

LEAD Marketing
CONFERENCE
Loyalty • Engagement • Analytics • Digital
VIRTUAL EDITION



How to stop fraud
and enable mobile
national distributed
coupons.

Speakers



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About InComm Payments / OLS Payments



About ICN



Innovative end-to-end coupon management technology company, founded in 2008.

Solutions for:

1. Coupon fraud protection
2. Coupon validation
3. Electronic Clearing
4. Promotion Management
5. Digital and Direct-to-Card Offers
6. Points and Fuel Programs

1B+

**Transactions
Processed**

40M+

**Paper Coupons
Validated**

200M+

**Trade & Digital
Coupons
Processed**

4

Issued Patents

Topic:
How to stop fraud and
enable mobile national distributed coupons.

Definition: What are Nationally Distributed Coupons?

NATIONALLY DISTRIBUTED COUPONS

Distributed by manufacturers, which can be redeemed in any retailer. These are all paper coupons today.



Coupon Supply Chain



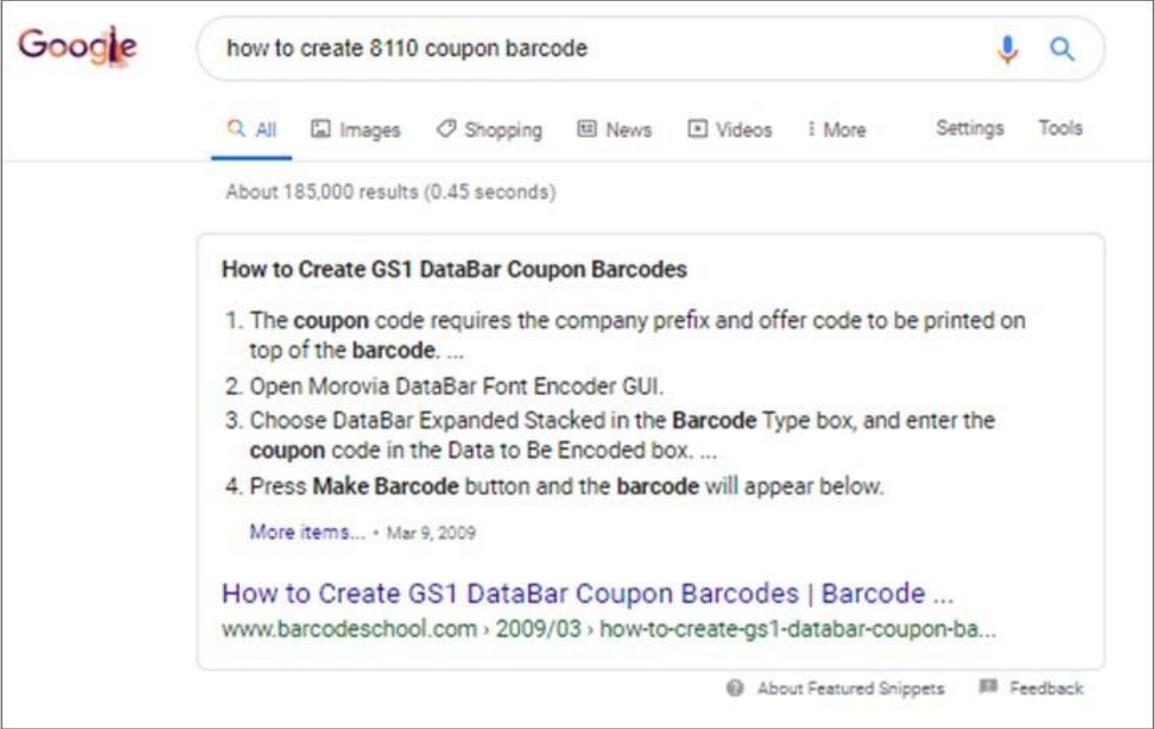
(Instant Poll)

Are you a...

- Brand
- Retailer
- Marketing Provider
- Other

Creating a Fake Coupon is Easy!

8110 Coupon Format:



The screenshot shows a Google search interface with the query "how to create 8110 coupon barcode". The search results include a featured snippet titled "How to Create GS1 DataBar Coupon Barcodes" with a list of four steps: 1. The coupon code requires the company prefix and offer code to be printed on top of the barcode. 2. Open Morovia DataBar Font Encoder GUI. 3. Choose DataBar Expanded Stacked in the Barcode Type box, and enter the coupon code in the Data to Be Encoded box. 4. Press Make Barcode button and the barcode will appear below. Below the snippet is a link to "www.barcodeschool.com" with a date of 2009/03.

Who's Liable for Coupon Fraud?

Manufacturers

Retailers

(Instant Poll)

Does your company track coupon fraud or chargebacks?

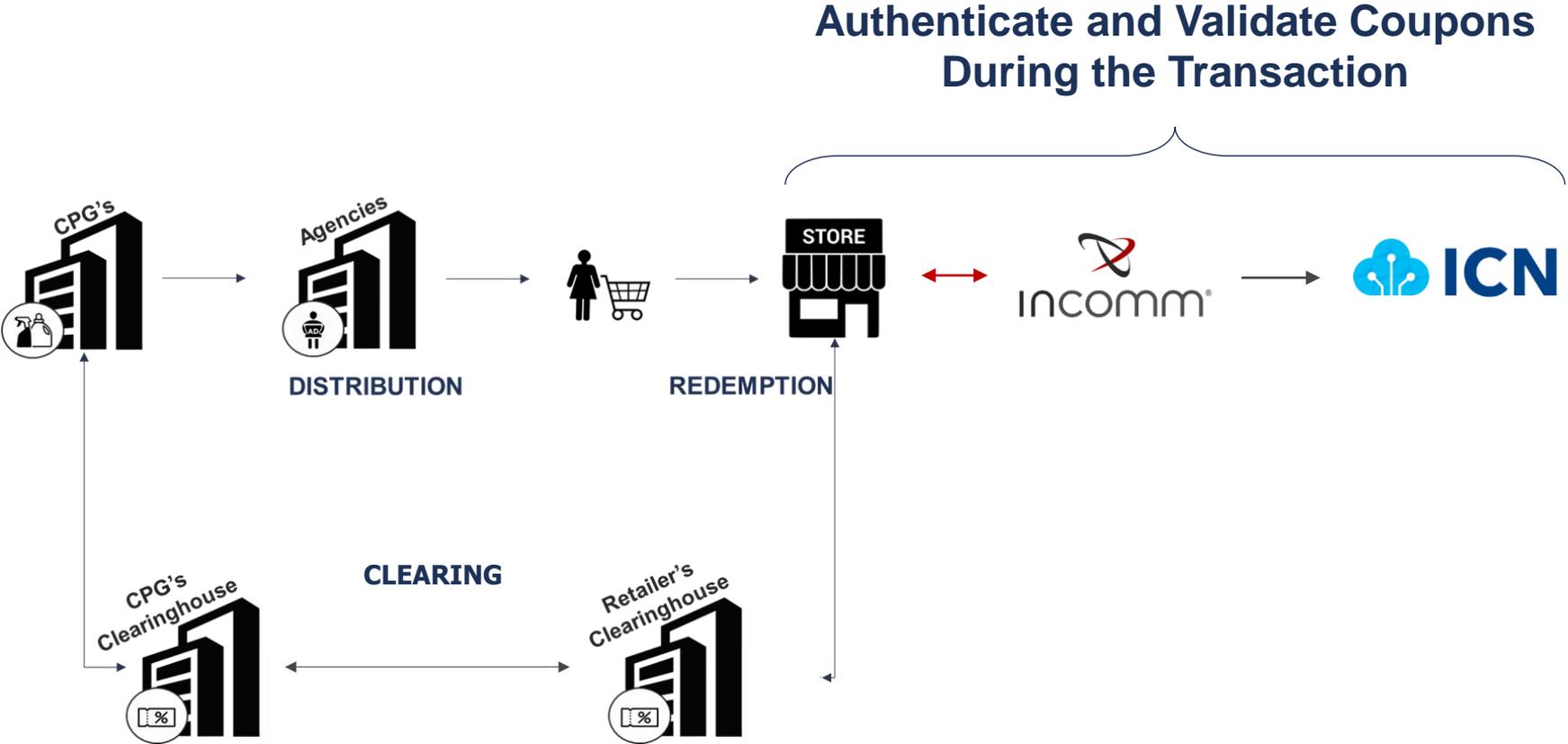
- Yes, and it's a big deal
- Yes, but it's not a very big deal
- No
- I don't know

(Instant Poll)

Is your company actively seeking to solve for coupon fraud and/or electronic clearing?

- Yes
- No
- I don't know

How to Solve Coupon Fraud



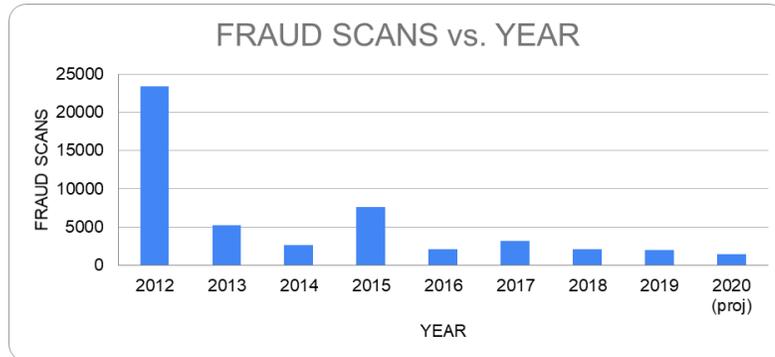
Proven Success



Regional Grocer – 8110 Processing

1. Grocer saw over 23k fraudulent paper coupon redemption attempts in 2012. Since going live ...

Grocer saw a 77% decline in fraud attempts by year 1, 89% decline by year 2, and 94% decline today.

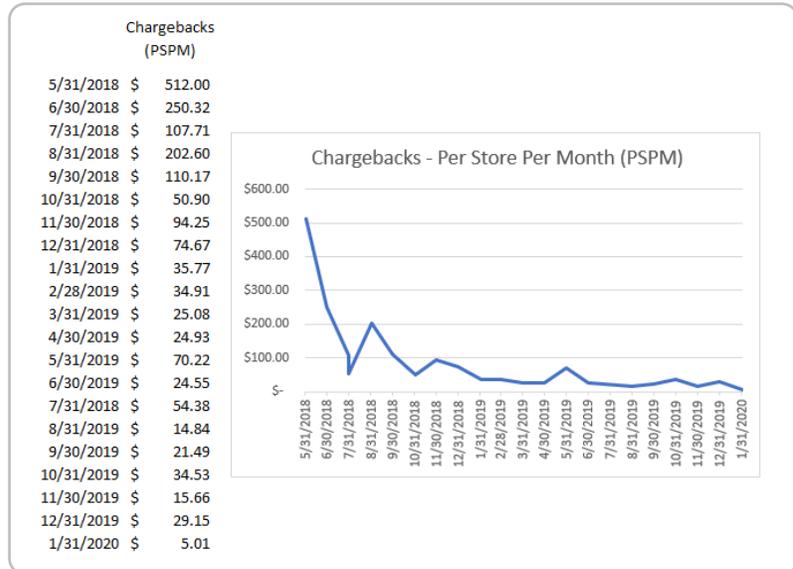


2. \$17.67 in paper coupon fraud *per store per month* was blocked when this went live in 2012. Due to increasing fraud rates in the industry, had this solution not been put in place, we predict this chain would be seeing more than \$50 per store per month in fraud today.

National Big Box Chain – 8110 Processing

This chain had a massive chargeback problem of \$512 *per store per month*.

In under 2 years, this big box retailer saw a 98% reduction in chargebacks per store per month.



Why are there no nationally distributed mobile coupons?



3 Step Path to Enable Mobile Coupons

1.
Shift fraud protection
to occur upstream



2.
Accept e-clearing
of paper coupons



3.
Allow mobile
coupon scanning

Seems Obvious. Why Hasn't This Occurred Already?



Barcode Scanning
Devices



POS Impacts



POS Connectivity

Conclusion

- The current coupon redemption process leaves retailers and manufacturers at odds due to the risk of fraud and lost revenue.
- This also leads to a vicious cycle that prevents mobile (digital) versions of Nationally Distributed Coupons from being reimbursed and accepted.
- A solution to this stalemate involves having the validation process occur during the transaction at the POS.
- InComm Payments has partnered with Intelligent Clearing Network (ICN) to solve these major industry problems:
 1. Eliminate fraud (chargebacks, shrink, etc.) during the transaction
 2. Enable electronic clearing of paper coupons
 3. Accept Nationally Distributed Mobile Coupons.

How Can You Help?

Manufacturers

Reach out to ICN for information
on how to participate.

Eric Williams (ewilliams@icn-net.com)

Retailers

Reach out to InComm for information
on how to integrate.

Matt Fitzgerald (mfitzgerald@incomm.com)