

How POS Receipts Build Sales And Loyalty

Leveraging your receipt printers as a marketing and couponing medium promises big returns on a small investment.

The coupon revival continues, and the source of those most often redeemed might surprise you.

According to the *Annual Topline U.S. CPG Coupon Facts Report for Year-end 2010*, released by NCH Marketing Services, Inc., marketers distributed 332 billion coupons for consumer packaged goods last year, marking the largest single-year distribution of coupons ever recorded in the United States. Those coupons redeemed totalled \$3.7 billion in savings for consumers. Fueled by frugal recession-weary shoppers, coupon usage has climbed from 63.6% in 2007 to 78.3% in 2010, according to NCH.

Most of those coupons *distributed* — a full 90% — came in the form of free-standing inserts, according to Inmar, the company that handles the bulk of coupon processing in the U.S. But retail marketers take note — that’s not where the leading growth in *redeemed* coupons lies.

Checkout coupon redemption rates grew 39% in 2010, faster than free-standing insert coupons, digital promotions, shelf-pad, *and* in-ad coupon offers. Indeed, coupons printed on receipts enjoy a redemption rate that’s three times higher than that of direct mail and newspaper circular-based receipts. Bob Carter, president of promotion services for Inmar, says the data his company is gathering tells us that consumers are still looking

for deals, but appear to be less motivated to seek out and redeem out-of-store offers.

The ability to leverage receipts to communicate brand awareness, promotions, coupon offers, and other forms of customer engagement is not new. Consumers’ enthusiastic return to interest in that messaging certainly is.

The consumers who are most enthusiastic about coupon redemption might surprise you as well. Assumption might lead you to believe that the lowest income households are the heaviest coupon users, when in fact it’s your best customers who seek them out and cash them in. Coupon usage in 2010 was dominated by households with incomes greater than \$70,000, with 38% of

Fastest-Growing Segments For Coupon Redemption		
Category	Redemption	Growth Share of Redemption
Dollar/Discount/Variety	71%	1%
Mass Merchandiser	26%	20%
Conventional Supermarket	20%	65%
Pharmacy	16%	6%
Convenience	12%	4%
Military Commissary	12%	4%

Source: Inmar

what Inmar labels “super heavy” users and 41% of “enthusiasts” coming from that demographic. Households with income of more than \$100,000 drove coupon growth in 2009.

Finally, lest you think the coupon craze has come and gone, the latest figures show coupon

redemption was up 4% in the second quarter of 2011 compared with the same period in 2010.

As in-store couponing goes, nothing beats the receipt. Modern, powerful software tools allow endless and easy customization of designs and parameters on receipts, such as targeted offers to customers who meet specific purchase thresholds. Chain-store retailers can even create store-specific messaging and offers, enabling location-based messaging that's custom-fit for the demographics of their consumers.

The writing is on the wall — if you're not promoting special offers on your register tape, you're missing a powerful opportunity to delight customers and drive repeat traffic.

Receipt Printer Marketing: Beyond The Coupon

While printing coupons on receipts is a high-payback proposition, it's not the only way to leverage receipts for creating brand awareness and building loyalty. In fact, a simple software utility can create dynamic receipts that spring to life in the hands of your customers, enabling customization such as:

- **Logo and Web site promotion.** At a minimum, retailers should include their Web site URL and logo on every receipt they issue. Adding logos — preferably in color — to your receipts will help reinforce your brand and create the differentiation needed in this ultra competitive market.
- **E-mail collection.** Collecting CRM-enabling data at the POS is hard to do in fast-paced retail environments. Using the receipt to direct customers to your Web site to register for newsletters and special promotions opens up a new avenue of customer communication.

Before		After	
<p>Transaction Printer Group – Headquarters 25 Tri-State International, Suite 200, Lincolnshire, IL 60069 Tel: 847 383 7900 Fax: 847 383 7949</p>			
	Orig Price	Loyalty Price	
Dry Goods			
3 Tex-Mex Salsa	\$7.35	\$6.30	
2 Tostitos Lime Chips	\$3.60		
2 Cans Alamo Refried Beans	\$2.40	\$1.98	
2 Cans Green Chiles	\$2.20	\$1.90	
1 Gringos Tortillas	\$1.89	\$1.54	
1 Johns Lava Sauce	\$2.00		
Dairy			
1 Cayuga Brand Sour Cream	\$1.54	\$1.20	
2 Sargento Shredded Cheese	\$4.98		
2 Knorr's Fiesta Dip	\$4.30		
1 Gal. Milk	\$2.30		
Beverages			
2 Luisa Cortes Mohito Mix	\$6.00	\$3.50	
2 St. Lucia Margarita Mix	\$7.50		
1 Turkey Hill Iced Tea	\$2.50	\$1.95	
1 6-pack Dos Equis	\$6.99		
Produce			
1 Lemon	\$0.69		
1 Key Lime	\$0.80		
1 Habenero Pepper	\$1.45		
1 Romaine Lettuce	\$0.89		
Health & Beauty			
1 Roloids Xtra Relief	\$1.55		
Sundries			
1 pack Dixie Paper Plates	\$2.25		
1 pack Cayuga Brand Knives	\$3.00	\$2.50	
1 pack Cayuga Brand Forks	\$3.00	\$2.50	
1 pack Cayuga Brand Spoons	\$3.00	\$2.50	
1 pack Napkins	\$3.25		
Sub Total	\$67.42		
Tax	\$5.39		
Total	\$72.81		
Shoppers Club Member			

*** Loyalty Savings \$7.01 ***			

!!!It is our pleasure to serve you!!!			

Before		After	
<p>THE STORE GROCERY, SPECIALTY AND MUCH MORE! 25 Tri-State International, Suite 200, Lincolnshire, IL 60069 Tel: 847 383 7900 Fax: 847 383 7949 Sales Toll Free: 800 732 8950</p>			
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THE STORE Shopper Club Loyalty Savings \$7.01 !!!It is our pleasure to serve you!!!			
Preferred Customer Discount			
10% OFF			
Any additional item in the store!			
With a \$100.00 purchase — excluding tobacco, wine, or lottery. Offer expires 12/31/07			

With a little color and creativity, your receipts can become a strategic marketing and communication tool.

Adding an incentive such as a discount or sweepstakes entry will boost your opt-in e-mail efforts.

■ **Advertisement of specials.** Specials are the drivers of repeat business, and repeat business is the driver of incremental sales revenue gains. A simple, flexible receipt editing tool will allow frequent customization of strategic offers and promotions that drive traffic on typically slow days, move stalled merchandise, or aid in new product launches.

■ **Gather customer feedback.** You'll drive Web traffic and gather important data on your stores, services, or products by surveying customers. Encouraging feedback from customers not only implies that you value their input, it helps marketers and merchandisers make important assortment and promotions

decisions. Again, providing an incentive for participation with boost survey results.

■ **Event promotions.** Having a sidewalk sale? Planning a holiday pop-up store? Celebrating an anniversary? Build awareness of these and other strategic events by adding information in the margins or on the bottom of your receipts.

■ **Recruit new associates.** Some studies peg the cost of hiring minimum-wage retail associates at well over \$3,000.00. Much of this cost is attributed to the expense of advertising open positions. Adding a “we’re hiring” message with contact information on your receipts is an inexpensive way to recruit from your best pool of applicants — your loyal customers.

Receipt printer marketing costs only a fraction of a penny per receipt, and your message travels in the hands of your customers on a frequently-referenced piece of paper. Integration of receipt printer marketing software tools is easy, and the interface that enables custom design and messaging is even easier to use. To ensure they maximize the power and visibility of receipt marketing, successful retailers train their employees to draw their customers’ attention to the message at checkout.

With a proven tool and a little creativity, you can ensure your receipts reflect your brand and promote its goals. Escape the receipt content limitations of your current POS application without modifying your mission-critical POS software. Contact CognitiveTPG today to learn more about the power of ReceiptWare™, its patented, free receipt marketing application for CognitiveTPG printers. ■

About CognitiveTPG:

CognitiveTPG is an integrated supplier of barcode printers, transaction printers, print-heads, and label supplies. For more than 35 years, we have provided innovative printing technologies to the thermal and impact printer market serving customers across a broad range of industries including Retail, Banking, Self Service/Kiosk, Automotive, Hospitality, Manufacturing/Logistics, and Healthcare. CognitiveTPG differentiates itself through its delivery and dedication to producing quality, reliable, cost competitive, and compatible printing solutions.

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