

## Winter 2013

## “Jazzed About Coupons: New Platforms, New Directions, New Orleans”

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

### Annual Industry Coupon Conference set for April 23-25

in New Orleans, Louisiana

#### Regional Coupon 101\102

*The Only National Conference in 2013 Dedicated Exclusively to Coupons; Keynote to be  
Delivered by Phil Lempert, the “Supermarket Guru”*

#### East

March 19, 2013

In conjunction with CIC  
Summit  
Alexandria, VA

After a successful year celebrating its 25<sup>th</sup> Anniversary, the **Association of Coupon Professionals** (ACP) will present its annual Industry Coupon Conference, “**Jazzed About Coupons: New Platforms, New Directions, New Orleans**” on April 23-25, 2013 in New Orleans, Louisiana.

This will be the only national conference dedicated exclusively to coupons in 2013, and will discuss the current industry landscape and future trends as well as changing consumer shopping habits and the impact of social networks.

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

As the keynote presenter, **Phil Lempert**, the “Supermarket Guru”, will bring his expert analysis of consumer behavior, marketing trends and the retail landscape. He is a widely known industry specialist from The Lempert Report, Supermarket News, as well as extensive media and television appearances including the Today Show and The View. In addition to the keynote address, Lempert will also moderate a consumer panel - “hear it from the source!” In this live event, consumer readers from “All You” magazine will discuss their coupon usage and shopping habits.

The Conference Planning Task Force, led by co-chairs **Pam Samaniego**, Catalina Marketing and **Ross Ely**, Prologic Redemption, is finalizing details for all the proceedings, which will be held at the Loews Hotel in downtown New Orleans.

#### Save the Dates! 2013 Industry Coupon Conference

April 23<sup>th</sup> - April 25<sup>th</sup>  
2012  
Loews  
New Orleans, LA  
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#### For the latest details:

ACP headquarters  
[www.couponpros.org](http://www.couponpros.org)  
(610) 789-1478  
[John.Morgan@acp-hq.org](mailto:John.Morgan@acp-hq.org)

## Welcome New Members

Common Kindness

Kraft Foods

Reading for Education

PromoPoint Marketing

## 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)

The ever-changing coupon industry is evolving with new technologies, and shifting consumer behavior in an unpredictable economy. There will be much to see, hear, and learn at the Industry Coupon Conference, including:

- **Barbara Reilly**, Valassis, who will contribute research regarding retailer media consumption and shifts in consumer coupon usage.
- **Mark Heckman**, a consultant with expertise in digital technology & content, customer loyalty programs and retail marketing, will discuss the “Digital Disconnect” and assess where digital is right now and where it needs to go to adapt to smart phone carrying consumers who want access to information and offers digitally. He will also moderate a Digital Coupon Panel that will explore the successes, opportunities and challenges of this emerging coupon vehicle.
- **dunnhumbyUSA** will demonstrate through use cases how to optimize coupon engagement and redemption across channels to drive incremental value for the business over time.
- Interesting **case studies**, demonstrating innovation and success in various coupon vehicles.
- Back again will be an afternoon of **track sessions** where attendees can choose from presentations tailored to their specific interests including: Digital Coupons, Redemption trends, Counterfeit Coupons, and Coupon Guidelines updates.
- And **more** unique research, case studies, the latest trends, and innovation that can't be found anywhere else but the Industry Coupon Conference.

For more information about the conference, contact **John Morgan**, ACP Executive Director, at 610-789-1478, [John.Morgan@acp-hq.org](mailto:John.Morgan@acp-hq.org), or visit [www.couponpros.org](http://www.couponpros.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 GS1 Databar coupon coding

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

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

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

There are currently several sub-groups:

Reason Codes  
Lost in Transit Invoices

### **Association of Coupon Professionals schedules Regional Coupon 101\102 Education Workshops in conjunction with CIC Summit in March 19, 2013 in Alexandria, VA.**

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

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

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

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

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

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

A limited number of rooms have been set aside for attendees that are not able to fly in and out the same day.

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



Coupon Adjustment  
Process Improvement

The **Membership  
Committee** actively  
recruits new members

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

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

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

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

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

## Coupon Information Corporation

### Industry Leadership Summit VII

**Wednesday March 20, 2013, Alexandria, VA**

Whether you're a coupon industry veteran or new to the fight against fraud, we welcome you to an insightful and informative Summit. CIC is working with retailers, processors and other industry experts to seek efficient and practical solutions to mutual security challenges. The 7<sup>th</sup> annual Summit will be held on March 20, 2013 in Alexandria, Virginia.

Help enhance the security and integrity of the couponing industry by engaging in intense, straightforward, direct conversations about many industry issues, including: counterfeit coupons; the new bar code system; the CIC hologram; voluntary best practices; FSI (free standing insert/Sunday coupon) security; stacking; controls at the point of sale; "extreme couponing" and much more.

For eligibility, pricing, registration, and details, please visit:  
<http://www.couponinformationcenter.com/2013Summit-info.php?st=f20c1>

## Industry Trends

### Coupon redemption Fell 22.9 Percent in Third Quarter of 2012

#### Company foresees continuing shifts in both coupon redemption and distribution

Inmar, a technology company that operates intelligent commerce networks, today announced that coupon redemption declined by almost 23 percent in the third quarter of 2012 – compared with the same period last year. According to Inmar, the decline was precipitated by a combination of fewer and less attractive offers being made available, a generally more optimistic economic outlook among shoppers and continued volatility in the marketplace.

This fall in redemption ran counter to a 7.6 percent increase in distribution for the same period. However, the apparent disparity is attributed by Inmar to distribution, in many cases, shifting away from some methods with high redemption rates (like on-packs) to methods with lower redemption rates. Still, this third-quarter increase -- coming on the heels of a six-month pullback

## Upcoming Industry Events

PMA Annual Conference, April 3-4, 2013 Chicago, IL

CIC Summit with Coupon 101\102, March 19-21, 2013, Alexandria, VA

Industry Coupon Conference, Including Coupon 101\102 April 23-25 Loews New Orleans, LA

FMI Show June 10-13 Chicago, IL

in distribution -- is forecast by Inmar to likely lift coupon redemption in the fourth quarter. With the decline in the number of coupons came a decline the offer quality:

- Face values were down more than nine percent in the second quarter and virtually flat (+0.7 percent) in the third quarter.
- Consumers were required to buy more product (+3 percent Q2, +9 percent Q3) to get the coupon savings.
- Redemption periods continued to shrink to less than two months in the third quarter (-13 percent Q2, -21 percent Q3).

Improved economic conditions, according to Inmar, are helping drive the decline. As consumers grow more optimistic about the future there tends to be a reduced gravitation toward promotions. Inmar has found, through its research, that the unemployment rate is predictive of coupon redemption. With recent reports putting unemployment at some of the lowest levels in the last couple of years, a drop in redemption is not seen by the company as a surprise. The size of the drop, however, is viewed as unusual.

What this shift does not suggest, says David Mounts, Inmar CEO, is any kind of long-term move away from promotion use by shoppers.

"We don't think for a minute that consumers are any less interested in coupons or deals," says Mounts. "While shoppers are in a better mood lately, less value was available to them last quarter and the realities are still pretty stark: underemployment remains comparatively high and the USDA predicts rising 'food at home' prices. That means coupons will continue to be a 'go-to resource' in the long term," adds Mounts.

Mounts' perspective is supported by data from the 2012 Nielsen Homescan Survey of consumers in which 41 percent of respondents reported using coupons on most shopping trips, an increase of four points over 2009 -- the heart of the Great Recession.

Inmar anticipates 2012 ending with a net decline in coupon redemption, but sees likely improvement in fourth quarter redemption due to the increase in coupons available.

Inmar has been a leader in the promotions industry for more than 30 years and currently

processes more than 2.3 billion coupons annually. Providing promotions management, coupons processing and business intelligence for many of the nation's leading retailers and manufacturers, Inmar closely monitors coupon distribution and redemption across the country and regularly reports on trends and activity in this sector.

### **Kantar Media Reports Free Standing Insert (FSI) Coupon Use For New CPG Product Introductions Grew 23% in 2012**

Kantar Media reports that more than 274 billion Free Standing Insert (FSI) coupons were distributed in 2012 which represents a 0.8 percent increase in activity versus 2011. FSI pages increased 1.4 percent overall with the Consumer Packaged Goods (CPG) and Franchise sectors increasing 2.4 percent and 10.2 percent respectively, offsetting an 8.0 percent decline in the Direct Response sector. FSI coupon support for new products within the CPG sector increased 23.2 percent versus 2011 while retailer FSI promotion pages also increased 5.2 percent.

"Over the past 10 years, FSI coupon distribution has grown by 18.0 percent, reinforcing the role that FSI coupons have on delivering advertising impact, retailer alignment, and purchase incentives within an overall marketing mix," said David Hamric, General Manager, Kantar Media Marx.

Manufacturers returned to promoting new products in 2012 after decreases in new product FSI coupon activity during the past few years. The number of categories participating in new product activity was up from 82 to 93 and the number of new product event dates was up 23.2 percent to 727 in 2012. The number of manufacturers utilizing this tactic increased to over 190, a 9.9 percent increase in 2012. "During the challenging economic conditions experienced during the past several years, manufacturers focused more of their FSI promotion support on core brands. However, we are seeing new product innovation increasing and FSI coupon support is a proven tactic for building retail distribution, creating brand awareness, and encouraging trial purchasing for new product introductions," noted Hamric.

Retailer pages increased 5.2 percent while the number of manufacturers participating in retailer events declined from 390 to 352 in 2012. "Manufacturers and retailers are participating in cooperative events to influence the shopper on their path-to-purchase. However, retailers are increasingly seeking unique or exclusive programs with manufacturers during key promotion weeks and within strategic categories to engage with their shoppers and win key shopping trips," said Hamric.

In 2012, the frequency of FSI events increased slightly with activity occurring on 48 of 53 Sundays. The "pre-Super Bowl" promotion week of January 29th had the greatest activity with a weighted average circulation of 134 pages. The weeks of September 30th and the "pre-Thanksgiving" promotion week of November 11th were tied for the second most heavily weighted week with a total of 125 pages during each of these weeks.

### Overall FSI Activity

During 2012, more than \$419 billion in consumer incentives were delivered via FSI coupons, down 0.4 percent from 2011. During the same period, more than 274 billion coupons were distributed within more than 208 billion FSI pages. FSI coupon average Face Value decreased, down 1.2 percent to \$1.53. Average Expiration (Fuse) continued a steady downward trend with a decrease to 7.3 weeks, down 9.0 percent versus a year ago. These trends indicate that manufacturers are managing their financial exposure by maintaining similar levels of coupons distributed but decreasing the purchase incentive and shortening the length of time that these offers are available in the market.

| 2012 versus 2011     |               |          |
|----------------------|---------------|----------|
| Measure              | 2012          | % Change |
| Dollars Circulated   | \$419 billion | -0.4%    |
| Coupons Dropped      | 274 billion   | 0.8%     |
| Pages Distributed    | 208 billion   | 1.4%     |
| Face Value (average) | \$1.53        | -1.2%    |
| Fuse (weeks)         | 7.3           | -9.0%    |

Source: Kantar Media

### Sector Activity

The Consumer Packaged Goods (CPG) sector remained 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. CPG pages distributed increased by 2.4 percent in 2012 after a 4.4 percent decline in 2011. Also contributing to the overall increase in Pages Circulated, Franchise posted a 10.2 percent increase versus 2011 which is the largest percentage increase for this Sector since 2005. However, Direct Response pages decreased 8.0, continuing a steady downward trend that started in 2007.

| 2012 Results by Sector versus 2011 |                |             |               |
|------------------------------------|----------------|-------------|---------------|
| Sector                             | Pages (MM)     | % Change    | Share         |
| CPG                                | 154,550        | 2.4%        | 74.3%         |
| Direct Response                    | 31,471         | -8.0%       | 15.1%         |
| Franchise                          | 22,117         | 10.2%       | 10.6%         |
| <b>Total</b>                       | <b>208,140</b> | <b>1.4%</b> | <b>100.0%</b> |

Source: Kantar Media

### Top 10 Retailers based on Pages Circulated

Retailer promotion pages increased 5.2 percent and accounted for more than 17.9 billion pages in 2012. Walmart held the top spot with a 47.3 percent increase to 5.8 billion pages. Walgreens moved up to the second spot with a 42.6 percent increase to 2.4 billion pages and Target maintained the third spot with 2.3 billion pages. Family Dollar and Dollar General had the largest changes in rank within the top 10, with Family Dollar up 3 spots to 4 and Dollar General down 3 spots to 5.

| Store          | Rank 2011 | Rank 2012 |
|----------------|-----------|-----------|
| Walmart        | 1         | 1         |
| Walgreens      | 4         | 2         |
| Target         | 3         | 3         |
| Family Dollar  | 7         | 4         |
| Dollar General | 2         | 5         |
| CVS Pharmacy   | 6         | 6         |
| PETsMART       | 5         | 7         |
| Kroger         | 9         | 8         |
| Safeway        | 12        | 9         |
| Kmart          | 10        | 10        |

Source: Kantar Media

### Top 10 Categories for New Product Activity

During 2012, there were 348 new products that delivered FSI coupons across 727 event dates as part of their introduction, averaging 2.1 event dates per new product. This activity is up from 291 new products, 590 event dates, and 2.0 event dates per new product during 2011. Cereals had the greatest number of new products in 2012 with a total of 25. Snacks followed with 22 new products and Pet Food & Treats was third with 15 new products.

| Most New Product Introductions 2012 |                             |                |
|-------------------------------------|-----------------------------|----------------|
| Rank                                | Product Type                | # New Products |
| 1                                   | Cereals                     | 25             |
| 2                                   | Snacks                      | 22             |
| 3                                   | Pet Food & Treats           | 15             |
| 4                                   | Milk/Milk Products          | 14             |
| 5                                   | Other Packaged Goods        | 13             |
| 6                                   | Household Cleaning Products | 12             |
| 7                                   | Alcoholic Beverages         | 11             |
| 8                                   | Vitamins                    | 10             |
| 8                                   | Pet Products                | 10             |
| 10                                  | Yogurt                      | 9              |

Source: Kantar Media

### CPG Non-Food vs. Food

In 2012, Non-Food categories distributed more than 171 billion coupons, up 4.2 percent versus a year ago, driven by the 12.5 percent increase within the Personal Care area. Food categories distributed more than 103 billion coupons, representing a decrease of 4.5 percent, led by the 14.1 percent decline for the Refrigerated Foods area. Six of the nine areas defined by Kantar Media reported declines or remained flat in Coupons Dropped during this period. However, three areas, including Other Packaged Goods, Personal Care and Shelf Stable Beverages, posted double digit increases in 2012.

Manufacturers are decreasing the value of the offers being delivered to consumers in the Non-Food segment while remaining flat in the Food segment. Weighted Average Face Value (WAFV) for Non-Food dropped 3.1 percent to \$1.84 and was combined with a 1.7 point increase in Multiple Purchase Requirements (MPR) resulting in Weighted Average Face Value Per Unit (WAFVPU) decreasing 3.8 percent to \$1.59. WAFV for Food was flat, down 0.2 percent to \$1.01 and was combined with a 2.6 point increase in MPR resulting in WAFVPU decreasing 3.5 percent to \$0.71. These promotion tactics are designed to increase the number of products the consumer purchases per coupon to potentially increase brand loyalty or preempt competitive purchasing for a longer period of time.

| Class     | 2012 versus 2011     |       |                     |       |                              |       |                     |           |                      |        |
|-----------|----------------------|-------|---------------------|-------|------------------------------|-------|---------------------|-----------|----------------------|--------|
|           | Coupons Dropped (MM) |       | Avg Face Value (\$) |       | Avg Face Value Per Unit (\$) |       | % Multiple Purchase |           | Avg Duration (weeks) |        |
|           | 2012                 | % Chg | 2012                | % Chg | 2012                         | % Chg | 2012                | Point Chg | 2012                 | % Chg  |
| Non-Food  | 171,301              | 4.2%  | \$1.84              | -3.1% | \$1.59                       | -3.8% | 18.7%               | 1.7       | 6.7                  | -10.2% |
| Food      | 103,653              | -4.5% | \$1.01              | -0.2% | \$0.71                       | -3.5% | 45.0%               | 2.6       | 8.3                  | -6.7%  |
| Total CPG | 274,731              | 0.8%  | \$1.53              | -1.2% | \$1.26                       | -2.3% | 28.6%               | 1.5       | 7.3                  | -9.0%  |

Source: Kantar Media

### Top 10 FSI Product Types in 2012 (by Coupons Dropped\*)

The top 10 product types based on Coupons Dropped accounted for 36.8 percent of all FSI coupon activity during 2012. Combination/Personal products (comprised of Personal Care brands which are promoted across multiple individual Personal Care categories) ranked first and increased 0.8 percent to distribute more than 13.4 billion coupons. Pet Food & Treats dropped to second place with a 10.6 percent decline to 12.4 billion coupons.

| Rank | Product Type                    | Coupons Dropped (MM)* |        |        |                 |
|------|---------------------------------|-----------------------|--------|--------|-----------------|
|      |                                 | 2011                  | 2012   | % Chg  | Actual Chg (MM) |
| 1    | Combination/Personal            | 13,485                | 13,589 | 0.8%   | 104             |
| 2    | Pet Food & Treats               | 13,938                | 12,456 | -10.6% | -1,483          |
| 3    | Household Cleaning Products     | 10,265                | 10,940 | 6.6%   | 675             |
| 4    | Snacks                          | 11,381                | 10,757 | -5.5%  | -624            |
| 5    | Vitamins                        | 10,647                | 10,517 | -1.2%  | -131            |
| 6    | Shaving Cream/Razor             | 7,815                 | 10,052 | 28.6%  | 2,237           |
| 7    | Cough Cold Sinus Allergy (CCSA) | 7,821                 | 8,980  | 14.8%  | 1,159           |
| 8    | Rug/Room Deodorizer             | 9,464                 | 8,926  | -5.7%  | -538            |
| 9    | Hair Care                       | 6,816                 | 8,115  | 19.1%  | 104             |
| 10   | Bar/Liquid Soap                 | 6,082                 | 6,715  | 10.4%  | -1,483          |

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

Source: Kantar Media

Copies of the comprehensive 10th annual FSI Distribution Trends Report will be available by request through the Kantar Media website at: [www.kantarmediana.com/marx](http://www.kantarmediana.com/marx).

### Kantar Media Reports Digital Coupon Events\* on Leading Websites Increased 30.5 Percent in the first Nine Months of 2012

Number of manufacturers distributing digital coupons on these websites increased 15.2 percent

Digital coupon events across key websites monitored by Marx, a Kantar Media solution, increased by 30.5 percent in the first nine months of 2012 as compared to the same period in 2011. More than 681 manufacturers distributed digital coupon offers on these key websites during the first nine months of 2012, an increase of 15.2 percent as compared to the same period in 2011.

“Digital coupons continue to deliver value as part of the overall promotional plans for CPG manufacturers,” stated David Hamric, General Manager, Kantar Media Marx. “Marx, the industry leader in both digital and print free-standing insert (FSI) coupon intelligence, continues to deliver valuable competitive insights on key websites for our clients, giving them an advantage in their integrated promotion planning across multiple print and digital platforms to stay aware and ahead of their competitors.” said Hamric.

| CPG Areas              | Q1-Q3 2011 Digital Activity |                |                         | Q1-Q3 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                | 4.9%                        | \$0.93         | \$0.71                  | 4.4%                        | \$1.15         | \$0.75                  |
| Dry Grocery            | 24.1%                       | \$1.29         | \$0.87                  | 25.7%                       | \$1.44         | \$0.89                  |
| Frozen Products        | 7.6%                        | \$1.25         | \$0.80                  | 7.0%                        | \$1.74         | \$1.05                  |
| Health Care            | 16.5%                       | \$2.42         | \$2.33                  | 16.9%                       | \$2.33         | \$2.25                  |
| Household Products     | 12.0%                       | \$1.32         | \$1.11                  | 12.3%                       | \$1.45         | \$1.14                  |
| Other Packaged Goods   | 1.6%                        | \$2.92         | \$2.80                  | 1.4%                        | \$3.44         | \$3.13                  |
| Personal Care          | 20.9%                       | \$1.80         | \$1.69                  | 20.0%                       | \$1.65         | \$1.48                  |
| Refrigerated Foods     | 9.9%                        | \$0.88         | \$0.56                  | 8.9%                        | \$1.05         | \$0.73                  |
| Shelf Stable Beverages | 3.9%                        | \$1.33         | \$0.89                  | 4.9%                        | \$1.71         | \$1.11                  |

(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

\*Digital coupons as referred by kantar media refer to Internet Print at home coupons. Digital coupons as the ACP and the Industry Glossary defines it as a coupon traverses the full coupon process (set-up and communication, discovery, presentation, validation, redemption) without the requirement to manifest itself as "paper" or in other hard-copy form.

For the first nine months of 2012, Food Areas represented 50.9 percent of digital coupon events, while Non-Food Areas represented 50.6 percent (NOTE: Sum of all Areas may be greater than 100 percent due to events which include more than one Area).

The Dry Grocery Area leads within both the Food areas and across all areas in share of activity at 25.7 percent during the first nine months of 2012. This is an increase of 1.6 points over the same nine months in 2011.

The Personal Care Area leads in Non-Food with a 20.0 percent share of activity, a decrease of 0.9 points from the same nine months in 2011.

#### Website Engagement and Traffic for Retailer Websites

Many retailers engage with their shoppers online through their retailer websites including the use of digital coupon sections on these websites. One way to help retailers measure the number of shoppers reached by their website is the Unique Visitors metric, which counts a person visiting a website only once no matter how many times that person goes to a website or a website section.

To illustrate these points, three retailer websites were evaluated during September 2012. Among these three, Walmart.com had the greatest number of Unique Visitors at 58.2MM. In comparison, Target.com had just more than half that number of Unique Visitors at 36.8MM.

Walmart.com reached more shoppers than Target.com based on Unique Visitors during this period.

However, we see a different dynamic when we compare the Unique Visitors for the coupon section of each retailer website. The coupon section of Walmart.com (coupons.walmart.com) received 464,368 Unique Visitors equating to less than 1.0 percent of the Unique Visitors for Walmart.com, while the coupon section of Target.com (coupons.target.com) attracted more than 1.6MM Unique Visitors equating to more than 4.3 percent of the Unique Visitors for Target.com. Target.com attracted more Unique Visitors to its coupon section that may be planning a specific shopping trip to Target.

In contrast to these two national mass merchandisers, Publix, a regional retailer, attracted 1.5MM Unique Visitors to their Publix.com website and 686,198 Unique Visitors to the coupon section of their website (weeklyad.publix.com), equating to 46.1 percent of all Publix.com Unique Visitors. Additionally, Unique Visitors to the coupon section of the Publix.com website had 1.96 Visits Per Visitor during September, which is greater frequency than both Walmart and Target.



Source: Compete

Unique Visitors: Only counts a person once no matter how many times they visit a site in a given month.

“Retailers want to reach shoppers in the home when they are developing lists and planning trips. Clearly, digital coupon offers on a retailer website are a proven tactic to engage shoppers at a key stage on their paths-to-purchase,” said Dan Kitrell, Vice President, Account Solutions, Kantar Media Marx. “Even though Walmart.com had a greater number of Unique Visitors, a greater percentage of Publix.com Unique Visitors engaged with the coupon section of the retailer website to take advantage of specific purchase incentives. For manufacturers, understanding not just the number of shoppers visiting a retailer website, but rather the number of shoppers that may actually be influenced by digital coupon offers, may provide new insights into competitive promotion tactics and sales impact,” continued Mr. Kitrell.

“Shoppers engage with retailer websites when they are developing lists and planning trips. Retailers that offer digital coupons on their websites provide their shoppers incremental value

and savings. This increased level of shopper engagement provides an opportunity for retailers and manufacturers to partner and deliver the right value and incentive directly to shoppers.” concluded Kitrell.

## **Association News**

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

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

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

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

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

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

The Guidelines include:

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

The Guidelines highlight the key distinctions between digital and paper coupons, including the

presence of barcode data, distribution methods, consumer acquisition and presentment, purchase validation and offer set-up at point of sale.

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

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

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

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

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

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

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

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

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

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

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

## Member's Corner

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

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

### **Intelligent Clearing Network (ICN) Appoints Eric Williams to the Board of Directors**

Key information technology executive brings market expertise to the leading provider of real time coupon validation and promotion solutions for the retail industry.

“Eric Williams experience at Catalina will provide ICN with valuable insight and perspective as we scale our business to meet the needs of the marketplace. said Gary Oakley, Chairman of ICN”

Catalina Marketing veteran Eric Williams will bring extensive strategic technology and patent expertise to his new position as member of the Board of Directors of Intelligent Clearing Network (ICN), an innovative software-as-a service (SaaS) company serving retailers. The ICN solution provides a complete promotion management system for automating complex digital and paper-based incentives via direct-to-card, mobile and email.

“Eric Williams’ experience at Catalina will provide ICN with valuable insight and perspective as we scale our business to meet the needs of the marketplace. In addition, Eric’s background and relationship with a variety of manufactures and retailers will help facilitate our growth,” said Gary Oakley, Chairman and CEO of ICN.

Williams has more than 35 years of industry experience including management, sales, marketing, systems design and development, and operations positions with retailers, software development, and information technology companies. Most recently he was Executive Vice President and Chief Information Officer of Catalina Marketing Corporation (CMC) where he was responsible for directing strategic technology, research and development, and new applications. He also served as the Chief Privacy Officer (CPO) for Catalina Marketing and was responsible for the overall consumer privacy activity for the company. Williams is an accomplished inventor with five US and three international patents to his credit. In 2007, the Tampa Bay Technology Forum named him CIO of the year and, in 2011, Information Week ranked Catalina Marketing as one of the top five most innovative technology organizations in the nation.

During his tenure with CMC, Williams led the development of Catalina’s multi-petabyte data warehouse, which is still one of the largest transaction-level databases in the world. In addition, Williams was instrumental in the development of the first “Internet-delivered” loyalty marketing solution for basket-level data management. This solution is used as the frequent shopper data

management application by some of the largest supermarket retailers in the US, Europe and Far East markets.

## K-C Measures Digital Coupons

By Dan Alaimo, with permission, Shopper Marketing Magazine

Consumer packaged goods maker **Kimberly-Clark** is measuring the effect of print-at-home digital coupon campaigns on in-store purchases by using an analytics platform from New York-based **RevTrax** ([www.revtrax.com](http://www.revtrax.com)).

As a result, Kimberly-Clark is increasing the efficiency and effectiveness of its digital coupon programs, says Dan Kersten, consumer promotions manager. The company has used the platform with programs for its Cottonelle, Huggies, Kotex, Kleenex, Pull-Ups and Scott brands, while working closely with key retailers such as Walmart, Target and H-E-B through customized offers. “There’s nothing very sexy about print-at-home coupons at this point,” Kersten says. “The reality is, that’s where the digital space resides right now.”

RevTrax is able to bring a data element to digital campaigns. “We are able to track to the household level on who printed, who redeemed, and where they redeemed,” Kersten says. “That’s valuable information that we feed into our central repository.”

As a result, Kersten says, “we can segment accordingly, and determine whether to offer a higher value coupon to the consumer who didn’t redeem, or provide a different offer. For the consumers who do redeem, we can look at increasing the purchase requirement, or whether there are some cross-promotional opportunities.” For example, on a back-to-school program with a number of different coupons, K-C was able to “track the interactions” and see if a Huggies household also redeemed the Kleenex coupon.

K-C learned that “we don’t necessarily have to give them a coupon every time,” Kersten says. “Maybe messaging is enough.” For those who do redeem coupons, K-C asks, “What can we do to drive further purchase of the brands that they have used, as well as cross-purchase of other brands?”

K-C analyzes the collection of data from specific coupon programs to determine their success, and then feeds that into the customer relationship management program for use in future campaigns, Kersten says. “So it is a continuous circle of optimization: collect data, feed it in, segment, target.”

The digital coupons issued by K-C expire within two weeks. With RevTrax analytics, there’s a short feedback loop of four to six weeks – compared to the three to five months for a traditional paper coupon, Kersten says. “We feel shortening the expiration window is the right thing to do. It’s more of an immediate, act now, type of coupon.”

Getting retailers to share insights is “always a challenge,” Kersten says. The ideal would be to

have real-time shopper data, but retailers are often unwilling to share that kind of information with CPGs.

K-C has been able to improve its programs by comparing them with programs that the retailers run with other CPGs, whether they were price promotions, coupon activity, sweepstakes or loyalty programs. Retailers do share those insights, Kersten says, because they also want the most efficient and effective programs.

The target of these digital programs? “We know that newspaper readership skews older,” Kersten says. “We know that digital skews to a younger demographic. So in looking at the younger consumer, we think about the lifetime value of the consumer. The earlier we can get to mom and get a household into our products, the more lucrative it is.”

To reach these moms, the company uses email, social media, retailer websites and coupon networks, as well as the “mommy” and coupon bloggers. Regardless of whether K-C uses these bloggers directly, they end up being a big part of the promotional effort. “Any price promotion out there usually gets picked up by the bloggers,” Kersten says. “If we put out a Huggies coupon, or an offer on our Huggies Facebook site, these bloggers are all fans of the Huggies page and they are going to see that and they are going to blog or tweet about that to their followers.”

In addition to its print-at-home activity, K-C also works with retailers such as Kroger and Safeway to measure the results of direct-to-loyalty-card programs. “Print-at-home is the lion’s share of digital couponing right now, but we can’t ignore what is happening in the loyalty card space and other delivery vehicles,” Kersten says.

Source: Path to Purchase Institute/*Shopper Marketing* magazine ([www.p2pi.org](http://www.p2pi.org))

## Pay-Per-Sale and Charitable Giving Define CommonKindness Online Coupons

*The new CommonKindness model features performance-based fees, no coupon loading charges, and the creation of a nonprofit fundraising halo for participating brands.*

Officially launched on Earth Day, April 22, 2012, CommonKindness may seem like a relative newcomer to the online coupon community, but its innovative model was born from a marriage of decades of top CPG leadership and determination to create something different, even special for consumers, nonprofits, and brands.

Under the leadership of 27-year-old New Zealand advertising prodigy Sarah Schloemer, mentored by CPG veteran Andrew Martin, founding chair of Annie’s Macaroni and Cheese, Smartfood Popcorn, and several other successful brands, CommonKindness reinvented the world of online couponing.

Their program created a sustainable new source of funds for nonprofits in a way that not only didn’t cost consumers a dime, it actually rewarded them by saving them money at the checkout. It also introduced a performance-based model that makes it attractive for brand managers to post more of their products and reach a valuable audience of nonprofits, volunteers, and their

loyal supporters.

CommonKindness also offers industry-leading security features based on input and recommendations from multiple stakeholders, including coupon security experts in coupon clearinghouses, coupon advisory committees, and the world's largest brands.

"We interviewed many brands, and they all wanted to move away from pay-per-print to performance-based pay-per-sale online coupon marketing," said Martin. "Our model not only saves brands on their advertising budgets; we also offer brands other valuable services, like free public relations and social media marketing, dynamic control, and robust reporting."

"CommonKindness helps brands make an emotional connection with the 64 million people who volunteer at nonprofits, and the supporters of the 1.1 million nonprofit organizations listed on the CommonKindness site," adds Schloemer. "The CommonKindness audience is full of active participants in each of their respective communities, and brands enjoy the halo they receive by supporting their customers' favorite nonprofits through CommonKindness."

The launch of the free online grocery coupon site created an instant sensation with brand managers, nonprofits, and especially consumers. Nearly fifty thousand shoppers registered with CommonKindness during the first two weeks after the launch.

"I think the nonprofit connection is a great feature," said coupon guru Cindy Livesey of Living Rich with Coupons. "Couponers are always looking for ways they can give back. To be able to help others while saving money themselves is just a perfect combination."

### **Free Informational Webinars from Pinpoint Data**

As an industry leader, Pinpoint Data strives to stay atop the latest information and guidelines, and provide education on various topics within the industry. With that in mind, Pinpoint Data is excited to offer the following free informational webinars:

#### ***Family Code 411 Presentation***

Whether you are just getting started couponing, interested in revising your current Family Codes, or just looking for a refresher, this webinar will be beneficial for you! We will review the family code guidelines, how family codes work at point-of-sale (POS), as well as how to establish a family code structure that works best with how you promote your products, and how to distribute the data for accurate coupon product validation at POS. Contact Pinpoint Data 908-756-9400 or [info@pinpoint-data.com](mailto:info@pinpoint-data.com) for days/times.

#### ***DataBar Coding Capabilities***

The GS1 DataBar coupon barcode standard has revolutionized the coupon process. With a considerable amount of additional coding capabilities, the new DataBar is not only much more powerful, but also more complex. Keeping that in mind, Pinpoint Data is offering its original webinar presentation that will go into the intricacies of all the coding options that are now available with DataBar. Contact Pinpoint Data 908-756-9400 or [info@pinpoint-data.com](mailto:info@pinpoint-data.com) for days/times.

### ***Couponing Best Practices***

Pinpoint Data is looking forward to offering a brand new webinar that will highlight the various considerations that should go into the coupon process. From Clearinghouses, to family code establishment and management, and beyond, we will cover it all! Contact Pinpoint Data 908-756-9400 or [info@pinpoint-data.com](mailto:info@pinpoint-data.com) for days/times.

### **Circupon is live**

One of the newest members of the ACP went live with its first release in October 2012.

Circupon lets users quickly search the weekly circulars and matching coupons for super savings. Starting with the drugstores, Circupon hopes to serve its growing user base with great deals, and give brands and retailers opportunities for targeted engagement.

We look forward to working with the ACP and its members on best practices and helping to provide consumers with the best value shopping experience. For more information and updates on new store and coupon additions, please visit <http://circupon.com> to sign up and follow us on Twitter: @circupon.

### **RevTrax(R) Launches RevTrax OpenShare(TM) to Connect Social Couponing With In-Store Sales**

#### **Hundreds of Major Brands & Retailers Are Connecting Digital Promotions to Offline Sales With RevTrax**

RevTrax(R) today announced the launch of RevTrax OpenShare(TM) to connect social coupon sharing to in-store sales. The latest RevTrax innovation aimed at ushering coupons out of the digital infancy stage, RevTrax OpenShare enables marketers to socialize digital promotions, identify high-value consumers and track resulting revenue lift at the offline point of sale.

Although widely used to drive in-store sales, digital coupons routinely lack features that make it easy for consumers to share coupons and for marketers to track sharing or understand revenue impact at the offline point-of-sale. The most common roadblock between marketers and accurate tracking and measurement is the inability for consumers to access coupons without downloading third-party software or being redirected to a third-party website.

Building on RevTrax's core omnichannel digital promotions platform, RevTrax OpenShare eliminates common roadblocks to make social coupon sharing easy for consumers and social sharing insight and corresponding offline sales insight easy for marketers. OpenShare is the first

social coupon technology to remove all sharing friction and to provide granular insight into how coupon discovery and generational coupon sharing impact offline sales.

OpenShare is also channel-agnostic, allowing marketers to issue social coupons via any digital channel (email, display, social, search, mobile, affiliate) and giving consumers the ability to share coupons by clicking 'share,' or by simply sharing a link or URL. RevTrax locks down coupons through a variety of proprietary security features, ensuring the risk of redemption fraud is minimal.

"Despite hand-waving by a multitude of technology providers, digital coupon technology simply has not benefitted from the type of innovation we're seeing across the broader digital and social landscape," said Dan Kersten, Consumer Promotions, Kimberly-Clark. "RevTrax is the rare exception and fits squarely within our strategy to leverage digital and social to not just drive in-store brand sales, but to have insight into how promotions are working and why."

"Digital coupons and promotions are one of the most effective vehicles for driving both existing and new customers to the online or offline point of sale," said Jonathan Treiber, co-founder and CEO, RevTrax. "RevTrax OpenShare(TM) gives brands and retailers the ability to execute a social sharing campaign with an easy path for consumer sharing across any channel. When combined with our core RevTrax marketing analytics platform, marketers gain incredible insight into their biggest brand advocates and which channels are having the greatest impact on sales."

Some of the world's most well known brands and retailers use RevTrax to secure and measure omnichannel digital promotions. For more information on RevTrax OpenShare, visit <http://revtrax.com/solutions.php> .

About RevTrax RevTrax(R) is an omnichannel promotions platform that empowers brands and retailers to drive and measure in-store sales securely through any digital marketing channel. RevTrax provides security and revenue attribution for mobile, printable, and ecommerce promotions executed across email, search, social, display, mobile and other digital channels. Founded in 2008, RevTrax is headquartered in New York City.