



# Action Alert

March 11, 2009

## Use of Internet Counterfeit Coupons on the Rise

In the quest for new customers, manufacturers have invested in online coupons as a means to provide greater value in the products that they sell. But while the Internet has created a new channel for coupon distribution, it's also created a new avenue of coupon fraud. With the state of the current economy and the abundance of readily available technology to change coupon values, this combination has paved the way for an increase in coupon fraud. N.G.A. has recently had a number of retailers and wholesalers contact the organization after seeing an increase in counterfeit coupons.

According to a statement released by the Coupon Information Corporation, companies and consumers are losing an estimated \$500 million annually because of coupon fraud. Reacting to increasing incidents of Internet coupon fraud, many retailers have started rejecting coupons that consumers obtain online and print at home. However, coupon redemption is on the rise. In the fourth quarter of 2008 coupon redemption grew nearly 10% compared to the fourth quarter of 2007, the first jump in redemption since the early 90s, this according to Inmar, the nation's leading promotions transaction settlement provider.

To address this issue N.G.A. would like to share a new easy-to-read poster designed to assist your store personnel in recognizing legitimate Internet coupons. Developed by the Internet Coupon Task Force of the Association of Coupon Professionals, the poster provides tips for cashiers to look for certain elements within the coupons such as no free/high-value offers, obvious alternations, unusually long expiration periods, and other features and design elements. Examples of legitimate coupons from different vendors are provided on the poster as sample coupon designs. The poster is available for download at our website [www.nationalgrocers.org](http://www.nationalgrocers.org).

If you are experiencing problems with counterfeit coupons or have questions we would like to hear from you. Please contact Jessica Harper at [jharper@nationalgroces.org](mailto:jharper@nationalgroces.org) or call (703) 516-0700.