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## The Coupon Deal Stacking Dilemma and the Players Involved: CPGs, Retailers, and the Consumer

### *Preventing Deal Stacking at the POS*

Deal stacking is applying two or more manufacturer coupons to the same item, a kind of double dip by the consumer. Deal stacking can occur when a digital manufacturer coupon is applied to an item in the transaction and a paper coupon presented by the consumer is applied to the same item. POS systems treat these as two entirely different types of discounts: one is electronic and one is paper. The POS will apply both as long as the item price does not go negative after the accumulated discounts are applied.

- CPGs would prefer (and some even insist) that deal stacking between digital and paper coupons is prevented by the retailer.
- Retailers may have to modify their POS systems to prevent deal stacking between digital and paper coupons and communicate the change to their savvy shoppers who maximize their savings.
- Consumers are being presented with more and more digital coupons on the Internet, their mobile devices and even on the retailer's own web site. The consumers who redeem digital coupons are also likely to redeem a paper coupon.

**Currently POS systems do not prevent this problem and it is giving the CPG community concerns about digital and paper promotions.**

The ICN real time solution processes digital coupons along with fully validating paper coupons and can prevent this double dip.

The ICN solution sees the entire basket contents, delivers qualified digital offers which do not require POS definitions, and intercepts the scan of a paper coupon before the POS application can validate it. The scanned paper coupon data is sent to the ICN real time service and the paper coupon can be validated, and deal stacking is prevented. In addition to validating the paper coupon, the ICN system can check for fraud against a negative or positive master file. When a paper coupon can't be validated against items purchased or is identified as a fraudulent paper coupon, a customized message is sent back to the POS in milliseconds.

ICN's real-time solution is truly unique in the way that it provides maximal flexibility for managing the coupon deal stacking scenario. Retailers have the ability to configure the ICN real-time service to either accept or reject instances of coupon deal stacking that occur at the POS. Additionally, the ICN solution will distinguish digital or paper manufacturer coupons from certain types of customized, retailer-centric digital coupons (i.e. trade offers), and it will allow consumers to redeem these different coupon variants on top of the same item, intelligently enforcing the desired coupon stacking rule only where desired (i.e., the digital and paper manufacturer coupons).

**Some CPGs will not allow their digital content to be made available to consumers unless the Retailer can prevent Deal Stacking.**

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