



Solutions Made Simple: Build Your Brand using Coupons!

GET STARTED TODAY ON YOUR COUPON PROJECT!

The best place to start your coupon project is to define your marketing objective.

Do you want to...

- Attract and capture sales at point of purchase?
- Encourage trial?
- Encourage brand watching?
- Defend your brand against private label / store brand competition?
- Generate repeat purchase?
- Build Loyalty?
- Incentivize consumers to trade brands?
- Increase purchase frequency?
- Do cross branding?



COUPONS ARE A PROVEN WAY TO INCREASE SALES!

- 72.3% of consumers use coupons.
- 70% of purchase decisions are made in-store.
- 47% of consumers are always looking for promotions.
- **Extremely Effective:** Instant redeemable coupons have the highest redemption rate of all coupon types.
- **Low-cost investment that can generate a big return.**

INCREASE SALES, LOWER COST, & EXTREMELY EFFECTIVE!

INCREASE SALES

By adding a coupon to your product package, you will increase the number of new customers, increase the return of former customers, and increase long lasting strength.

LOWER COST

Coupons are an inexpensive form of marketing. You can achieve low volume or exact order quantity with smaller discount amounts. An instant redeemable coupon costs a very small percentage of your product and it's packaging, but delivers a big return.

EXTREMELY EFFECTIVE

Instant redeemable coupons have a higher redemption rate than all other coupon types. Coupons are a very highly measurable form of marketing, so you are able to easily track your return.



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IMPORTANCE OF COUPON DESIGN

The importance of coupon design is to minimize the opportunity for deductions. Make sure to effectively communicate promotion to the consumer. Now as far as the retailer goes, you should clearly communicate the following with the retailer: Let the retailer know your reimbursement policy, set an expiration date (embedded in barcode), and communicate where to send the coupons.

All coupons should follow standard coupon design. The following are recommended guidelines for developing an effective Internet coupon:

- 1. Barcode / Databar:** A barcode is a symbol (lines and spaces) that represent a number + more accurate and efficient than keying in a code or number.
 - The barcode at the point-of-sale (POS) provides amount and helps validate or match the coupon promotions with the products scanned. What is the value of the coupon? Did the consumer purchase what the coupon required?
 - Within the coupon processing industry: Direct the coupon to the paying manufacturer and this helps determine the amount retailers bill the manufacturer.

For more information on barcodes or to get a barcode for your next coupon promotion, go to GS1.com.
- 2. Expiration Date:** The words “expiration date” with the actual date (i.e. xx/xx/xxxx) should be printed on every coupon. Always include the month, day, and year the coupon will expire. To limit your promotion liability, avoid issuing a coupon without an expiration date.
- 3. Face Value:** The face value should be prominently stated. Face values should be based on the GS1 US approved value code listing. The coupon should offer specific savings amount (i.e. cents or dollars) to be discounted versus a “percentage discount.” Avoid “Free” and High-Value Offers.
- 4. Legal Copy:** Coupons are a contract between the issuer of the coupon and the retailer. Therefore, the legal copy on the coupon is intended to protect the issuer from fraud and misredemption. Use the words, “Void If Altered, Copied, Transferred, Purchased, or Sold.”
- 5. Offer Code:** The terms of the offer including purchase requirement, quantity, size, and value. The UPC (Universal Product Code) should be placed in the lower right corner of the coupon, clear and easy to read. The UPC must be in black on a white background and should be at 100% magnification with sufficient “quiet zones” on both sides of the barcode. Use the standard 12-digit UPC code which includes the Number System Character “5,” your Manufacturer Identification Number (MIN), family code, and value. All coupons must conform to GS1 US coupon code guides (Application Standard code, and check digit for UCC Coupon Codes).
- 6. Coupon Construction/Design:** Fold out [z-fold, c-fold, etc.], peel and reveal, multi-page booklet, perforated construction, and more. (Construction/style type show in example: Piggyback, which can be used as an instant redeemable coupon.)
- 7. Product Illustration:** A picture of the product should always be displayed on the coupon.
- 8. Product Name & Logo:** The product name should be placed in the center of the coupon and if space permits, the product logo should also be included.



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9. Purchase Requirements:

1. **Consumer:** Only one coupon per purchase on specified product. You pay sales tax.
2. **Retailer:** We will reimburse you the face value of this coupon plus \$0.08 handling provided it is redeemed by a consumer at the time of purchase on the brand specified. Coupons not properly redeemed will be voided and held. Alteration or reproduction of this coupon is expressly prohibited. "May not be sold, transferred, copied, or auctioned." (ANY OTHER USE CONSTITUTES FRAUD.) Mail to: ABC Company, 122 Main Street, Anytown, USA 00000. Cash value \$0.001. Void where taxed or restricted. LIMIT ONE COUPON PER ITEM PURCHASED.

10. **Redemption Address:** Send coupon to P.O. Box 880409, El Paso, TX 88588-0409.

11. **Source Identification:** To help cashiers, retail clearinghouses, and manufacturer redemption agents to clearly distinguish the different types of coupons.

Example of a well-designed coupon:





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BUDGETING FOR COUPON

What can you expect to pay?

- Face Value of Coupon - %.40 off 1
- \$0.08 Handing Fee
- Miscellaneous Fee (Varies Per Retailer)
- Manufacturer's Agent Fees
- Printing & Distribution Fees

Budgeting - Forecasting

- Coupon Redemption Factors
 - Method - FSI = 0.52%
 - IRC = 16.66%
 - Face Value

GETTING STARTED: COUPON CHECKLIST

- Establish objectives for your coupon program
- Partner with a Manufacturer's Agent (If Needed)
- Determine the face value of the coupon
- Determine the number of consumers you want to redeem
- Choose a method of distribution
- Estimate the quantity of coupons distributed
- Budgeting & Funding
- Develop the creative - coupon design
- Create a barcode
- Print & Distribute the coupon
- Reimburse the retailer





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COUPON STYLES / FEATURES / CONSTRUCTIONS

Your marketing objectives as well as the package design of your product will help determine the best way to design and execute your coupon project.

Coupon Applications

- Retail
- Health & Beauty
- Food & Beverage
- Medical
- Automotive
- Promotional

Coupon Constructions

- Fold-out [z-fold, c-fold, etc]
- Peel & Reveal
- Multi-page Booklet
- Perforated Construction
- And More!

Coupon Options

- In-pack
- On-pack
- On-shelf
- Instant Redeemable Coupons
- Overwrapped
- Direct food content
- Hang tag
- Hand-out
- Multiple in a Booklet
- Direct Mail
- Combination with game piece
- Extended content label with coupon

In-Pack

- Will not obscure prime label
- No chance of falling off or damage
- Cannot be used immediately; used for purchase
- Consumer interaction at time of use vs. in store
- Can be engineered for food contact or temperature extremes

On-Pack

- Cut to any shape
- Conform to uneven surfaces
- Use special adhesives
- Include multiple advertising panels / messages
- Will add color to any package
- Can be applied by hand or automatically





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STANDARD CONSTRUCTIONS FOR COUPONS

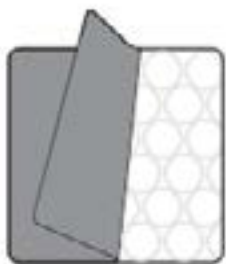
Custom configurations are also available for all our Coupon types

- Fold-out [z-fold, c-fold, etc]
- Peel & Reveal
- Multi-page Booklet
- Perforated Construction
- And More!

Technical Features

- Easy peel
 - Leaves no messy residue on the product or the customer
- Variable Imaging, Variable Data
- Special Adhesives
 - Dry peel ensures one-time usage for maximum security
- Resealable flaps
- Up to 12 colors
- Multiple panels provide extended data
- Printed on both side including variable barcodes to track promotions
- Support regional or national promotions
- Standard and custom shapes & sizes
- Produced in roll form, sheeted, and / or custom constructed
- Printed on both sides including variable barcodes to track promotions

Peel & Reveal



Single Fold



Booklet



Double Fold



Triple Fold





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ADDITIONAL CONSIDERATIONS FOR YOUR COUPON

Coupon Design: *Environmental Consideration*

You must take into account the environment & performance requirement for the coupon

- Custom tailored to the application
 - Frozen
 - Wet
 - Dusty
 - Extreme hot or cold
- Example: Cooked with Food Coupon (heat resistant)
 - Placed on clear lid of frozen dinner
 - Concern with coupon being “cooked”
 - No order, melt, or deforming
 - 500 degrees exposure for 75 minutes

Coupon Expertise: *Security Features*

Incorporating security features for validation and authentication is good insurance

- Single or multiple layers of protection including
 - Photocopy prevention features
 - Authentication using UV light or other means
 - Serialization
 - Variable Imaging
 - Holographic Imagery
 - And More...



Coupon: *Application Considerations*

Consider your production line and how you will execute the application of the coupon onto or into your product

- Will your current equipment meet the application needs of the coupon?
- Capital Requirements
 - Purchase or lease application equipment?
- Coupon Design
 - Unwind direction
 - Release strength between piles
 - Roll tension for easy roll handling and dispensing
 - Glue corner is typically on the trailing edge for automatic application situations