

Coupons, promotional packs and loyalty cards coding



Brand owners/retailers take constant measures to boost sales of their products by introducing promotional packs, coupons and loyalty card programs.

Brand owners today have many more options to connect with their consumers than by publishing advertisements which are expensive and hence can be undertaken only infrequently. They can use coupons or vouchers for allowing a financial discount; loyalty based programs to increase consumer adherence or simply introduce a promotional pack as a means of delivering samples to the consumers to boost a product launch. Well-designed voucher programs can add as much as a full percentage point to market share on a product launch, or can add a month's worth of days-on-purchasing (a measure of consumer adherence).

A. Issuing coupons – capturing price conscious consumers

Coupons often provide consumers with an additional incentive to make a purchase over and above what they initially intended. Since only price conscious consumers are likely to spend the time to claim the savings, coupons function as a form of price discrimination, enabling retailers to offer a lower price only to those consumers who would otherwise go elsewhere. In addition, coupons can also be targeted selectively to regional markets in which price competition is high.



Need for barcoding coupons using barcodes

Due to high usage of coupons, it is imperative to facilitate automated data capture of coupon information through barcodes for their unique and universal identification and capture of related attribute information using GS1 global standards. This would enable several applications/benefits as enumerated below:

- Automate and speed up coupon handling procedures at the Point-of-Sale.
- Enable coupon issuers (brand owners/manufacturers/retailers) to reduce the costs involved in coupon sorting, administering manufacturers' payments, and producing reports on redemption.
- Capture coupon value options in any amount up to 999.99.
- More complex coupon offers with better validation methods and enhanced couponing capacities
- Enable automatic expiration date checking by retailers.
- Enable coupon fraud reduction

Detailed GS1 implementation guideline for barcoding using GS1 standards for coupons is available at www.gs1us.org/databar

B. Servicing loyal customers through loyalty cards

Loyalty programs are structured marketing efforts that reward, and therefore encourage, loyal buying behaviour. Loyalty cards help to identify the card holder as a recipient of services under a loyalty program.

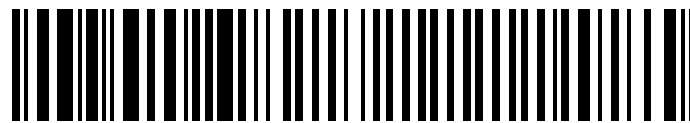
It is important to use an identification key on the loyalty card to identify the customer and update purchase history. The Global Service Relation Number (GSRN) is the GS1 identification key used to identify the relationship between a service provider and service recipient under a loyalty programme.

The GSRN identifies each service relationship individually thus ensuring that it is always identified correctly anywhere within a business or the world. An individual may have many GSRN's from different service providers. As it is the service provider that allocates the GSRN there is no danger of the individual's other service relationships being linked.

Benefits of using GSRN

- Already an established standard for identifying service relationships
- Identifies the business relationship with the customer for the life of the service
- Is simple coding system to facilitate service relationships with almost limitless capacity
- Utilises GS1 standards as used in many other business applications
- Enables companies to scan an individual's membership card to identify the service efficiently
- Guards against mis-identification and fraud
- Facilitates development of customer loyalty

GSRN is an 18 digit numerical number. It is represented schematically as below:



890900100
GS1 company prefix

(8018) 8909001000000000012
Number allocated to identify the card holder

2
check digit

Detailed GS1 implementation guideline for generation of GSRN and its use in loyalty cards is available at <http://www.gs1.org/barcodes/technical/idkeys/gsrn>

C. Coding of promotional packs

Making a sale often depends on more than simple brand loyalty. Marketers need to encourage more, offer more, and incentivise more by offering promotional packs. Just like general consumer items, promotional packs also need to be marked uniquely and universally using GTIN (Global trade identification number) for accurate scanning and compatible identification.

GS1, in collaboration with retailers and brand owners, has developed detailed guidelines for coding of promotional packs. Some details of the same for ready guidance are reproduced as below:

Applications/benefits of using GTIN's for promotional packs coding

- Allows companies to trade promotional packs knowing that the identification will be compatible
- Uniquely identifies each level of packaging
- Facilitates accurate scanning at checkout, warehouse
- Essential for accurate stock control and order replenishment
- Drives electronic communications systems like EDI, across trading partners
- Identifies trade items for data exchange between trading partners as a required component of a GDSN (Global Data Synchronisation Network)
- Ability to add additional information such as date codes, weight, batch numbers etc
- Provide accuracy, speed and efficiency for your business

GTIN allocation rules for promotional packs

Promotional Type	Description	GS1 specification
Sample or test pack	A free pack of the trade item	GTIN to be used for identification of the sample
Bonus pack	An item with increased quantity, i.e. net weight or count or volume but sold at the same price as the regular item.	New GTIN
Gift pack: type-I	Two retail consumer trade items, not attached or banded together where one item, which cannot be purchased, is free when the other is purchased (e.g. gift-with-purchase or purchase-with purchase items)	No need to change the existing GTIN
Gift pack: type-II	Two or more retail consumer trade items bound together, i.e. designed to promote the trial of the attachment (One-Order Trial Packs) where the geometry of the base package and the item net weight, count or volume is not impacted and the item is not intended to be reordered because the promotion period is limited.)	No need to change the existing GTIN
Gift pack: type - III	A free item packed inside the primary retail consumer trade item package with no change in quantity of trade item and the promotion package is sold at the same price as the regular package	No need to change the existing GTIN
Gift pack: type-IV	Two or more retail consumer trade items near each other (not attached or banded together) both of which can be purchased separately. For example a gift-with-purchase or buy-two-get-one- free offers - these items are offered at no additional cost when the primary (regular) retail consumer trade item is purchased. The promotion is sold at the same price	No need to change the existing GTIN
Merchandise sold with allowance	When items are purchased by the retailer at the regular price and additional items are furnished free of charge.	If the quantity of regular cases is increased there is no need to change the standard existing GTIN
Reconfiguration of consumer pack	A consumer package reconfigured for promotional purposes which contains the same quantity of trade item as the regular package and is sold at the same price.	Same GTIN
Combination pack	Combination packs are composed of two or more retail trade items normally sold separately, that are bound together.	New GTIN - The original GTIN barcodes of the retail items should not be visible.

Detailed GS1 implementation guideline for coding of promotional packs is available at <http://www.gs1.org/1/gtinrules/index.php/nid=96>.

For any further help or assistance, write to us at info@gs1india.org