

Coupon Card

Coupon Card is an electronic method of applying in store and manufacture's coupons. At the time of transaction, the customer will slide the Coupon Card and all currently available and applicable coupons will be applied to the order. A mobile app and website will accompany the card, to ensure consumers, the primary costumer, the best deals.

Currently with paper coupons, a costumer at a grocery store for example, will hand the coupon to the cashier, who will then slide the coupon and the register software says whether or not that coupon could be applied. If applied, the coupon acts as if it were cash, and gives the costumer the respective sale. The cashier puts the coupon in a secure location until the end of the day, when he/she then compiles all the coupons and brings them to the accountant of that store. With all the cashiers doing this, the accountant quickly builds up a large amount of paper coupons at the end of the week. For larger chain stores (Kroger and Safeway), these coupons are then put in plastic bags and shipped off to the store headquarters. From there, the coupons can finally be tallied up. However the process is tedious. Clearinghouses, which are typically in Mexico, receive millions of coupons daily, and have to start the process by sorting all the coupons into the respective manufacturers by hand. After the initial sorting, they are sorted even further, into coupons that can either be scanned and those that are in a ill condition. Ill conditioned coupons are added up by hand, while the others go through the scanners and added to the total value. The coupons and the total value are then sent to the individual manufactures. Some manufactures even send the coupons to another clearinghouse to avoid scams. After about a month since leaving the initial store that took the coupon from the costumer, the store is reimbursed the total price of the coupon, plus an additional 8 cents per coupon.

The largest problem consumers face with paper coupons is the time commitment. Not only in cutting them but in the process of looking around the store for the best deal with the correct coupon. Coupon Card allows the consumers to save their time while still saving their money. A huge part of coupons, and a main reason why manufacturers produce them, is that they typically tell the consumer what they want to buy. In doing this, the consumer is more inclined to purchase an item that they would normally not buy nor need, resulting in them actually wasting money while they get the "deal". Coupon Card could completely eliminate that dilemma by finding coupons that exist on their standard shopping list at checkout. For the more avid coupon clippers, the supplementary app would allow the consumer to quickly search for coupons on their mobile devices or computer. This would push the manufactures goal of influencing the shopping decisions and would keep companies producing coupons for their products.

On the manufactures side, companies are always trying to get the advantage over others, offering deals to make themselves look more attractive than the competition. With the coupon card app, companies would be able to get free advertising for their brand name, as well as a competitive advantage by their product's coupon placement. A huge benefit to manufacturers and marketing companies would come in the way the Coupon Card is implemented. When the card is swiped, Coupon Card will cross reference what was in the transactions with coupons and deals available. Coupon Card would be able to build a large database of all the things consumers are currently buying, with what, and when. This information is extremely important to companies on keeping up with the consumers.

The market opportunity for Coupon Card can be estimated by looking at coupon statistics from previous years in the current market. Over the past 4 years, NCH Marketing calculated that an average of 3.2 billion coupons are used each year. With each coupon having an \$0.08 processing refund for paying for shipping and handling of the coupons between locations and to pay for clearinghouses, accounts for \$256 million. Out of those 3.2 billion coupons used, according to eMarketer, consumers collectively saved \$800 million. Coupon Card would be able to tap into both the combined savings and the amount companies currently pay to have coupons in circulation. A secondary effect of Coupon Card however would be that more consumers would be using coupons, resulting in an increasing amount of money saved, and increased profits for Coupon Card. With coupon use continuing to grow, capturing a few percent of the current market would spark even greater growth, and could result in Coupon Card being a multimillion dollar business.

Current solutions to digital couponing only exist in the store-exclusive-coupon field. Some stores, such as Safeway, allow the customer to go online and automatically add coupons to their store shoppers cards, that will be deducted at the time of the transaction. However, nothing is currently being done for the same approach for manufacturing coupons, other than online databases of coupons. These databases require consumers to spend their own time searching for coupons and printing them off before going to the store.

To get Coupon Card widely used, consumers would have the option of receiving a card online, or signing up for one in stores. The card would be free for consumers to own, and since Coupon Card only makes money when it saves the customer money, consumers will know that it's in their best interest. Success would be measured on how fast the company could take off by the amount of cards issued and the number of times the card was swiped daily. A huge success factor would be the interest levels of companies for a buyout, such as Groupon, who could benefit significantly with Coupon Card.

The Coupon Card itself would look like a traditional discount shopping card, that could be swiped at any location to see if any deals are available. It would be compatible with the standard registers, and would cross reference what was in the transactions with coupons and deals available. The deals would then be automatically be applied to the transactions. While the current Coupon Card team is proficient in a wide range of programming languages, a professional programmer would need to be hired because of the time required to build such a complex coding.

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