will be "ad based revenue models". The inclusion of a 3rd party "Text Ad" with Text promotions or Text Alerts are available today which GossRSVP accounts can promote as alternate revenue means.

The growth rates in all areas related to mobile are phenomenal. There

are new mobile applications and daily news stories supporting GossRSVP account owner print-to-mobile initiatives. Subscription Account Owners have nearly endless "print-to-mobile" possibilities to offer their customers. We encourage you to contact us to learn how you can apply value added print-to-mobile solutions to your products. Contact - via email at rsvp.support@gossinternational.com or call 1-603-743-5505 or www.gossrsvp.com

Exclusive Supplemental Formats for GS1 Databar Interim Coupon Barcodes

Minneapolis – Coupon designers and issuers will be thrilled with the new supplemental formats now available to deal with the larger, cumbersome GS1 DataBar™ Interim Coupon Barcode. Exclusive supplemental digital formats offered by Symbology, Inc. will help users fit the new code into their application. Whether available space or on-pack-folding is interfering with the bar code's effectiveness; the solution is here.

Exclusive Supplemental Formats for GS1 DataBar Interim Coupon Barcodes

Cont'd

A variety of alternate formats for the interim GS1 DataBar™ code are available. Each can be quickly and cost effectively created by Symbology's experienced customer service staff, and delivered via email or web-site-pickup.

The supplemental format designs are the latest tool in the coupon code arsenal provided by Symbology that includes the Coupon ValidatorSM Service, online coupon-code ordering and more. Symbology can also provide flawless digital files for all standard bar code symbologies.

Check our web site for company information www.symbology.com. Or contact Customer Service 800.328.2612, custserv@symbology.com.

ProLogic Invests in New Automated Scanners to Support GS1 DataBar Coupons

ProLogic Redemption Solutions, one of the industry's largest coupon processors and the only major clearinghouse serving retailers and wholesalers exclusively, announced that it has upgraded the scanners on its automated processing lines to support the new GS1 DataBar coupon barcode standard.

ProLogic's unique AutoScan processing lines bring automation to the coupon sorting process and deliver the highest speed and efficiency in the industry. These conveyors were recently upgraded with new scanning heads to support the new GS1 DataBar barcode.

These new scanners capture an image of each coupon, instead of merely scanning barcodes, and enable faster throughput and more accuracy on the conveyors. In fact, the automated conveyors with the new scanners can process up to 3,200

coupons per hour, which is three times faster than a manual process.

For more information about ProLogic Redemption Solutions, visit www.prologicredemption.com

Two New Task Forces for ACP Market Research, Printing

The Association of Coupon Professionals (ACP) has added two task forces: one for market research and the other for printing.

In both cases, the trade group is leveraging the resources of its members to develop studies and propose guidelines that will benefit couponing. ACP is an industry-wide trade organization whose membership has interest in providing coupon incentives to drive brand growth (www.couponpros.com).

ACP Executive Director John Morgan said the market research task force will work on developing unique research that can be presented at the Industry Coupon

Two New Task Forces for ACP Market Research, Printing cont'd

Conference in the spring.

"We had our initial meeting and are taking a look at having the ACP be kind of like a repository or clearing house for research. The work would involve connecting the dots of disparate research to come up with new insights on couponing. For example, combining research on overall trends, ROI, consumer insights, and so forth," he said.

A secondary objective of the task force is to standardize Internet terms.

"With coupons, it's easy when you do an FSI," said Morgan.

"Distribution is whatever you send out. But when you get into Internet coupons and emailed coupons, is that a distribution?"

Matt Tilley of CMS is the chairman of the task force, which also includes the following members: America

Online, Campbell Soup, CMS, Dunnhumby, Genesi USA, Knowledge Works PDI, Prologic, Redemption Solutions, Resolve, Shopping Insights, PNSMI, Marx Promotion Intelligence, and Yerecic Label

The printer task force will be looking at security around the printing process, according to Morgan.

"When you get into RFPs and reverse auctions, there's the potential for a manufacturer to choose a company that - just because they offer a lower price - may not be as secure as it should be," he said. "So we're going to create voluntary guidelines for the right way to do it. Hopefully the packaged goods companies will consider that as they develop RFPs to make sure that there is security around the printing process."

Val Stark of NCL Graphics is chairman of the printer task force, which also consists of these companies: Yerecic Label, NPC, Meijer, Goss International, Promotion Eyes, Unilever,

Symbology, Cunningham Electronics, Resolve, and Shopper Insights.

Board of Election Nominations Sought for 2009-2011 Term

The ACP Board of Director Elections will be held at the 2009 Industry Coupon Conference. **The election will take place during the conference on Wednesday, April 29th.**

The ACP Board of Directors is currently comprised of 16 companies. There is a mixture of retailers, manufacturers, processors, and solution providers on the board. Companies serve two-year staggered terms. There will be eight seats up for election this year.

Any ACP member company in good standing is eligible to run for a board position. If you are interested in **nominating your company or any other company, please contact John Morgan at ACP headquarters by February 27th (610) 789.1478.** The ACP Nominating Committee will compile the list of

**Board of Election
Nominations Sought
for 2009-2011 Term
cont'd**

nominees. A slate of candidates and ballots will be distributed at the meeting on April 29th.

**ACP Welcomes New
Members**

Genesi-USA
Yerecic Label,
Pro-Logic
Wakefern
News America
ERS, Inc.
Coca –Cola
Contactless Data

Upcoming Events

**CIC Summit with
Coupon 101\102,**
Washington, DC
Coupon 101\102,
March 24,
CIC Summit,
March 25-26

**PMA Annual
Integrated Marketing
Conference,** March 10-
11, Chicago, IL

**Industry Coupon
Conference,** Including
Coupon 101\102 April
28-30 San Antonio, TX

FMI Show, Including
MarketTechnics,
May 6-8, Dallas, TX

**2006 U Connect
Conference,** June 2-5,
Orlando, FL

**GMA Executive
Conference,** August 30
– September 2,
Colorado Springs, CO



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