

# New coupon standard

## Enabling real-time analysis and online validation



*With the introduction of the GCN mobile couponing will significantly increase.*

Coupons have been prevalent in retail for quite some time. In 2015, approximately 15 billion of them have been issued in the German market. Until now, they were processed using barcodes with the prefixes 981 and 982 which in turn indicated that this is a coupon and not a sold item. This standard has been applied for all coupons in the industry since 2001. However, this standard is not quite suitable for the online and mobile sectors, where a new couponing standard was being developed.

The lack of automation and control of coupons are the biggest obstacles with the current couponing standard: redemptions cannot be tracked individually or in real-time but only in clusters (flyers etc.). Big data analysis is therefore not possible, especially when it comes to e-mailings. The same is true for the mobile couponing sector. An online validation is also difficult since duplications and multiple redemptions on internet blogs, for instance, need to be considered. Along with it, there is an increased risk of online fraud in terms of test packages or test samples, the so-called sample couponing. The 981/982 figures can also not be redeemed in online stores which is why couponing presently offers only a few added benefits for omnichannel commerce.

### New standard using the GS1 Global Coupon Number

To solve this multitude of issues, the clearing houses acardo and Valassis have joined forces with GS1 Germany to develop a new couponing standard. "The focal point is the GS1 Global Coupon Number (GCN). This new coupon code can be equipped with an individual serial number and is based on the GS1 DataBar Expanded Barcode. In doing so, it offers many new concepts both for print coupons as well as digital coupons," says Christoph Thye, Chairman of acardo. The serialization allows for a direct validation at the time of redemption and reduces the risk of fraud - mostly notably when it comes to coupons with high-value or coupons for free samples - which can now be eliminated.

Thye adds, "The introduction of the GCN promptly expands the network of relevant retailers across Germany and offers manufacturers the chance to broaden many marketing concepts with the mobile couponing component. If the GCN takes root as the new standard, it will also be interesting for smaller retailers to join in and participate in the multitude of industry campaigns." So far minor campaigns that food retailers set up on their own did not pay off since the coverage of the various channels and the overlap with their own customers was still small.

### Personalized coupons and mobile couponing

So far, many retail print media solutions don't offer a personalized customer approach. "Now mobile couponing and the GCN code give retailers and manufacturers a tool for a personalized customer approach and allow for actual real-time coupon redemption tracking. This way, the overall customer purchase behavior can be analyzed and utilized for an improved customer approach," adds Thye.

The customer typically obtains coupons via the app of a retailer, manufacturer or distributor. Customers can simply activate those coupons they are interested in via the app. The customer shows the provided QR code with several embedded GCNs (in the case of several activated coupons) at the checkout.

One key advantage here is that the coupons can be activated as well as redeemed offline even if the smartphone and POS are offline. Thye is convinced that "The GCN Standard could be the key to a uniform mobile couponing solution since it enables fully digital distribution and redemption directly via the smartphone."

The customer is still able to obtain personalized coupons through the retailer's website (print-at-home). Thanks to serialization, purchase behavior can now also be correlated at the recipient level, which was previously only possible with customer loyalty cards. In addition, big data analytics can determine the best coupons for each individual customer and products or the ideal discount specifically adapted to the customer.

### What retailers need to do now

In essence, all of today's POS systems in food retailing are able to process coupons with the GCN. Having said that, you need to have the right scanner to read the GS1 Data-Bar barcodes and QR codes. Today, an online connection of POS systems to a central server is also no longer a problem. "During the conceptual design of the system, the clearing houses ensured that POS processes will also continue should the POS go offline. This guarantees that things will continue to proceed uninterrupted at the checkout. We offer a specification for the changeover of POS systems to GCN, which retailers usually pass on to their POS manufacturer. Several POS manufacturers have already completed the upgrade".

### Outlook

Mobile couponing will significantly increase with the introduction of the GCN. On the one hand, manufacturers and retailers will conduct more campaigns and take advantage of the new conceptual possibilities the GCN offers with its online redemption solutions. This certainly applies to the big data sector that primarily provides new information to retailers about their customers. On the other hand, mobile coupons will definitely increase on the consumer side due to their simplified use. The first comprehensive retail campaign with online validation is scheduled to already take place in early 2017. Until then, the people in charge will work on converting the POS systems, an industry guideline for web-store integration and will focus on reaching more interested retailers. ▶

Author: Melanie Günther, iXtenso

### Neuer Coupon-Standard ermöglicht Auswertung in Echtzeit und Online-Validierung

Coupons sind im Einzelhandel schon längst selbstverständlich. Abgewickelt werden sie über Barcodes mit dem Präfix 981 und 982. Dieser Standard ist aber gerade für den Online- und Mobile-Bereich nicht geeignet. Die fehlende Automatisierung und Kontrolle der Gutscheine sind hier die größten Hürden. Ein neuer Couponing-Standard soll Abhilfe schaffen und insbesondere den Bereich Mobile Couponing vorantreiben.

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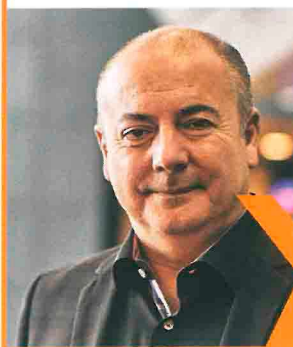
## STATEMENTS

### ” How do retailers manage digital transformation? ”



**CHRISTIAN KRAMER,**  
Consultant Digitization  
& eBusiness at CIMA  
Beratung + Manage-  
ment GmbH

The retail sector must view the Internet as a toolbox and use it for its purposes. It won't work without investments in IT. Despite all the technology, competent employees are crucial: that's why employees must be implicitly included in the transformation and not get the sense that they are being replaced by technology.



**TUDOR ANDRONIC,**  
Director Global Retail  
Solutions at Bizerba

We are already in the midst of a digital revolution. The successful "digital" retailer is the one who puts the networked customer at the center of his or her strategy. This retailer organizes and develops the right processes and systems to improve the customer experience.



**GÜNTER HEPPE,**  
Director of Information  
Systems at Bartels-  
Lagness Handelsgesellschaft

Digital transformation can only be achieved if retailers see it as a mission rather than a challenge. Thanks to continuous improvements in IT processes, the possibilities offered by digitalization will continue to increase. That's why nobody will be able to escape digital transformation because there won't be any areas where it doesn't take place.