

# The New Users Guide to (Paper-Based) Coupons

With the cost of traditional “above the line” advertising being so expensive and sometimes being less effective than expected, manufacturers have allocated more of their marketing and advertising budgets to “below the line” advertising. As part of this, they have increased the use of highly effective paper-based coupons to promote their products. So, it is in your interest to understand what coupons are and how they work.

## What Are (Paper-Based) Coupons?

(Paper-Based) Coupons are vouchers which the suppliers of products distribute to help promote their products. Coupons give the shopper a discount on the price of a product, making it more attractive for the shopper to buy that particular brand of the product, rather than a competitor’s one. Examples:



## How Are (Paper-Based) Coupons Distributed?

- Attached to the products (on-pack coupons and neck tags) **\*\* MOST SUCCESSFUL \*\***
- In-Store promoters.
- Coupon dispensers on shelves.
- Printed in magazines and coupon booklets.
- Chain store coupon campaigns.
- Through the post.
- Through the Internet.

## How Do Shoppers Use Coupons?

The shopper takes the coupons along when going shopping or takes them out of in-store dispensers or off the products. The shopper then buys the product shown on the coupon and presents the coupon, along with the payment, to the check-out operator. The amount shown on the coupon is then taken off the price of the goods so the shopper receives the goods at a discounted price.

## Who Refunds The Shop-Owner The Discount?

The suppliers refund the shop owner the discount amounts through **Coupon Clearing Bureau**. **Coupon Clearing Bureau** also gives the shop-owner a handling fee to cover the cost of handling the coupons, provides Reply Paid envelopes to submit claims in and has Toll Free fax and telephone numbers to handle queries and register claims.

## Why Do Suppliers Promote Through Coupons?

Coupons are a well-accepted promotional vehicle and are most effective in Point of Purchase marketing. Coupons make a suppliers’ product easier to afford than their competitor’s. Shoppers

looking for value will buy the product being promoted using money off coupons rather than a competitor's brand and will possibly become a loyal user of the brand ultimately.

In marketing parlance, coupons promote the purchase of brands of products through:

- Brand switching.
- Pantry loading.
- Product trial.
- Rewarding loyal users and shoppers.
- Raising product awareness.
- Coupons are also used in defensive marketing campaigns.

### **Why Should I, The Shop-Owner, Accept Coupons?**

Coupons will improve your turnover. The shoppers' Rands will go much further using coupons so they will tend to buy (and buy more) at shops which accept coupons. This is an established fact in coupon-orientated societies.

### **How Do I, The Shop-Owner, Turn The Coupons That I Have Accepted Into Money?**

Send them to ***Coupon Clearing Bureau, Private Bag X2, Saxonwold 2132***. You will be paid out the face value of the coupons as well as a handling fee.

### **What Do Coupons Cost Me, The Shop-Owner?**

Nothing at all. All costs are paid by the suppliers through ***Coupon Clearing Bureau***. ***Coupon Clearing Bureau*** will even pay you a handling fee and supply you with reply-paid envelopes.

### **How Safe Is My Money?**

***Coupon Clearing Bureau*** has been providing the clearing house service for paper-based coupons since 1977. It has a long track record and a wealth of experience in this business. ***Coupon Clearing Bureau's*** procedures were set up by one of the largest international auditing firms, now known as KPMG. Our operations are reviewed by a highly reputable firm, Platinum Accounting, and our internal audit team continuously audit our operations as well.

### **What Are The Rules To Be Followed In Accepting Coupons?**

1. The shopper must buy the product shown on the coupon.
2. One unit of the product per coupon is allowed.
3. The coupon must not have expired.

### **Coupons Work!**

Coupons are not new. They have been used to successfully promote products in South Africa since the early 1970's. ***Coupon Clearing Bureau*** has been part of this growth of coupons since 1977, providing a clearing house service to all retailers, Cash & Carries and wholesalers, both large and small.

If you require any further information about coupons or ***Coupon Clearing Bureau***, please contact Melissa, Leni or Mike at telephone 011 403 0688, fax 011 403 0691 e-mails [melissa@ccbsa.co.za](mailto:melissa@ccbsa.co.za) [leni@ccbsa.co.za](mailto:leni@ccbsa.co.za) [mike.aitken@ccbsa.co.za](mailto:mike.aitken@ccbsa.co.za) .

**Coupon Clearing Bureau**  
**Established in 1977 to Provide a Clearing House Service**  
**to the Retailer, Cash & Carry and Wholesaler Community.**