

Joint Industry Coupon Committee Voluntary Guidelines for Digital Coupons





The Association of Food, Beverage
and Consumer Products Companies

Based in Washington, D.C., the **Grocery Manufacturers Association (GMA)** is the voice of more than 300 leading food, beverage and consumer product companies that sustain and enhance the quality of life for hundreds of millions of people in the United States and around the globe.

Founded in 1908, GMA is an active, vocal advocate for its member companies and a trusted source of information about the industry and the products consumers rely on and enjoy every day. The association and its member companies are committed to meeting the needs of consumers through product innovation, responsible business practices and effective public policy solutions developed through a genuine partnership with policymakers and other stakeholders.

In keeping with its founding principles, GMA helps its members produce safe products through a strong and ongoing commitment to scientific research, testing and evaluation and provides consumers with the products, tools and information they need to achieve a healthy diet and an active lifestyle.

The food, beverage and consumer packaged goods industry in the United States generates sales of \$2.1 trillion annually, employs 14 million workers and contributes \$1 trillion in added value to the economy every year. For more information, please visit **www.gmaonline.org**.

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Acknowledgements

The Joint Industry Coupon Committee (JICC) presents these voluntary guidelines as a reference to the entire industry on the subject of digital couponing. Our objective in sharing these guidelines is to facilitate digital (paperless) coupon promotions in the most effective, efficient manner with strong controls for all parties, including manufacturers and their agents, retailers, digital publishers and internet coupon providers, and their retailer clearinghouses.

No single compilation of industry practices, recommendations or guidelines will be applicable to all conditions or products. The guidance presented in this document represents the best practices based on our knowledge and experience to date. The guidelines will be continually improved as digital couponing evolves.

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GS1

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GS1 Digital Coupon Standards

The JICC Digital Coupon Sub-Committee recognizes the publication of the GS1 *Digital Coupon Management Standard Specification* in June of 2012. Several of our Sub-Committee member companies were part of the GS1 effort. We feel that the two standards are complementary. The *JICC Voluntary Guidelines for Digital Coupons* cover a broader set of topics and are focused on the needs and requirements of US based retailers, manufacturers and industry players. We plan to work with the GS1–U.S. Member Organization to ensure clear communication to the U.S. market place of both important standards documents.



1. DIGITAL COUPON OVERVIEW

A. DIGITAL COUPON DEFINITION

A digital coupon is a coupon that traverses the full coupon process (set-up, communication, discovery, presentation, validation, and redemption) without manifesting as “paper” or in other hard-copy form. Digital coupons can be stored and presented via numerous digital devices. Examples include: mobile phone, electronic key fob, loyalty card, USB drive, magnetic card, radio frequency (RFID) card, camera, mp3 player, etc. The transmission of digital coupons from one step to another may occur physically (e.g., swiping of a card, hand entry of a visually presented coupon code), electronically (e.g., via near-field communication (NFC), infrared/light emitting diode (LED) strobing, etc.), or a combination of these, as well as other implementations. For purposes of this document, internet Print-at-Home coupons are not considered digital coupons.

Digital coupons also have the following characteristics:

- May be distributed by a third party digital coupon publisher which presents digital coupon offers on behalf of manufacturers and administers redemption programs for retailers. Digital coupon publishers may present digital offers to consumers via websites (publisher, manufacturer, retailer, or other third party sites); social media and mobile applications or other electronic venues.
- Individually cleared and reimbursed through manufacturers and their agents.
- Offers are validated at point of sale (POS) using a valid product code (GTIN), and invoicing is based on POS transactions. Invoices are sent to the manufacturers or their agents electronically by the retailers, or their retail clearinghouse. To support more accurate item validation and minimize cashier intervention, validation by family code is *not* recommended.

To prevent large scale fraud, the JICC recommends digital coupon executions should not utilize human readable or scannable barcodes due to the ease of distribution and alteration on mobile devices.

B. END-TO-END PROCESS AND FUNCTIONAL REQUIREMENTS

The objective of this document is to provide guidelines for an “end-to-end digital coupon process” in the form of functional requirements. The purpose of outlining general processes and functional requirements is to ensure that all parties involved in the life cycle of a digital coupon offer achieve their desired objectives in a high-quality, well-controlled manner, while making every effort to prevent fraud.

Definition:

An *Offer* is a detailed description of an incentive that is offered to a consumer. There are two major types of offers: retailer promotions and manufacturer coupons.

A *Retailer’s Promotion* is an incentive in the form of a discount offered by a retailer to its consumers. It does not necessarily need to have the same tightly-controlled process as a manufacturer’s coupon. However, it is in the best interest of the retailer to follow as many of the guidelines as possible to prevent internal fraud.

A *Manufacturer’s Coupon* is a third party transaction. The manufacturer is responsible for paying the retailer for a portion of the consumer’s transaction. Therefore, a coupon is treated like a form of tender (a promissory note), and should be as tightly controlled as possible in order to prevent fraud.

1. DIGITAL COUPON OVERVIEW (cont.)

A coupon:

- Is considered a form of legal tender (like a check)
- Is treated as revenue by the retailer
- Is taxable revenue
- Is auditable
- Affects the manufacturer's accounts payable
- Affects the retailer's accounts receivable

A *Network* is the scope of the distribution of the Offer. Examples:

- If an offer is a retailer's offer or promotion, then the network can be an individual store (*i.e.*, in-store promotion or store grand opening offer), a group of stores in a market or designated region, or the entire retailer's properties.
- If an offer is a manufacturer's coupon, then the network can be any advertising/presentation channel or any retailers that reside within the distribution area of the offer.

The Digital Process

An effective digital coupon process has eight distinct functional capabilities/components designed to work together to prevent fraud on a massive scale. In other words, fraud prevention is as much an integrated process as it is a technology solution.

The functional capabilities listed below can be developed by retailers, manufacturers, or by third-party solution providers that act on behalf of the retailer or manufacturer.

The eight Components are:

1. **Offer Creation:** This component provides the manufacturer, retailer, or agency the ability to create a valid offer for consumers. See Exhibit 6A for full details of the data elements necessary to aid in consumer presentation, point-of-sale set up and coupon settlement.
2. **Offer Authorization & Managed Distribution:** This component allows the issuer the ability to approve the offer. Upon approval, the offer is published to the other components in the process, which allows validation against the approved offer.
 - The offer information must be transmitted to the components responsible for presentation, account management, redemption, settlement, invoicing and auditing.
 - The offer information must be transmitted to the retailer such that the retailer can validate, approve or reject the offer, at the store, prior to the POS transaction completing.
 - The coupon issuer, either directly or via its distribution partner, is responsible for providing updated offer information to all relevant parties if the terms and conditions of the offer change. For example, if a company divests or acquires product lines/brands while a digital coupon offer is valid in the market for such product line/brands, any change in the party responsible for the payment of active coupons must be communicated to all parties.
3. **Offer Presentation (Discovery & Acquisition):** This component allows the consumer the ability to find and save the offer to their account. The company presenting the offer is responsible for:
 - Verifying that the offer is still available for consumption.

1. DIGITAL COUPON OVERVIEW (cont.)

- Verifying that the offer has not expired.
 - Validating that terms and conditions are met before depositing a promotion or coupon into the consumers account (*e.g.*, limit one-per-account, budget controls, etc.).
 - Linking the offer ID to the consumer or a consumer's account in some unique manner.
4. **Consumer Account Management:** This component allows the consumer the ability to create, view and manage their personal account information and offers.
 - The consumer should be able to change name, address, phone number, frequent shopper card number and email address associated with their account.
 - The consumer should be able to view the requirements and status of their offers.
 - The account management component must be able to automatically remove manufacturer's coupons from a consumers account once the offer has expired.
 - The account must be able to distinguish which coupons have been redeemed and which coupons are still available for redemption.
 5. **Coupon Redemption:** This component is responsible for providing the discount to the consumer at the POS. The component must:
 - Verify the consumer (or consumer's account) during the transaction.
 - Validate the purchase of the product which meets the criteria of the published offer (*i.e.*, validate that the terms and conditions are met) prior to providing a discount.
 - Provide a discount to the consumer, applying the discount correctly within the transaction based on offer type.
 - In *near real-time*, notify the consumer account management component in the network that redemption has occurred, in order to prevent multiple redemptions of that coupon within that network.
 - Notify the coupon settlement, coupon invoicing & payment, and coupon report & audit components of the redemption in order to complete the process. This should be done on a predictable and standard timeline, *e.g.*, daily, weekly.
 6. **Coupon Settlement:** This component sorts the coupons according to issuer and offer ID. The settlement component should provide the issuer's agent the required data in the industry format for redemption. See Exhibit 6B for full details of the data file elements necessary for the coupon settlement process.
 7. **Coupon Invoicing & Payment:** This component invoices the issuer's agent on behalf of the retailers for the coupons redeemed for the published offers (within a specified time period). The invoicing component should provide the issuer or their agent the required data elements, as provided by the retailer via their redemption file in an industry-accepted format.
 8. **Coupon Report & Audit:** This allows all parties involved in the transaction to validate that a consumer has saved an offer, redeemed an offer inside a transaction for a specified product, and then track that transaction through the settlement process.

1. DIGITAL COUPON OVERVIEW (cont.)

C. COMPARISON OF PAPERLESS VS PAPER COUPONS

The chart below summarizes key steps in the lifecycle of a digital coupon offer and the corresponding steps for a paper coupon offer.

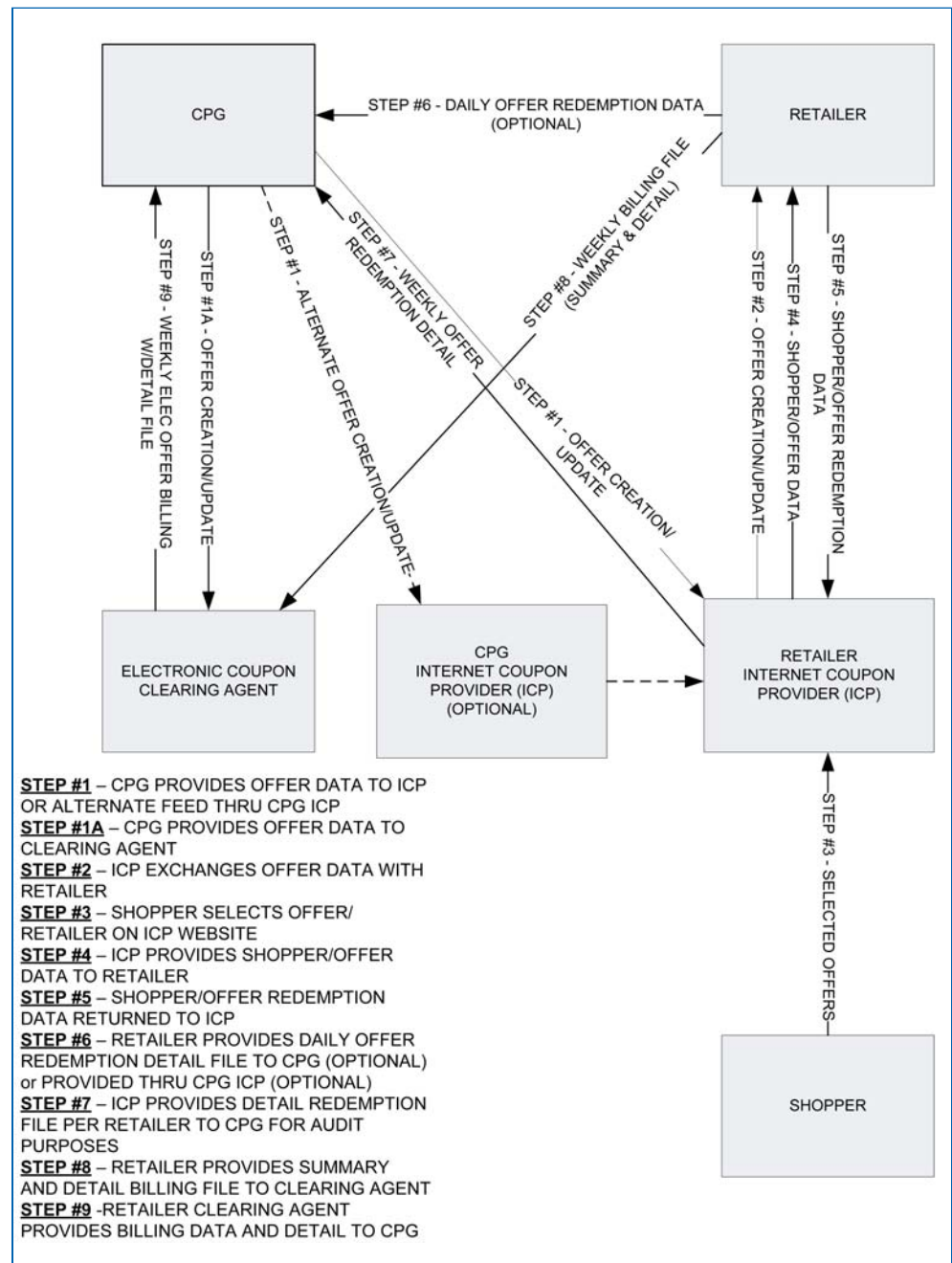
	Digital	Paper
Coupon Form	(Paperless)	(Paper)
Barcode/ Barcode Data	Coupon validation data is included in set-up and redemption files and is <i>not</i> displayed or viewable on a device.	Coupon validation data is included in the barcode.
Distribution Method	Offers made available to consumers electronically via websites and devices, such as a mobile phone.	Offers made available to consumers in print via newspaper, mail, magazine, in-store, Internet print-at-home.
Consumer Acquisition	Consumers download selected coupons to a unique customer ID for a participating retailer.	Consumers clip coupons from a variety of sources and can be used at any retailer.
Consumer Presentment	Consumer presents applicable form of unique identification via a number of options — retailer specific loyalty card, key entry of unique ID, electronic transmission to point-of-sale light emitting Diode (LED), Near Field Communication (NFC).	Consumers hand coupons to a cashier.
Purchase Validation	Unique consumer ID triggers systematic process of identifying and validating available offers for a specific consumer. Recommended validation is based on product GTIN's.	A cashier scans the barcode on a coupon to capture coupon value and validate product purchases. Recommended validation is based on company prefixes and family codes. If coupon cannot be scanned, cashier manually enters value and manually checks for product purchase.
Use of Multiple Manufacturer Coupons for the Same Item	Best practice for retailers to minimize “stacking”: establish rules at POS to address situations where a digital and paper coupon are presented for the same item; Best practice for manufacturers: be clear on your policy, e.g., one coupon per item and try not to duplicate offers in multiple media (also see Stacking section).	Best practice for retailers to minimize “stacking”: implement family code validation and include in coupon acceptance policy; Best practice for manufacturers: provide accurate family code data and include in coupon terms and legal copy.
Offer Set-up at POS	Advance offer set-up required to authenticate and validate digital coupons.	Advance offer set-up at retailer is not required for retailer to accept and validate paper coupons.

1. DIGITAL COUPON OVERVIEW (cont.)

	Digital	Paper
Coupon Form	(Paperless)	(Paper)
Unique Manufacturer's Offer Code	Coupon must have a unique manufacturer's offer code and must be provided by retailer as part of redemption process (this code is included in the set-up and redemptions files).	Coupon must have a unique manufacturer's offer code and it is not typically captured by retailer as part of consumer redemption process; capability to validate coupon offer codes is available in the GS1 Databar.
Validation of Expiration Dates	Yes, if included as part of coupon issuer (manufacturer) controlled offer terms and conditions.	Yes, if manufacturer includes in coupon barcode and validation is enabled by retailer at POS per their individual coupon policy.
Validation of Multiple Purchase Requirements	Yes, via individual product GTIN's.	Yes, via company prefixes, primary purchase requirement and family code elements now available in the GS1 barcode (not available in UPC-A); must be enabled at POS per individual retailer policy.
Financial Settlement Enabled By	Submission of electronic data exchange only via industry agreed upon formats.	Submission of physical coupons (two count), or via authorized electronic data exchange (one count) in industry agreed upon formats.
Audit Requirements	Audits will need to include all parties in the end to end digital process, i.e., content/distribution provider, retailers, retailer third-party enabler/ICP, retailer clearinghouses, manufacturer agents). Recommended to combine audits to maximize efficiency for all parties, e.g., audit at retailer may cover multiple manufacturer programs in one audit engagement. Requirements may include system and process controls; accuracy of data flows between parties, and transaction data. Recommend all parties have SSAE 16 and/or SOC2 evaluation to document controls.	Audits typically cover a retailer clearinghouse or manufacturer agent. Requirements may include system and process controls; coupon handling, storage, destruction, etc. Recommend all parties have SSAE 16 and/or SOC2 evaluation to document controls.
Parties Involved		
Manufacturer/ Coupon Issuer	Yes	Yes
Content/ Distribution Provider	Yes	Yes
Retailer	Yes	Yes
3rd Party Enabler/ICP	Yes	n/a
Retailer Clearinghouse	Yes	Yes
Manufacturer Agent	Yes	Yes

1. DIGITAL COUPON OVERVIEW (cont.)

D. FLOWCHART AND DATA FLOWS



2. FORMATS, STANDARDS, TRANSACTION SETS

A. OVERVIEW: OFFER SET-UP FILE

In order to ensure consistent and accurate communication of coupon *offer data elements* among all parties in the digital coupon life cycle, a recommended standard file layout has been established (see Exhibit 6a). The comprehensive file layout outlines the required, preferred and optional data elements for three areas of the digital process: consumer presentation, point-of-sale set-up and coupon settlement.

Important Note: The coupon issuer, either directly or via its distribution partner, is responsible for updating offer information and notifying all relevant parties should terms and conditions of the offer change. For example, if a company divests or acquires product lines/brands while a digital coupon offer is valid in the market for such product lines/brands, any change in the party responsible for the payment of active coupons must be communicated to all parties.

B. OVERVIEW: REDEMPTION FILE—RETAILER TO CLEARINGHOUSE

In order to ensure consistent and accurate communication of coupon redemption data to a coupon clearinghouse on behalf of a retailer redeeming digital coupons, a recommended standard file layout has been established (see Exhibit #6b). The comprehensive file layout outlines the required, preferred and optional data elements necessary for invoicing a manufacturer for payment.

-

3. UPFRONT CONTROLS

A. COUPON STACKING OVERVIEW and BEST PRACTICES

Overview

Manufacturer coupons are available in various media (paperless, paper) often from multiple sources, *e.g.*, loyalty card, mobile, free standing inserts, direct mail, print-at-home, etc. The variety of coupon media choices at any one time increases the risk that more than one manufacturer coupon may be applied to a single purchase.

The basic requirements remain unchanged for manufacturers and for retailers:

- Manufacturers expect no change to the one manufacturer coupon (in any form) for one purchase requirement.
- Retailers need to maintain customer service and speed of checkout lines.

Manufacturer Coupon Stacking — Defined as the use of multiple manufacturer coupons on the same item(s), typically from different media, *e.g.*, paper and digital (paperless).

Recommended Best Practice to Address/Avoid Manufacturer Coupon Stacking:

Manufacturers:

- The policy on manufacturer coupon stacking should be stated in the manufacturer coupon policy or terms.
- If offers for the same brand or product are distributed in multiple media, the offer codes should be unique to each media type. For example, a print at home coupon for \$.25 Off Brand X should have a different offer code than a paperless coupon for \$.25 Off Brand X.

Retailers:

- Rules should be built systemically into POS and/or Loyalty systems to address manufacturer coupon conflicts.
- Only one manufacturer coupon in any form, should apply per common item purchased.
- The rules for priority of a shopper's manufacturer coupons against a common item are the responsibility of the retailer and/or their internal coupon provider. For example, in a conflict between a digital and paper manufacturer coupon, the retailer may determine which manufacturer coupon takes priority. In a conflict of two digital manufacturer coupons, the retailer may decide how to prioritize. See the following examples below.

B. COUPON STACKING DISCUSSION POINTS AND SCENARIOS

Below are some discussion points and questions to understand how the retailer's stacking rules are applied:

1. Understand the level of validation being done by the retailer for both paper and digital coupons; *e.g.*, Company Prefix, Family Code, GTIN, etc.
2. Understand how the retailer's POS solution deals with conflicts; *e.g.*, when two or more manufacturer coupons are present for the same item, what rules for acceptance are applied?
3. How is the retailer's coupon policy communicated to shoppers?

3. UPFRONT CONTROLS (cont.)

4. What are expectations and policies for the cashiers? How are exceptions tracked/managed?

Examples of rules for addressing potential stacking scenarios include:

1. The *paper* coupon takes priority.
2. The *digital* coupon takes priority.
3. The highest *value* takes priority.

These are only a few examples; there may be other valid rules for addressing coupon stacking and prioritizing which coupon is applied.

C. CONTROLS: GETTING STARTED

Below is a checklist of key control points that should be discussed at the initial stage of a digital coupon program to ensure the program is executed with strong controls.

Checklist

1. What is the retailer's method to uniquely identify a consumer, *e.g.*, loyalty card, phone number, PIN code?
2. Discuss stacking prevention requirements of the digital program.
Recommended approach is a systemic (POS) solution or alert, supported by the Store policy as well as cashier expectations. Confirm the system works across all stores/banners. Include retailer ICP or POS provider in discussion as appropriate. Confirm by testing prior to launch.
3. Identify the key players (manufacturer, retailer, ICP's, clearinghouse) in the end to end digital process and roles/responsibilities of each. At least one end to end process review with all key players is recommended.
4. Review the digital redemption file layout.
 - Identify what data is required versus optional. Test the digital file transmissions with data; minimum of three successful test files recommended.
 - Use a secure site for file retrieval or transmit via E-mail with file encryption.
 - Agree on transmission timing: weekly or monthly.
5. Include the retailer's clearinghouse in upfront discussions on technical and data requirements for clearing of digital offers. Test several files early in the process.
6. Request manufacturer to provide the coupon policy for their digital program.
7. Discuss/align with retailer regarding manufacturer audit requirements.
8. Request retailer to provide copy of file creation/transmission standard operating procedures and controls to manufacturer.
9. Retailer should communicate to their customers when downloaded coupons will be available for use; *e.g.*, immediately, in one hour, in one day. This should be considered both from a website (at home) and mobile (in store) issuer perspective. This information should be shared with the manufacturer, issuer and ICP.
10. Specify how customer satisfaction coupons will be handled in order to efficiently manage disputes when digital coupons do not work properly.
 - Determine which party is responsible for issuing replacement coupons.
 - Digital replacement coupons are recommended.

3. UPFRONT CONTROLS

11. Clearly define responsibility for Consumer Support on the retailer and/or issuer site(s).
12. Identify the retailer and manufacturer key contact names, email and phone numbers, *e.g.*, IT, Customer Service, etc. so that issues can be directed promptly to the right people.



4. ONGOING & PERIODIC AUDITS

A. CONTROLS FRAMEWORK

Objective

The objective of this section is to:

1. Describe the controls framework necessary for digital coupon processes to meet internal control and audit standards.
2. Recommend voluntary best practices and principles for effective and efficient audit processes for all parties involved in the end to end digital coupon process.

Definition of Controls:

Digital coupon controls consist of processes designed to provide reasonable assurance regarding the achievement of the following objectives:

- Effective and efficient execution of digital coupon programs and redemption.
- Reliability and validity of coupon offers, redemption and POS data.
- Compliance with applicable laws, regulations, and retailer and manufacturer policies.

Responsibility:

There are many players in the digital coupon landscape. These include: retailers and manufacturers, manufacturers agents, digital publishers, internet coupon providers (ICP), and retailer clearinghouses, who own parts of the digital coupon process. All players have a key role in assuring they engage in the highest standards of business and ethical practices. In addition, all are responsible for establishing strong controls throughout the digital coupon process.

Digital Coupons Controls:

Digital controls can be preventive and detective. Preventive controls are proactive activities designed to deter losses or fraud. They include control activities related to approvals, authorizations, verifications and separation of duties. Detective controls are designed to identify a loss or fraud after it has occurred. Examples of detective controls include reviews of transactions, analyses of data, reconciliations, physical reviews and audits. Controls should be proactive, value-add and cost effective.

4. ONGOING & PERIODIC AUDITS (cont.)

The table below is an example of a
Controls Framework for Digital Coupon Programs:

Organization	Systems	Processes
Organizational Structure with clear segregation of duties.	Access to system and data restricted based on function: <ul style="list-style-type: none"> – Unique login and passwords for each employee. – Segregation of duties based on role/function. – Development/program change controls in place. – Master Data set-up/change control process in place. 	Redemption policies established and followed: <ul style="list-style-type: none"> – One manufacturer coupon per item purchased. – One Customer ID per person. – Digital coupons and paper coupons may not be combined on the purchase of a single item. – Digital coupons can only be used once and should not be subject to doubling. – Resolution of coupon conflicts, e.g., paper versus digital coupon. – Cashier override guidelines and monitoring.
Internal audits of digital coupon processes performed periodically.	File creation and transmission processes controls: <ul style="list-style-type: none"> – Prevent and detect duplicate file and records before transmission. – Data accuracy and proper file format. – Ensure data integrity of In/Outbound data/files. – Use a secure site, or encrypt data/files. 	Documentation: <ul style="list-style-type: none"> – Redemption terms. – Payment terms. – File and data submission requirements. – Other key requirements.
Provide training and ensure capability of technical and operations employees: <ul style="list-style-type: none"> – Systems programmers and operators. – Cashiers. – Coupon processors. – Others. 	Data management: <ul style="list-style-type: none"> – Document guidelines and policies for data backup and recovery. – File/data retention policy in compliance with laws and manufacturer/retailer requirements. 	Processes and policies in place and documented: <ul style="list-style-type: none"> – Redemption and stacking policies. – File creation and transmissions. – Coupon offer validation against the manufacturers offer file. – Shopper ID validation.
		Segregation of duties throughout the process: <ul style="list-style-type: none"> – Owners of Loyalty Card processes. – Cashier. – Redemption file creation and transmission. – Systems programmer and operators.
		Stacking prevention integrated in POS system.
		Redemption and payment reconciliation process (retailer and retailer clearinghouse) performed to validate sorting and billing processes.
		Perform periodic audits of providers (ICP, retailer clearinghouse) processes, files, and transactions.

4. ONGOING & PERIODIC AUDITS (cont.)

B. ONGOING MANUFACTURER RECONCILIATION PROCESS

Most Internet Coupon Providers (ICP) receive redemption activity from the retail stores. It is recommended that redemption activity reported by the ICPs and what has been paid to the retailers is monitored on a regular basis.

When doing a reconciliation of redemption, there are the following considerations:

1. *Timing.* Because the ICP receives the redemption information much faster than it is received and paid by the manufacturers or their agents, there would likely be a disparity of redemption until the offer has had time to expire and sufficiently work its way through the payment and settlement process. If the manufacturer agent redemption payment data is ever higher than ICP reported redemption, it is likely an early indicator that there is something to be investigated further.
2. *Additional ICP Parties Involved.* Many retailers have contracted directly with their own ICP, so the redemption may not be reported directly from the retailer, but from their ICP to manufacturer's Issuing ICP. When doing investigation on a program, you may also need to research the retailer's ICP data.
3. *Retailer Clearinghouse.* There may or may not be a retailer clearinghouse involved in the transaction. If there is, it will be another possible audit and research touch point.

Here is a sample of what a typical reconciliation would look like:

Offer Code\ Description	Total Download Budget	ICP Reported Total Downloads	ICP Reported Redeemed Amount	ICP % of Redemption to Downloads	Issuer/Mfr Agent Redeemed Amount	Redemption Difference ICP and Issuer/Mfr Agent
747474	100,000	100,000	5,000	5%	4,900	100
*Research area identified						
Retailer #1			Retailer #2			
ICP Reported Redeemed Amount	Issuer/Mfr Agent Redeemed Amount	Redemption Difference ICP and Issuer/Mfr Agent	ICP Reported Redeemed Amount	Issuer/Mfr Agent Redeemed Amount	Redemption Difference ICP and Issuer/Mfr Agent	
2000	2000	0	3000	2900	100*	

The following areas are possible investigation points for a redemption disparity between ICP and manufacturer/manufacturer agent:

- Retailer ICP Redemption
- Manufacturer ICP Redemption
- Retailer Clearinghouse

If higher redemption rates are apparent on an offer within this process, the following areas could be looked into further.

- GTINs associated with the offer
- Start and Expiration Date Accuracy
- Downloads per Consumer Limits

4. ONGOING & PERIODIC AUDITS (cont.)

This reconciliation is most useful if reconciling multiple data flows between multiple parties. If using only one data flow, this reconciliation will not necessarily highlight issue areas. For those, the more formal audit process is recommended.

The Data Flow diagram in the Overview section, 1D, shows the multiple data flows that are possible in the paperless environment.

C. PERIODIC AUDITS

Audit Principles

- Audits may include all parties involved in the end to end digital coupon process.
- A third party auditor may work on behalf of multiple manufacturer clients. This maximizes cost and time effectiveness for the party(s) being audited and for the manufacturers. It is possible that individual manufacturer coupon issuers may have requirements to perform their own audits due to timing, or other business needs.
- Audits should address organization, system and process controls as outlined in the controls framework.
- A standard template may be used as a guide to the audit process.
- Parties involved in the end-to-end digital coupon process should retain data for audit purposes up to 14 rolling months.
- The auditor should provide adequate notice of the audit dates, scope, audit team member(s) and allow reasonable time for the audited parties to compile any documentation required for the audit and confirm availability of key resources.
- Manufacturers should utilize the redemption data they receive in the invoice files to identify and address any discrepancies on a regular basis (*i.e.*, do not wait for audit).

Control Objectives/Template for Digital Coupon Audits

The control objectives of the digital audit focus on the following elements:

1. *System Security*: How the system is protected from unauthorized access within and outside the company and how the authorized user list is managed. This may include password controls, file protection, stored data, and data in transit.
2. *Segregation of Duties*: How responsibilities are designed to ensure built in checks and balances to prevent an individual(s) from making gross errors or committing intentional fraud without detection.
3. *Data Integrity*: How the processes ensure accuracy and quality of data flowing among parties; controls for master data set-up and changes, management of cut-offs, etc.
4. *Process Documentation*: Descriptions of key processes, including training records, role descriptions, back-up/disaster recovery, etc.
5. *Testing*: Confirms results are consistent with stated policies/procedures and generally accepted controls.

4. ONGOING & PERIODIC AUDITS (cont.)

Examples of Documentation/Data that May Be Reviewed in a Digital Coupon Audit

General

- Organization charts outlining roles/responsibilities key personnel
- Training documentation
- Process flowcharts and descriptions
- File/data security
- Data storage and retention policy
- Reconciliation processes
- Master data controls and change processes
- Descriptions of how duties are segregated
- Backup & recovery processes
- SSAE 16 and/or SOC2 audits, results from internal audits/assessments
- Privacy policy

Retailers

- System security procedures
- Loyalty program policy and controls
- Coupon acceptance policy
- Cashier procedures; *e.g.*, including training materials for new cashiers on coupons, particularly addressing coupon stacking
- Cashier monitoring reports; *e.g.*, coupon override reports
- POS transaction log data for testing of *selected* transactions
- Stacking prevention, including ability to live test paper and digital coupons at POS
- Processes for ensuring proper invoice cut-off dates and no overlap of dates or redemption data between invoices
- Processes for preventing/detecting duplicate transactions

Internet Coupon Providers

- Coupon offer file
- Coupon set-up/take-down process

Retail Clearinghouses

- Offer promotion file
- Redemption data
- Data analysis and fraud detection
- A comparison of timing of actual payments against retailer payment terms

Manufacturer Agents

- Coupon offer file
- Redemption audit data
- Data analysis and fraud detection

4. ONGOING & PERIODIC AUDITS (cont.)

D. CONTROLS FOR FILE MANAGEMENT & COMMUNICATION

Key areas that should be reviewed and tested at the *Retailer Clearinghouse* include:

- Controls and procedures for offer registration (updating, adding, etc.).
- Controls to prevent invoicing of offers that have not been communicated via an offer registration file.
- Controls to prevent receipt and processing of a previously submitted redemption *file*, utilizing criteria/data elements outlined in proposed redemption file layout such as file name, file control number, file date, header record.
- Controls to prevent receipt of duplicate retailer *invoices*, utilizing criteria/data elements outlined in proposed redemption file layout such as retailer invoice number.
- Controls to identify potential receipt of duplicate redemption *records*, utilizing criteria/data elements outlined in proposed redemption file layout such as Point of Sale Terminal ID, Point of Sale Terminal Number, Point of Sale Date and Time.
- Controls for receipt and acknowledgement of file transmissions.

Key areas that should be reviewed and tested at the *Manufacturer Agent* include:

- Controls to prevent receipt and processing of a previously submitted daily paperless invoice file, utilizing criteria/data elements outlined in current EDI 880 or future XML layout such as file name, file control number, file date, header record, etc.
- Controls to prevent receipt of duplicate paperless manufacturer invoices, utilizing criteria/data elements outlined in current EDI 880 or future XML layout such as manufacturer invoice number.
- Controls to identify potential receipt of duplicate redemption records, utilizing criteria/data elements outlined in future XML layout such as point of sale terminal ID, point of sale terminal number, point of sale date and time.
- File scheduling and acknowledgement process in place and monitored by sending and receiving parties (confirmed receipt of invoice file, error report, etc.).
- If applicable, offer notification process from clearinghouse to manufacturers agent in place and being utilized by manufacturers agent (clearinghouse providing notification to manufacturer agent of upcoming offers that will be invoiced on behalf of their retailers so they can verify proper set up on manufacturer's end).
- Information for manufacturers offer properly communicated from manufacturer to agent with all required data elements needed for payment to retailer.
- Documented procedures for establishing all necessary retailer and manufacturer cross-reference information for electronic invoicing from clearinghouse to manufacturer's agent.

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5. GUIDELINES FOR CLEAR EFFECTIVE DIGITAL COUPONS

A. COUPON PREVIEW PROCESS

Offer set-up files should be available to retailers 2–4 weeks in advance of the offer effective date, so that retailers can review the offers to assure they agree with the verbiage, GTINs and other offer attributes.

B. DIGITAL COUPON DESIGN GUIDELINES

Digital Coupon Design

In order to ensure clear communication of information about the offer to the consumer, the JICC recommends the following data elements be contained within the visual display of the offer on an internet website or mobile device.

1. Clear identification of the product to be purchased (for example brand name and/or variety).
2. Image of the product to be purchased.
3. Face value.
4. Expiration date.
5. Offer short description — this is typically a brief explanation of the offer.
6. Offer long description (optional) — this may include additional qualifiers or details about the product. Availability may be dependent on whether the website allows or has room for this additional verbiage.
7. Purchase Requirements — often this is also included in the offer short descriptions, but it can be noted again in relation to face value (Ex. \$.50 off 2).
8. Terms and Conditions — these are often provided via a link.
9. Limitations — this may be contained within short description, terms and conditions, or stated separately (Ex. “Limit 2 per household” or “Excludes trial size”).

Issuers should also consider associating each offer with a product category to support search and filter capabilities.



Note: Coupon illustration above is an example only to help clarify the terms in 1–9. Some coupon displays include legal terms or extended descriptions within pop-up or scroll over functions not practical in a guideline document. Scannable or viewable barcodes should not be used in digital coupon executions.

5. GUIDELINES FOR CLEAR EFFECTIVE DIGITAL COUPONS (cont.)

C. RULES FOR MODIFYING GTIN LISTS

Occasionally, retailers will determine that the GTIN product definition of a specific offer is not complete. Ideally, this determination will be made before the offer is presented to consumers. However, consumer complaints may drive an evaluation after the offer is launched. Because of these scenarios, retailers request the ability to modify the GTIN product definition.

The reasons for adding GTINs include:

- Errors or misses, in & out GTINs or seasonal products, bonus packs, special packs, local product look-up codes (PLUs) used for large items, etc.
- To minimize shopper complaints, *e.g.*, due to unclear language on the offer.

Best Practice for Manufacturers: The manufacturer should specify if substitutions are allowed (yes or no).

If yes, the retailer should communicate the substitutions to the manufacturer to confirm agreement to the changes.

- The changes should be communicated to the ICP.
- Manufacturer and retailer should agree on the communication process to be followed for substitutions that occur before and after the coupon drop to ensure the ICP and other relevant parties are notified on a timely basis.

If substitutions are not allowed by manufacturer, retailer may reject the offer.

Note: Shoppers are learning that requirements on digital coupons are more specific. Today manufacturers approve retailer additions or substitutions; this process will be difficult to sustain as digital offers grow in number.

D. OFFER CODES

In a scenario where the same manufacturer coupon is issued in various media (*e.g.*, paper and digital), the best practice is for the manufacturer to set up a unique offer code for each media type in order to forecast liability, track and analyze redemptions and identify fraud, for example:

Free Standing Insert:	Get \$.50 Off Brand X	Offer Code = 12345
Print at Home Coupon	Get \$.50 Off Brand X	Offer Code = 67890
Digital Coupon:	Get \$.50 Off Brand X	Offer Code = 54321
Mailed Coupon:	Get \$.50 Off Brand X	Offer Code = 09876

E. COUPON SELECTION

A recommended best practice for the acquisition of digital coupons would involve consumers reviewing and selecting individual offers from a selection of multiple offers. It is not recommended that sites enable a consumer to “select all” through a single step function.

In addition, consumers should have the ability to view and confirm the coupons loaded onto their card or device. This allows for an intelligent and verifiable decision-making process on the part of the consumer.

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6. EXHIBITS

A. DETAILED OFFER SET-UP FILE

B. DETAILED REDEMPTION FILE

EXHIBIT 6A. DETAILED OFFER SET-UP FILE

Offer Set Up File XML Tags Definitions

Field Name	XML Tag	Length	Value or Format	Type	Need for Clearinghouse Settlement	Need for POS Setup	Need for Consumer Presentation	Description
Offer Set Up Header open tag	<OfferSetUp>				R	R	R	
File Header open tag	<FileHeader>				R	R	R	
Sender Name	<SenderName></SenderName>	Max 40		Char	R	R	R	Name of the entity submitting the file.
File Date and Time	<FileDateTime></FileDateTime>	19	vvvv-mm-dd hh:mm:ss	Num	R	R	R	Date this file is created.
Number of Offers	<NumOffers></NumOffers>	9	99999999	Num	R	R	R	Total number of promotion offer Tags.
Header Closing tag	</FileHeader>				R	R	R	
Promotion Offers group open tag	<PromotionOffers>							
Promotion Offer open tag	<PromotionOffer>							Repeat this node for each offer.
Offer Code	<OfferCode></OfferCode>	Max 10		Char	R	R	R	CPG Manufacturer's offer code or Retailer Offer code. Only numeric if it is CPG manufacturer offer.
Record Type	<RecordType></RecordType>	1		Char	R	R	R	A-Add New Offer C-Change existing offer. D-Delete existing offer.
Clearinghouse ID for Mfr	<ManufacturerCode></ManufacturerCode>	9	999999999	Num	R	R	R	Retailer Clearinghouse Manufacturer Account number.
Manufacturer Name	<ManufacturerName></ManufacturerName>	Max 40		Char	R	O	O	Manufacturer's name; company responsible for promotion liability.
Brand	<Brand></Brand>	Max 40		Char	R	O	R	Name of product/brand promoted by manufacturer.
Offer Description	<OfferDescription></OfferDescription>	Max 40		Char	O	O	R	Description provided by brand for this promotion.
Face Value	<FaceValue></FaceValue>	7,2	99999.99	Num	R	R	R	Face Value of the offer. Max price for variable-priced offers.
Free Indicator	<FreeIndicator></FreeIndicator>	1	Y or N	Char	R	R	O	Indicates whether offer is a free offer. Y = Free Coupon N = Fixed Price
Save Value Code	<SaveValueCode></SaveValueCode>	1	9	Num	O	R	O	If Save Value Code equals: 0 = then Save Value = cents off qualifying purchase items 1 = then if Save Value = 0 one qualifying purchase item unit is free, or if Save Value > 0 the one qualifying purchase item unit is free up to maximum amount in Save Value 2 = then Save Value = the number of qualifying purchase items units that are free 5, then Save Value = percent off qualifying purchase item 6, then Save Value = cents off final transaction amount (may exceed qualifying item price) For values 1 and 2, the "unit" of the free item (quantity, dollar threshold, pounds, or kilograms) is adopted from the Save Value Applies to Which Item assignment.
Start Date	<StartDate></StartDate>	8	vvvmmdd	Num	R	R	R	Date this offer is first issued.
Expiration Date	<ExpirationDate></ExpirationDate>	8	vvvmmdd	Num	R	R	R	Date this offer expires.
Promotion Publisher	<PromotionPublisher></PromotionPublisher>	Max 40		Char	R	O	O	Entity that sold the promotion and provides the content to consumer.
Retailer Can Add Item	<RetailerCanAddItem></RetailerCanAddItem>	1	Y or N	Char	O	R	O	Can retailer add new or change items (UPC, EAN 13, GTIN 14) within purchase requirement specifications Y = Yes N = No
Primary Purchase open tag	<PrimaryPurchase>							
Company Prefix	<CompanyPrefix></CompanyPrefix>	Max 12	999999999999	Char	R	R	O	GS1 Company Prefix, assigned by a GS1 Member Organization, for this manufacturer. Note that leading zeros are significant.
Family Code	<FamilyCode></FamilyCode>	3	999	Num	P	O	O	Family code, as assigned by manufacturer.
Purchase Requirement & Purchase Requirement code	<Purchase Requirement="X" RequirementCode="Y"></Purchase>	5 for PR and 1 for RC		Num	O	R	O	Purchase Requirement Max Requirement Length - 5 Max Code - 1 Purchase Requirement Value depends on Requirement Code: 0 = Units 1 = Cash Value (2 decimals) 2 = Cash Value of Total Transaction (2 decimals) 3 = Pounds (3 decimals) 4 = Kilograms (3 decimals) 9 = Cashier Intervention
Qualifying Items open tag	<QualifyingItems>				P	R	O	Repeated for each UPC or EAN 13 or GTIN-14
Qualifying Item code Type = "UPC" code	<QualifyingItem codeType="UPC" code="UPCCode">ItemDescription</QualifyingItem>	Unlimited (not fixed length field due to multiple instances)		Char				
Qualifying Item code Type = "EAN13" code	<QualifyingItem codeType="EAN13" code="EAN13Code">ItemDescription</QualifyingItem>							
Qualifying Item code Type = "GTIN14" code	<QualifyingItem codeType="GTIN14" code="GTIN14Code">ItemDescription</QualifyingItem>							
Qualifying Items Closing tag	</QualifyingItems>							
Primary Purchase Closing tag	</PrimaryPurchase>							
Secondary Purchase open tag	<SecondaryPurchase>							
Company Prefix	<CompanyPrefix></CompanyPrefix>	Max 12	999999999999	Char	O	O	O	GS1 Company Prefix, assigned by a GS1 Member Organization, for this manufacturer. Note that leading zeros are significant.
Family Code	<FamilyCode></FamilyCode>	3	999	Num	O	O	O	Family code, as assigned by manufacturer.
Purchase Requirement & Purchase Requirement code	<Purchase Requirement="X" RequirementCode="Y"></Purchase>			Num	O	O	O	Purchase Requirement Max Requirement Length - 5 Max Code - 1 Purchase Requirement Value depends on Requirement Code: 0 = Units 1 = Cash Value (2 decimals) 2 = Cash Value of Total Transaction (2 decimals) 3 = Pounds (3 decimals) 4 = Kilograms (3 decimals) 9 = Cashier Intervention
Qualifying Items open tag	<QualifyingItems>				O	O	O	Repeated for each UPC or EAN 13 or GTIN-14
Qualifying Item code Type = "UPC" code	<QualifyingItem codeType="UPC" code="UPCCode">ItemDescription</QualifyingItem>	Unlimited (not fixed length field due to multiple instances)		Char				
Qualifying Item code Type = "EAN13" code	<QualifyingItem codeType="EAN13" code="EAN13Code">ItemDescription</QualifyingItem>							
Qualifying Item code Type = "GTIN14" code	<QualifyingItem codeType="GTIN14" code="GTIN14Code">ItemDescription</QualifyingItem>							
Qualifying Items Closing tag	</QualifyingItems>							
Secondary Purchase Closing tag	</SecondaryPurchase>							
Third Purchase open tag	<ThirdPurchase>							
Company Prefix	<CompanyPrefix></CompanyPrefix>	Max 12	999999999999	Char	O	O	O	GS1 Company Prefix, assigned by a GS1 Member Organization, for this manufacturer. Note that leading zeros are significant.
Family Code	<FamilyCode></FamilyCode>	3	999	Num	O	O	O	Family code, as assigned by manufacturer.
Purchase Requirement & Purchase Requirement code	<Purchase Requirement="X" RequirementCode="Y"></Purchase>			Num	O	O	O	Purchase Requirement Max Requirement Length - 5 Max Code - 1 Purchase Requirement Value depends on Requirement Code: 0 = Units 1 = Cash Value (2 decimals) 2 = Cash Value of Total Transaction (2 decimals)

EXHIBIT 6A. DETAILED OFFER SET-UP FILE

Offer Set Up File XML Tags Definitions

Field Name	XML Tag	Length	Value or Format	Type	Need for Clearinghouse Settlement	Need for POS Setup	Need for Consumer Presentation	Description
								3 = Pounds (3 decimals) 4 = Kilograms (3 decimals) 9 = Cashier Intervention Repeated for each UPC or EAN 13 or GTIN-14
Qualifying Items open tag	<QualifyingItems>	Unlimited (not fixed length field due to multiple instances)		Char	O	O	O	
Qualifying Item code Type = "UPC" code	<QualifyingItem codeType="UPC" code="UPCCode">ItemDescription</QualifyingItem>							
Qualifying Item code Type = "EAN13" code	<QualifyingItem codeType="EAN13" code="EAN13Code">ItemDescription</QualifyingItem>							
Qualifying Item code Type = "GTIN14" code	<QualifyingItem codeType="GTIN14" code="GTIN14Code">ItemDescription</QualifyingItem>							
Qualifying Items Closing tag	</QualifyingItems>							
Third Purchase Close	</ThirdPurchase>				O			
Additional Purchase Rules Code	<AdditionalPurchaseRulesCode></AdditionalPurchaseRulesCode>	1	9	Num	O	O	O	Specifies which items must be purchased to qualify for discount: 1 = Any Combination of items can be used to satisfy Primary Purchase Requirement (25 and 25 requirements will be ignored) 2 = Any Combination of items can be used to satisfy Primary Purchase Requirement (25 and 25 requirements will be ignored) 3 = Any Combination of items can be used to satisfy Primary Purchase Requirement (25 and 25 requirements will be ignored) Typically defines the time frame/weeks where the offer will be distributed
Promotion Cycle	<PromotionCycle></PromotionCycle>	2	99	Num	O	O	O	In-Store Offer
Billing Offer Type	<OfferType></OfferType>	2	99	Num	O	O	O	6 - Manufacturer Funded to Non-Agent Address 7 - Store Funded 8 - Pre-Paid (Trade) 9 - Manufacturer Funded (via Agent ie. Inmar, NCH)
POS Offer Type	<POSOfferType></POSOfferType>	2	99	Num	O	R	O	POS Offer Type: 1 - Manufacturer 2 - Store
Retailer Code	<RetailerCode></RetailerCode>	9	999999999	Num	O	O	O	Retailer clearinghouse account number for their retailer.
Valid Retailers	<RetailerID></RetailerID>	255		Char	No	R	R	Identifies retailer POS where redemption is to occur. (? Repeat node for each applicable Retailer)
Destination node open tag	<Destination>							This section is repeated for each valid destination site. All following count information is related to the destination id specified (not counts for overall offer).
Valid Publishing/Destination Site	<DestinationID></DestinationID>	6	5280	Char	No	No	R	Identifies where offer is to be displayed (?Repeat node for each applicable destination)
Offer Short Description	<OfferShortDescription></OfferShortDescription>	Max 45		Char	R	No	R	Contains short summary of target of offer such as "on any ONE 'Brand' product"
Offer Long Description	<OfferLongDescription></OfferLongDescription>	Max 200		Char	O	No	R	Additional purchase description eg. List of specific products
Consumer Display Start Date	<DisplayStartDate></DisplayStartDate>	8	yyyymmdd	Num	O	O	O	Display Begin Date; only if different than start date. Must be greater than start date, if used.
Consumer Display End Date	<DisplayEndDate></DisplayEndDate>	8	yyyymmdd	Num	O	O	O	Display End Date; only if different than expiration date. Must be less than expiration date, if used.
Number of Purchases Required	<NumberOfPurchasesRequired></NumberOfPurchasesRequired>	2	99	Num	O	O	R	Number of item purchases required to redeem this coupon.
Purchase Requirement Description	<PurchaseRequirementDescription></PurchaseRequirementDescription>	Max 85		Char	No	No	R	What items need to be purchased to receive discount/free item. For example: "on any Brand" or "when you purchase any "Brand"." Include any size or other restrictions.
More Information for Consumer	<MoreInfo></MoreInfo>	Max 255		Char	No	No	R	Related product information, for ex. "Find Brand Name on your grocer's refrigerator aisle"
Terms and Conditions	<TermsAndConditions></TermsAndConditions>	Max 255		Char	No	No	R	Contains any exclusionary terms and conditions, or legal terms, for offer
Total Download Limit	<TotalDownloadLimit></TotalDownloadLimit>	15	999999999999999	Num	No	No	R	Contains any pre-existing limit on distribution of offer
Consumer Select Limit	<ConsumerSelectLimit></ConsumerSelectLimit>	2	99	Num	No	No	R	Number of times the offer can be selected by one consumer, if previously used
Consumer Redemption (Use) Limit per transaction	<ConsumerTransLimit></ConsumerTransLimit>	2	99	Num	O	R	R	Number of times the offer can be used per consumer before removed from savings card
Consumer Redemption (Use) Limit per offer life	<ConsumerOfferLifeLimit></ConsumerOfferLifeLimit>	2	99	Num	No	R	R	
Category	<Category></Category>	Max 45		Char	No	No	R	How offer will be group within display elements. See vendor for category options.
Featured in prominent area on site (Yes or No)	<Featured></Featured>	1	Y or N	Char	No	No	O	Should offer be displayed in a special way. See vendor for options. Y - Yes N - No
Targeted to specific set of consumers (Yes or No)	<Targeted></Targeted>	1	Y or N	Char	No	No	O	Should offer be targeted in a special way/available for selection by a sub-set of community. See vendor for options. Y - Yes N - No
Targeting Information	<TargetingInfo></TargetingInfo>	Max 255		Char	No	No	O	Information related to target set
Destination Node closing tag	</Destination>				No	No	O	
Display Media Node Open tag	<MediaInfo>				No	No	O	
Media Count	<MediaCount></MediaCount>	3	999	Num	No	No	O	Number of images, videos, audio clips etc. for offer
Media ID	<MediaID></MediaID>	12		Char	No	No	O	Media ID such as small image, medium image, video, audio, etc.
Media Type	<MediaType></MediaType>	5		Char	No	No	O	Indicates file type (jpg, png, gif, etc.)
Media Size	<MediaSize></MediaSize>	12		Char	No	No	O	used for pixel dimensions of image display size (eg. 100x100)
Media Alt text	<MediaAltText></MediaAltText>	255		Char	No	No	O	Alt Text for display image
Media URL	<MediaURL></MediaURL>	255		Char	No	No	O	
Display Media Node Closing tag	</MediaInfo>				No	No	O	
Promotion Offer Closing tag	</PromotionOffer>							
Promotion Offers Closing tag	</PromotionOffers>							
Custom Field	<CustomField></CustomField>	Unlimited	Custom	Char	O	O	O	
Offer Set Up Header closing tag	</OfferSetUp>				R	R	R	

R = Required
O = Optional
P = Preferred
No = Don't Send

EXHIBIT 6B. DETAILED REDEMPTION FILE

Digital Redemption File XML Tags Definitions

Field Name	XML Tag	Length	Value or Format	Type	Need	Description
Digital Redemption open tag	<DigitalRedemption>					
File Header open tag	<FileHeader>					
Sender Name	<SenderName> </SenderName>	Max 40		Char	R	Name of the entity transmitting the file.
File Control Number	<FileControlNumber> </FileControlNumber>	Max 15		Char	R	Control number for this file submission.
File Date and Time	<FileDateTime> </FileDateTime>	19	yyyy-mm-dd hh:mm:ss	Char	R	Date and time of the file.
Invoice Count	<InvoiceCount> </InvoiceCount>	6	999999	Num	R	Total number of invoices in the file.
Redemption Offer Count	<RedemptionOfferCount> </RedemptionOfferCount>	6	999999	Num	R	Total number of Redemption Offer Detail Tags.
File Header closing tag	</FileHeader>					
Retailer Invoices open tag	<RetailerInvoices>					
Retailer Invoice open tag	<RetailerInvoice>					Repeated for each retailer
Invoice Header open tag	<InvoiceHeader>					
Retailer Code	<RetailerCode> </RetailerCode>	Max 9	999999999	Num	R	Retailer clearinghouse account number.
Invoice Number	<InvoiceNum> </InvoiceNum>	Max 9		Char	O	Retailer invoice number.
Invoice Date	<InvoiceDate> </InvoiceDate>	8	yyymmdd	Num	O	Retailer invoice date.
Total Redemption Claimed	<TotalRedemptionClaimed> </TotalRedemptionClaimed>	Max 9	999999999	Num	R	Total redemption count for this retailer invoice.
Face Value Claimed	<FaceValueClaimed> </FaceValueClaimed>	10.2	99999999.99	Num	R	Total redeemed face value for this retailer invoice.
Invoice Header closing tag	</InvoiceHeader>					
Redemption Offers open tag	<RedemptionOffers>				R	
Redemption Offer open tag	<RedemptionOffer>				R	
Clearinghouse ID for Manufacturer	<ManufacturerCode> </ManufacturerCode>	Max 9	999999999	Num	R	Retailer Clearinghouse manufacturer account number.
Offer Code	<OfferCode> </OfferCode>	Max 10		Char	R	CPG Manufacturer offer code or Retailer Offer. Numeric only if it is CPG Offer code.
Company Prefix	<CompanyPrefix> </CompanyPrefix>	Max 12	999999999999	Char	P	GS1 Company Prefix, assigned by a GS1 Member Organization, for this manufacturer. Note that leading zeros are significant.
Offer Description	<OfferDescription> </OfferDescription>	Max 40		Char	O	Description of the offer.
Redemption Count	<RedemptionCount> </RedemptionCount>	5	99999	Num	R	Redemption count for this offer at this face value.
Face Value	<FaceValue> </FaceValue>	Max 7.2	99999.99	Num	R	Face value of the offer.
Free Value Indicator	<FreeValueIndicator> </FreeValueIndicator>	1	Y or N	Char	O	Indicates the offer is a free value Y-Free Coupon N-Fixed Price Coupon
Store Id	<StoreId> </StoreId>	Max 15		Char	R	Retailer store ID.
Consumer Id	<ConsumerId> </ConsumerId>	Max 40	Consumer Id	Num	P	Frequent Shopper/Consumer identification number
Distribution Method	<DistributionMethod> </DistributionMethod>	1		Char	O	Distribution Method types D-Digital P-Paper
Pos Transaction Id	<PosTransactionId> </PosTransactionId>	24		Char	R	Transaction number or identifier from the customer receipt.
Pos Terminal Number	<PosTerminalNumber> </PosTerminalNumber>	24		Char	R	Terminal number or identifier from the customer receipt.
Pos Transaction Date and Time	<PosTransactionDateTime> </PosTransactionDateTime>	19	yyyy-mm-dd hh:mm:ss		R	Time when the discount was given to customer.
Operator Override	<OperatorOverride> </OperatorOverride>	1		Char	O	Overrides the missing UPC.

Redemption File Layout

EXHIBIT 6B. DETAILED REDEMPTION FILE

Field Name	XML Tag	Length	Value or Format	Type	Need	Description
Qualifying Items open tag	<QualifyingItems>	Unlimited (not fixed length field due to multiple instances)		Char	P	Repeated for each UPC or EAN 13 or GTIN-14
Qualifying Item code Type = "UPC" code	<QualifyingItem codeType="UPC" code="UPCCode">itemDescription</QualifyingItem>					
Qualifying Item code Type = "EAN13" code	<QualifyingItem codeType="EAN13" code="EAN13Code">itemDescription</QualifyingItem>					
Qualifying Item code Type = "GTIN14" code"	<QualifyingItem codeType="GTIN14" code="GTIN14Code">itemDescription</QualifyingItem>					
Qualifying Items closing tag	</QualifyingItems>					
Redemption Offer closing tag	</RedemptionOffer>					
Redemption Offers closing tag	</RedemptionOffers>					
Retailer Invoice closing tag	</RetailerInvoice>					
Retailer Invoices closing tag	</RetailerInvoices>					
Digital Redemption closing tag	</DigitalRedemption>					

R = Required
O = Optional
P = Preferred
No = Don't Send

APPENDIX

A. GLOSSARY

This is an industry standard glossary that includes terms applicable to all types of coupons.

Acknowledgment of Delivery (A.O.D.) Card – A card returned to the shipper (usually a retail store) signed by the receiver (usually a clearinghouse) that gives the date and acknowledges delivery of a shipment made by UPS or similar return receipt.

ACP – Association of Coupon Professionals, 36 South State Street, Suite 1212, Chicago, IL 60603, Telephone: (312) 782-5252

Bar Code – A combination of parallel lines or bars and spaces that can be read by an electronic scanner and that communicates data about a product, shipping container, or a coupon

Best Food Day (BFD) – The day of the week that most food stores in a particular market usually run their newspaper ads — usually Wednesdays or Thursdays.

Billing Service – A company that receives coupons from retailers and that performs the sort-and-count process, only allowing the retailer to hold its own receivables.

Bonus Couponing – The practice at retail of doubling — sometimes tripling — the face value of a coupon.

Bounceback Coupon – A coupon sent to a consumer in response to a consumer request.

Cents-Off Coupon – A coupon offering consumers a specified amount off the price of a particular item at the time of purchase.

Central List Program – An industry project of assigning unique numbers to each coupon-submitting location which was disbanded in June 1996.

Chargeback – Notification by a manufacturer or manufacturer's agent to a retailer and/or clearinghouse that coupons submitted by the retailer have been denied payment and that the retailer/clearinghouse is being billed back for the coupons' face value plus handling. Usually requires a lengthy reconciliation process between manufacturer and retailer.

Clearinghouse – Processes coupons from grocery and other stores and sends them to manufacturers or their agents for payment.

Consolidated Store Tag – Summarization of multiple store tag amount for one retailer for one manufacturer within a clearinghouse invoice.

Consumer-Redeemed – Coupons submitted by consumers when purchasing a couponed item.

Cooperative (Co-op) – Term describing coupons that appear with other coupons from the same or different manufacturers.

Coupon – A certificate with a stated value (in money or merchandise) that the customer presents to the cashier in a store that entitles the customer to a savings on a specified item at the time of purchase.

Coupon "Drop" – The distribution of a coupon by a manufacturer at a specific time through one or more media.

APPENDIX (cont.)

Coupon Mix – A variety of coupons from different media and for different products submitted by a store in a single, common submission.

Cross Coupon – (Also called cross-ruff coupon.) A manufacturer coupon that is placed inside a product or printed on the package and is redeemable on the purchase of a different product.

Deduction – Difference between manufacturer invoice and the amount of distributor's (wholesaler or retailer) actual remittance.

Direct Submission – Coupons that are redeemed by a retailer and sent directly to the manufacturer.

EAN – European Article Numbering System for global label standards.

Efficient Consumer Response (ECR) – A strategy for a cooperative effort between manufacturers, brokers, retailers, and wholesalers to eliminate unnecessary costs from the overall supply chain resulting in more value for the consumer. The ECR strategy focuses particularly on four major opportunities to improve efficiency:

Efficient Replenishment – Streamline the distribution of goods from the assembly line to the retail shelf.

Efficient Promotion – By shifting away from a buying strategy to a consumer-oriented selling strategy, costs for inventory handling, storage, and uneven manufacturing runs will be reduced.

Efficient Assortment – By optimizing shelf space with the true assortment that meets consumer needs, retailers and suppliers can eliminate the cost of non-required sizes, products with little differentiation, and those with low turns.

Efficient Product Introduction – Centers on reducing system costs by finding new and better ways to identify and introduce new products that are more directly related to consumer needs.

Electronic Data Interchange (EDI) – The computer-to-computer transmissions of business information in standard file format — purchase orders, invoices, etc.

Electronically Dispensed Coupon – Manufacturer coupons given out at retail through third party sponsors via electronic systems, *e.g.*, Catalina Checkout Coupon.

Electronic Funds Transfer (EFT) – The preauthorized transfer of funds electronically via computer.

Excessive Volume – A submission of coupons that appears to be too large a number for the sales volume of a particular store, area, or coupon drop.

Expiration Date – The last date a consumer may redeem a coupon for a product.

Face Value – The actual worth of the coupon or the amount subtracted from the product price to the consumer.

Family Code – A three-digit code assigned to manufacturer's product that is part of the coupon U.P.C. code.

FIAE – Food Industry Association Executives, P.O. Box 2510, Fleming, NJ 08822. Telephone: (908) 782-7852

FMI – Food Marketing Institute, 800 Connecticut Avenue NW, Suite 500, Washington, D.C. 20006. Telephone: (202) 452-8444

APPENDIX (cont.)

FDI – Food Distributors International – NAWGA/IFDA, 201 Park Washington Court, Falls Church, VA 22046. Telephone: (703) 532-9400

“Foreign” Coupons – A manufacturers’ term referring to coupons that were sent to them but were issued by other manufacturers. Most manufacturers return such coupons to the sender.

Free Item Coupon – A coupon that entitles the consumer to a product at no cost and that requires the retailer to fill in the retail price for that product on the coupon.

Free-Standing Insert (FSI) – A group of manufacturers’ color advertisements (each of which usually includes a coupon) printed as a separate section and inserted into a local newspaper, usually the Sunday edition.

Gang-Cut – Coupons that appear to have been cut by machine and submitted for redemption; a form of coupon fraud.

GMA – Grocery Manufacturers Association, 1350 I Street NW, Suite 300, Washington, DC 20005. Telephone: (202) 639-5900

Grace Period – Period beyond expiration date that manufacturers allow for coupons to complete redemption process.

Group Promotion – A promotion involving several brands from one or different companies united by a theme or a mutually shared promotional device.

Handling Fee – The amount paid by the issuing manufacturer to the retailer for redemption of a coupon.

Handout – Coupons that are distributed in or near the retail store or that are given out door-to-door. At times, the handout coupon in-store is accompanied with a sample and can be part of a demonstration of the product.

In-Ad Coupons – Coupons in a particular retailer’s newspaper ad or handbill that are redeemable on the specific product only at the particular store or chain. The coupons are usually issued under a special

In-House Processor – A manufacturer who operates his own coupon-redemption center rather than contracting with an agent.

In-Pack or On-Pack Coupon – A manufacturer coupon enclosed inside a product package for later use by consumer.

In-Store Coupon – Coupons distributed on store shelves or at the checkstand.

Instant On-Pack – A coupon or a product’s packaging that can be removed at checkout and used immediately.

Instant-Redeemable Coupon (IRC) – A coupon attached to a package or displayed nearby that can be removed by shoppers and redeemed at the time they purchase the product, or later.

Internet Coupons – Coupons for savings on products or services found on the computer Internet.

Invoice Receipt Date – The date the manufacturer or agent takes possession of the invoice.

JICC – Joint Industry Coupon Committee

APPENDIX (cont.)

Manufacturer Coupons – Coupons issued by a manufacturer offering consumers a specific amount off the purchase price of one or more of the manufacturer's products. The coupons may be distributed through a variety of media — in the manufacturer's newspaper or magazine ads, in a free-standing insert, in or on a product package, by mail, or door-to-door delivery, etc.

Manufacturer's Agent – An independent company hired by a manufacturer to handle coupon redemption on behalf of the manufacturer.

Manufacturers' Processing Service – Service that provides the labor-intensive work related to the processing of coupons including receiving and data entry work.

Manufacturer's Representative – A sales representative of a manufacturer, who may be either a salaried employee or a broker acting as an agent for several manufacturers on commission.

Maquilla – A company in Mexico that provides services to U.S. companies

Misredemption – Coupons that were not redeemed properly for the correct products in accordance with the stipulations printed on the particular coupon.

NACDS – National Association of Chain Drug Stores, 413 North Lee Street, Alexandria, VA 22313-1417. Telephone: (703) 549-3001.

NACS – National Association of Convenience Stores, 1605 King Street, Alexandria, VA 22314-2792. Telephone: (703) 684-3600.

NFBA – National Food Brokers Association, 2100 Reston Parkway, Suite 400, Reston, VA 22091. Telephone: (703) 437-5300.

NGA – National Grocers Association, 1825 Samuel Morse Drive, Reston, VA 22090. Telephone: (703) 437-5300.

Non-Coupon – A piece of paper that may resemble a coupon or may even be part of a coupon, but is not an actual coupon.

On-Pack Coupon – A manufacturer coupon that is printed on a product's package or affixed to a product in some way.

On-Page Coupon – A coupon designed as an integral part of an advertisement, or otherwise printed on a magazine or newspaper page.

Open System – The term used to describe computer systems that are freely available for use without payment by hardware/software developers.

Pay Directs – Coupons that are submitted by the clearinghouse to the manufacturer on behalf of the retailer with instructions to pay the store directly instead of the clearinghouse.

Point of Sale (POS) – The place where the purchase is made at the checkstand or scanning terminals in a retail store.

Price Lookup Function (PLU) – A feature of an in-store computer system that verifies the selling price of an item through use of a centrally maintained price file.

APPENDIX (cont.)

Promotion – (1) A marketing tool that is a temporary effort to create extra interest in the purchase of a product or service by offering values in excess of those customarily afforded by such purchases, including temporary discounts, allowances, premium offers, coupons, contests, sweepstakes, etc. Also, sales promotion. (2) Loosely, any effort to encourage the purchase of a product or service.

Promotional Allowance – Also called merchandising allowance, a discount from a supplier to a retailer, who agrees to use the discount to promote the product's purchase.

Proof-of-Purchase – Invoices showing a retailer's purchase of a sufficient quantity of product to validate the number of coupons submitted for redemption by the retailer. Also the U.P.C., label, bottle capliner, etc. used as evidence that a promotional item was purchased.

Questionnaire – A series of questions used by a retail clearinghouse or a manufacturer to confirm that a firm submitting coupons for redemption is a bona fide merchant redeeming coupons in accordance with the stipulation of the specific manufacturer's coupons.

Quick Pay – Program set up for the manufacturer to pay the retailer within five days of receipt of scan data collected at the retailers and sent through the retailer's clearinghouse.

Redeem – To fulfill the requirements of a consumer promotional offer (such as a coupon) in a prescribed manner resulting in receipt of goods at a reduced price or free.

Redemption – The cashing-in of coupons when merchandise is purchased in order to obtain discounts or premiums.

Redemption Center – A location maintained by a manufacturer or the manufacturer's agent where coupons redeemed by consumers are to be submitted by retailers and clearinghouses to obtain reimbursement.

Redemption Rate – A weighted measure of responses calculated by dividing cumulative redemptions by the total number distributed.

Refund Certificate – A certificate issued by a manufacturer that offers consumers money back on the purchase price of a product, usually after they mail some proof of purchase to the manufacturer. A rebate.

Retail Clearinghouse – An independent company used by a retailer to sort, count, and submit coupons for payment to manufacturers or their agents on behalf of the retailer.

Retailer Agreement – An agreement between a retailer and a clearinghouse authorizing the clearinghouse to serve as the retailer's agent in submitting coupons to manufacturers.

Retailer Verification – Authentication of the legitimacy of a retailer (usually by means of a visit to the store, called an "audit") to verify that a retail location exists and that products for which coupons have been submitted are actually available for sale in that store.

APPENDIX (cont.)

- Return Receipt Card** – A green card returned to the sender of a shipment by the U.S. Post Office signed by the receiver of the shipment and showing the date the shipment was received.
- Run-of-Press (ROP) Coupon** – A newspaper coupon requiring very short lead time.
- Scan Validation** – Scanned coupon is verified by matching with product purchase.
- Shelf-Talker** – A written promotion designed to hang over the edge of a retailer's shelf.
- Shipping Time** – Reasonable shipping time to the manufacturer/agent is five days.
- Single Count** – A one-count processing system where coupons are collected and all coupon processing procedures are done at one location.
- State Grocer Association** – An association of independent grocers.
- Store Check** – An examination of a store to determine merchandise carried.
- Store Coupon** – A coupon printed by a retailer and available to shoppers in the store, either in a special flyer or at the shelf or display where the couponed product is stocked.
- Submission Verification** – A clearinghouse process of counting and sorting a shipment of coupons from a retailer.
- Sunday Supplement** – On-page coupon/advertisement delivered via the printed pages of the Sunday newspaper supplements or general interest magazines, etc. (See FSI).
- Tearsheet** – An unbound page from a newspaper or periodical showing an article, advertisement, etc. as printed; used as a proof or as an extra copy.
- UCC** – Uniform Commercial Code, Inc., 8163 Old Yankee Road, Suite J, Dayton, OH 45458. Telephone: (937) 435-3870.
- Uniform Communication Standard (UCS)** – A set of standard transaction sets for the grocery industry that allows computer-to-computer, paperless exchange of documents between trading partners.
- Universal Product Code (UPC) Coupon Code** – A 12 digit, all-numeric code, beginning with a number system character (NSC) assigned by the UCC as part of the manufacturer's ID number. Next comes the five-digit manufacturer identification number, a three-digit family code, a two-digit value code, and a modulo 10 check character.
- Universal Product Code (UPC) Symbol** – A combination of vertical bars printed on product packages (or on coupons) that can be "read" by an electronic scanner at the checkout to identify the item, automatically look up the item's price (or the coupon's value) in a computer, and instantaneously ring-up the price (or the value) on the cash register.

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GROCERY MANUFACTURERS ASSOCIATION

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