

# All about Coupons

## Coupon Facts

- ~76% of the United States population uses coupons.
- ~Shoppers saved nearly \$3 billion last year by using coupons.
- ~The typical coupon was worth \$1.00 savings in 2004.
- ~Coupon users report an average of 11.5% savings on their grocery bill with coupons.
- ~Manufacturers offered more than \$300 billion in coupons savings in 2004.

## What's New?

Manufacturer offers are just one slice of the coupon pie-retailers are increasingly turning to coupon promotions to help attract, retain and reward loyal shoppers-in fact, in 2004, 46% retailers reported offering shoppers some form of a bonus coupon program.

### All Age Groups use Coupons!

Age	% using coupons
18-24	65%
25-34	74%
35-44	76%
45-54	80%
55-64	82%
65+	78%

### Coupon users broken out by income:

Income	% using coupons
under \$25,000	77%
\$25-50,000	80%
\$50-\$75,000	77%
\$75,000+	74%

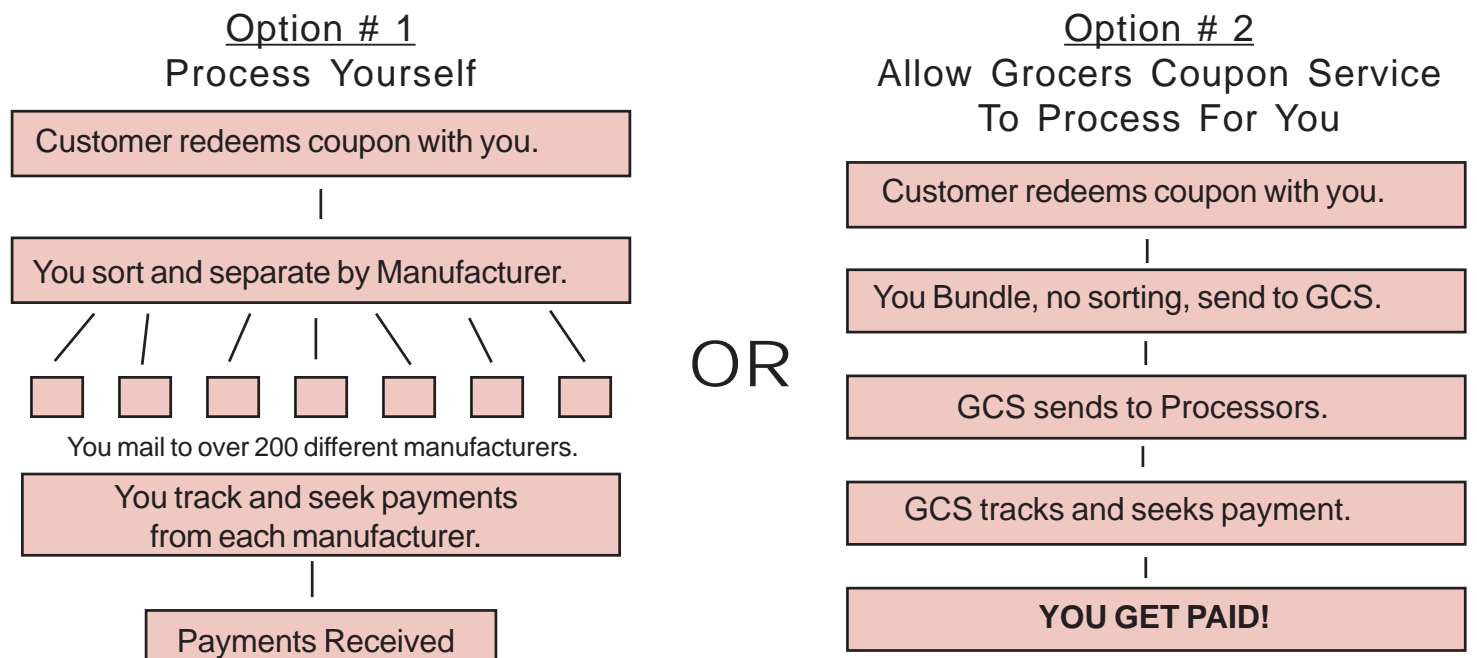
## History of Coupons

- 1894** Coupons are born! Asa Candler, the druggist who bought the formula for Coca-Cola for \$2,300, gives out handwritten tickets for a free glass of his new fountain drink.
- 1895** Next stop, the local grocer! C.W. Post distributes the first grocery coupon worth one cent towards his new health cereal, Grape Nuts.
- 1930's** Coupons are a staple in American households because of the Depression. Everyone needs to save money wherever possible, and clipping coupons clips weekly grocery bills.
- 1940's** Supermarkets sprout across the country and continue the coupon tradition that had begun in neighborhood groceries.
- 1957** The Nielsen Coupon Clearing House becomes the first clearing house devoted to coupon redemption. Coupons have created a new industry.
- 1965** One-half of Americans are now coupon users.
- 1975** Coupon popularity continues to grow. Over 35 billion coupons are distributed and 65% of American households clip!
- 1998** America celebrates the first National Coupon Month. Children create art designs of their favorite coupons in the 1st Annual Coupon Month.
- 1999** American shoppers learn how to be savvy by saving with coupons during National Coupon Month, Sept. 1999 and, real men are found to use coupons too.
- 2000** Parents learn how to involve children in saving with coupons for National Coupon Month 2000.
- 2001** Teachers use coupons to teach the value of money in the Fourth National Coupon Month.
- 2002** Shoppers save \$3 billion dollars by redeeming 3.8 billion coupons.
- 2003** 77% of consumers report using coupons, making it one of the most popular shopping activities in America.
- 2004** 79% of primary shoppers report that they have used coupons.

Source: [www.couponmonth.com](http://www.couponmonth.com)

# Program Information and Rate Schedule

## A Coupon Service You Can Count On!



## ***To all Retail Grocers:***

If you are a retailer, you should be redeeming coupons, and we want to be your Coupon Processing Agent. Our program is dynamic, flexible, gives one of the highest handling fee returns, and is endorsed by your trade association as another membership benefit to you.


Manufacturers have made coupon redemption an essential part of your business.

Amid tales of economic uncertainty and consumer malaise, leading packaged goods marketers turned to proven promotional tactics to protect and grow market share. 2004 coupon distribution rose 3.4% to 336 billion coupons, offering consumers more than \$272 billion in potential savings. That gives us about 3,100 coupons (60 coupons per week) for every household in the U.S.

You can count on our program to be working in your best interest. Our staff is always available to answer your questions or give you other assistance when needed.

Please look at what is in it for you and then sign up today for this service specifically planned for your business.

Sincerely,



John M. Dumais, Administrator

## **Let Grocers Coupon Service (GCS) –**

Redeem the thousands of coupons you receive annually from your customers.

- ~If not a member, join your trade association.
- ~Complete Application and Coupon Redemption Agreement.
- ~Pack your coupons in boxes or envelopes and include GCS's Coupon Shipment Deposit Slip.
- ~Ship them third or fourth class insured mail or via one of the parcel services.

***That is all there is to it. No more tying up valuable hours of sorting and counting those coupons.***

### **MULTIPLE STORES/LOCATIONS**

If a retailer owns more than one store, and each store is going to submit on their own, each store would each need their own account.

If the stores are going to combine their coupons at one location (i.e. headquarters, office, etc) and submit them all together they would only need one account (and provide a list of each store).

### **COMPETITIVE RATE SCHEDULE**

In order to keep the Grocers Coupon Service program current with the needs of today's retailer and competitive with what is being offered in the market today, GCS provides various rates to its' members. Each rate is based on total coupon volume per shipment. Depending on the total volume of coupons submitted, you will receive a check for the full amount of your redeemable coupons, plus a share of the handling fee, as outlined below, less a one cent processing fee. We strongly recommend that coupon shipments be redeemed in a timely manner to assure you a greater return.

### **COMPETITIVE RATE SCHEDULE**

Coupons/Shipment	Fee Returned
1-500	Face Value Only
501-1,000	Face Value + \$0.0150
1,001-3,000	Face Value + \$0.0250
3,001-5,000	Face Value + \$0.0350
5,001-10,000	Face Value + \$0.0375
10,001-20,000	Face Value + \$0.0400
Over 20,000	Call for a special rate

## **FAQ'S ABOUT REDEMPTION**

**How do I start the redemption process?**  
First, complete the Application. Secondly, mail it to Grocers Coupon Service, 110 Stark Street, Manchester NH 03101. A coupon representative will contact you once your application has been received.

**Do I need to label my coupons?**

No. Once GCS has received your Contract, you will receive a phone call and the coupons representative will provide you with your ID number, which you can write next to your return address for your first shipment. Once you receive your first check, you will receive labels for the next batch you send.

**Do I need to count or sort the coupons?**

No, just package them in boxes or envelopes. Ship them third or fourth class insured mail or via one of the parcel services.

**How long does it take for me to get reimbursed?**

Typically, payments are received within about 45 days. The first shipment takes about a week longer. Yes. First you must be a CURRENT MEMBER of your Trade Association.

**What are chargebacks?**

When a manufacturer, for any reason, refuses to redeem any coupon.

## **IN ORDER TO REDEEM COUPONS THERE ARE CERTAIN RULES FOR THE...**

### **MANUFACTURER**

They must plan their product promotion with care. They must design a legal, easy to handle coupon, to try and do otherwise could involve legal problems.

### **CONSUMER**

They must plan their shopping items to include the coupons they have. They must remember to redeem the coupons only for the merchandise as stated on the coupon, to try to do otherwise could involve legal problems.

### **RETAILER**

They must be aware of the coupons in their locality and stock merchandise accordingly. They must redeem only the coupons presented with the specified merchandise as stated on the coupon. They must NEVER allow cash to be exchanged for coupons in any way. They must protect this effective method of direct consumer discounting that the manufacturers have planned.

### **COUPON CLEARING HOUSE**

They must carefully accept the retailers coupons and verify their authenticity. They must establish that a retailer be an active business, with a proper business address. The coupon must be individually trimmed by the customer, not trimmed in anyway, as to alter the original appearance.

### **THE GCS' TRACK RECORD**

Last year, the GCS returned more than \$5 million to its members for their redeemable coupons...and we are now paying more than ever before!  
If you want part of that action, fill out the application/redemption agreement and mail it to Grocers Coupon Service TODAY!!!

## **COUPON HANDLING TIPS FOR CASHIERS**

Cashiers are the first line of defense against coupon misredemption. The following guidelines for checkers will help avoid most coupon returns, demands for proof of purchase, and payment refusals.

1. Ask the consumer to present coupons prior to ringing up the order.
2. Do not accept coupons unless product specified is actually purchased.
3. Make sure it is a complete coupon. Refuse to accept coupons with redemption instructions torn away.
4. Make sure it is in fact a coupon. Some items look like coupons, but are not. The coupon must have redemption instructions, addresses, etc.
5. Watch the expiration date and do not accept expired coupons.
6. Do no pay cash for any coupon, regardless whether the request comes from a friend, church group, charity, etc.
7. Do not, under any circumstances, make up register cash shortages with coupons or replace cash with coupons for any reason.