



**MOBILE MARKETING ASSOCIATION**

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# Mobile Couponing Guidelines (v1.2)

Mobile Marketing Association MMA



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## Purpose

The following document published by the Mobile Marketing Association (MMA), outlines Guidelines and Best Practices in Mobile Price Promotions, specifically coupons and rebates delivered and redeemed through the mobile phone.

Our goal is to create an environment in which to launch and process mobile price promotions efficiently. This document intends to define the terms, general processes and best practices for all the parties participating in and enabling mobile coupons and rebates for uses to increase sales and promote consumer loyalty.

## Compliance

All programs should be run congruous with the letter and spirit of the MMA Code of Conduct for Mobile Marketing and the Consumer Best Practices Guidelines for Cross-Carrier Mobile Content Programs.

At all times, programs must be in accordance with applicable local (federal and state) laws, rules and regulations.

## Overview

Coupons and Rebates are issued by brands or retailers to be used as a part of sales promotions for their products. Other uses include attracting customers to entertainment attractions (amusement parks, zoos, museums, etc.) and services (salons, spas, etc.). The difference between a coupon and a rebate has to do with the timing of the reward. A coupon provides an immediate discount, reducing the amount owed for the purchase. A rebate provides a delayed discount, returning the amount to the consumer after the



purchase – through a check, electronic funds transfer, statement credit, loyalty points or voucher/card good for future purchases.

MMA defines Mobile Price Promotions as electronic coupons or rebates that traverse the full redemption process without the requirement for conversion into a paper or other hard copy format. While any individual step in the overall redemption process may occur manually, these coupons and rebates can either be discovered or redeemed via a mobile device.

Mobile Price Promotions are often distributed through a variety of mobile means including: SMS, MMS, Mobile Applications, Mobile Web, Bluetooth, NFC and 1D/2D barcode scanning.

## Discovery & Redemption Methods of Mobile Price Promotions

**Physical / Traditional Media:** Mobile Coupon offers can be presented in traditional media such as print, outdoor, TV, radio, direct mail, in-store signage/collateral, and product packaging. Coupons presented through these methods include both a call-to-action and appropriate disclosures regarding any costs to the user when interacting with the call-to-action.

**Digital / Interactive Media:** Mobile Coupon offers can be presented on websites, web ads, email, mobile websites, mobile applications and mobile banner ads. In these scenarios, there is a call-to-action resulting from 'clicking' on the offer that provides directions to the user on how to receive the coupon for use with the mobile device.

Examples of calls-to-action:

- Enter phone number on a web page entry form to receive coupon via text message
- Enter phone number on a web page entry form to receive instructions on how to get or use coupon on the phone
- Send a text message with a Keyword to Short code to receive coupon or instructions
- 'Click here' to save/send the coupon to [mobile application]
- Go to a website to view or download the coupon
- Scan or dial a 1D or 2D barcode to have a coupon sent to your phone
- Save to loyalty card or users unique ID

Mobile Coupons are redeemed by consumers by presenting the mobile device or unique identifier at checkout in a retail environment to obtain a discount at the point of sale. The redemption process may occur one of the following ways:

- **Consumer Packaged Goods "CPG-Style" environment:** In some cases multiple parties (brand, retailer, franchisees, distribution vendors, etc.) are involved in a mobile coupon promotion. This will require the coupon redemption data to be forwarded to a coupon settlement processor, or directly to the issuer, for reimbursement.
- **Closed Loop System "In-Store" environment:** In some cases, the coupon issuer and coupon redeemer are the same, meaning that no financial settlement is required. Nothing beyond the validation of the coupon is required for redemption.

Mobile Rebates can be redeemed by the consumer by texting the appropriate code, scanning a 2D barcode or visiting a mobile site or application. Upon receipt of the necessary proof of purchase



transmitted via a mobile device, the reward is distributed directly to the consumer in the approved manner (check, reward card, electronic funds transfer, etc.).

## Five Stages of Mobile Price Promotions

1. Setup and Communication: This stage is necessary to ensure that all of the parties involved in the process are prepared to act when a consumer meets the requirements for redemption. This may be an internal process for mobile rebates and “store coupon” type mobile coupons. Alternatively, this may be a multi-organizational effort for “CPG-style” mobile coupons requiring financial reconciliation.
2. Discovery and Acquisition: This stage is when the consumer finds and selects (or opts into) a mobile price promotion. A mobile price promotion can be delivered in a variety of ways:
  - a. Pull: The consumer takes action to receive a specific mobile price promotion
    - i. Short code: The consumer must send a text message to a short code to receive a promotion.
    - ii. Application: The consumer must download an application and then activate it to receive a promotion.
    - iii. Bluetooth: The consumer must activate Bluetooth to receive a promotion.
    - iv. 1D/2D Code: The consumer must scan the code with the mobile device’s camera to receive a promotion.
    - v. Mobile Dial Code: The consumer dials a special number to have a coupon sent to his/her phone
    - vi. Banner Ads: The consumer interacts with the mobile ad unit.
  - b. Push: The Mobile Price Promotion is delivered to the user only after the initial opt-in or approval.<sup>1</sup>
    - i. Messaging: The promotion is delivered through standard messaging formats such as SMS, or WAP push, or enhanced messaging services such as MMS which is a richer graphical format with images and text.
    - ii. Application: The promotion is delivered to a resident application without the need of intervention of the user.
    - iii. Bluetooth, NFC, or RFID: The promotion is delivered to a passive consumer within a specified proximity.
3. Presentment: This stage is the way that the consumer presents the coupon for validation and redemption at the point-of-sale. To be a mobile price promotion, the presentment must involve the consumer giving/showing/interacting with something other than a piece of paper (aka a traditional coupon) and involves some activity related to the mobile device.
  - a. Methods of presentment for a mobile coupon include:
    - i. Reading a code from the mobile device’s screen and manually entering it into the point-of-sale system.
    - ii. Using the point-of-sale scanner to scan a code from the device’s screen or loyalty card.

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<sup>1</sup>Any push promotion should be in compliance with the MMA Consumer Best Practices and Guidelines. For more information, please visit <http://mmaglobal.com/bestpractices.pdf>.



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- iii. Transmission of offer information data into the point-of-sale system via Bluetooth or Near Field Communications (NFC).
  - iv. Integration with a loyalty card or unique ID.
  - v. Entering the mobile number into a pin pad or point of sale system.
- b. Methods of presentment for a mobile rebate include:
- i. Texting a unique code to a short code discovered inside product packaging.
  - ii. Scanning a barcode discovered inside product packaging.
  - iii. Enter in rebate information into a mobile application or mobile web.
4. Validation and Redemption: This stage ensures that only valid mobile price promotions are honored and attempts at fraud or system manipulation are thwarted. Assuming the consumer meets the qualifications for the reward, the system (point-of-sale for coupons, cash distribution system for rebates) will grant the reward.
5. Reconciliation: This stage is necessary for mobile coupons and specifically for those in a “CPG style” environment (involving 2 or more parties cooperating on a promotion, such as a retailer and a manufacturer). It provides a method for getting the data out of the point-of-sale system and getting it into a reimbursement process. The ultimate goal is to ensure that the coupon issuer (usually a brand) and the coupon recipient (usually a retailer) get the tracking data and financial reimbursement that each expects in a timely manner. This process is usually managed by a coupon clearing house. The five stages of Mobile Price Promotion were adapted from the Association of Coupon Professionals Digital Coupon Guidelines, "Digital Coupon Process", 12/2008. [http://www.couponpros.org/resources\\_digital\\_coupons.shtml](http://www.couponpros.org/resources_digital_coupons.shtml).

## Mobile Coupon/Rebate Campaign Best Practices-Principles

The following five principles are intended to apply broadly across wireless platforms in which coupons may be distributed. They are not meant to be overly restrictive or prohibitive, but to only provide a framework to those that distribute, develop, and publish coupons on wireless platforms. They are meant to help protect both consumers and businesses as well as help maintain the reliability and integrity across the coupon distribution industry.

1. Honest, True and Fair: All coupons placed in the market for distribution must be honest and in good taste. Coupons should be conveyed in a truthful and not deceptive or misleading manner.
2. Content and Placement: Good taste must always govern the content, placement and presentation of the coupon. All coupons should be prepared with proper consideration of the type of product being advertised and the audience to whom the advertising or promotions are directed.
3. Transparency: The corporate name, product name, or trade name should be identified, clearly, prominently and visually. Developers, publishers or the advertised products corporate entity should have a mechanism in place for consumer feedback on the coupon. All rules that govern the promotion, i.e., expiration dates, limits, etc., should also be made clear to the consumer.
4. Price and Value: All prices and values must be confined to specific facts and presented in a prominent, fair and accurate manner.
5. Privacy and Security: Privacy should be respected and user consent, opt in, opt out and other



user terms and conditions should be available.<sup>2</sup>

## Mobile Coupon/Rebate Best Practices - Campaign-Specific

In the spirit of the above guiding principles and in order to provide an atmosphere that includes customer safety and is free from consumer abuse and fraudulent behavior, the following are recommended content best practices in developing an effective mobile price promotion campaign:

- Avoid promotion of any illegal service or product that facilitates illegal behavior;
  - Avoid any content that misleads consumers;
  - Avoid content contains extreme profanity;
  - Avoid content that contains misleading or fraudulent claims;
  - Avoid content that promotes or glamorizes alcohol abuse or illegal drug use;
  - Avoid content that is defamatory, libellous or threatening;
  - Coupon publishers who intend to reach children should follow all The Children's Advertising Review Unit (CARU) Guidelines<sup>3</sup> as well as understand and account for a child's limited knowledge, experience, sophistication and maturity of the audience to which the coupon is directed;
  - All transmitted material must comply and conform to all applicable governmental laws, rules and regulations;
  - All coupons should comply with applicable standards, including applicable marketing and advertising standards, adopted by various associations for specific products and services.
- Contests
    - Coupons that include contests and sweepstakes must clearly and conspicuously disclose the material terms and conditions of participating and must not be false, deceptive or misleading.
    - All contests must follow local, state, and federal laws, rules and regulations pertaining to sweepstakes must have any necessary state bond issuance. Contest legal terms and conditions must be easy for consumers to access.
    - Contests that award prizes on the basis of chance are generally illegal unless free entry is possible. Coupons that include this type of contest should adequately describe the availability of such free chances with such phrases as: "No Purchase necessary," "Void where prohibited," or equivalent language must be disclosed if pertinent.
    - Coupons that include contests should provide the consumer with the following information:
      - Eligibility requirements
      - Termination date of the contest
      - No purchase necessary
      - Void where prohibited
      - Where to find the complete rules
  - Food
    - Food coupons should not overstate, exaggerate or distort the nutritional value of foods.
    - All claims made in coupons about food nutrition or health should be able to be substantiated by factual and/or scientific data.

<sup>2</sup> For information on Industry Best Practices, visit [www.mmaglobal.com/bestpractices.pdf](http://www.mmaglobal.com/bestpractices.pdf)

<sup>3</sup> Available at <http://www.caru.org/guidelines/index.aspx>



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- Health claims that distort the importance of food, its ingredients or suggest advantages beyond what really exists should be avoided.
- Dietary Supplements and Vitamins
  - The words “safe,” “harmless,” “without risk,” or any words or phrases with similar meaning should be avoided.
  - When appropriate to ensure the coupon is not misleading, the following disclaimer should be used: “This statement has not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease.”
- Pharmaceutical Products
  - Pharmaceutical coupons must comply with all applicable laws, rules, regulations or guidance issued by the FDA.
  - Pharmaceutical coupons should be confined to those symptoms and conditions for which the product is indicated.
  - All coupons must include the established name of the drug.
  - The words “safe,” “harmless,” “without risk,” or any words or phrases with similar meaning should be avoided.
- Alcoholic Beverages
  - Alcoholic beverage coupons must be intended for adults of legal purchase age.
  - Coupons should not promote excessive consumption of alcohol.
  - Coupons for alcohol may not convey “primary appeal” to underage consumers (e.g., use of Santa Claus).
  - Companies that produce alcohol based coupons are encouraged to promote the “please drink responsibly” campaign.
  - Alcoholic promotions must follow regular guidelines pertaining to local, state, and federal laws, rules and regulations for couponing and sweepstakes.
- Personal Products
  - All coupons for personal health products should be in good taste, appropriate and not overly graphic.

## Mobile Coupon and Rebates Guidelines-Consumer Notice

### Terms and Conditions / Disclaimers

- All advertising and promotional material clearly indicates whether the service is a subscription and the cost involved, if any.
- All material terms and conditions of the program are clearly communicated with the offer.
- If terms and conditions materially change the offer then they must be highlighted and presented at front of offer.
- Service availability, on a carrier-by-carrier basis, should also be fully disclosed. All disclaimers should be displayed clearly and conspicuously. As a general rule they should be placed against contrasting background and well spaced.
- Disclaimers should in no way contradict or offer different terms than what is being presented.

### Format and delivery



- All advertising material clearly indicates the format and the delivery method of the mobile coupon that user will receive.
- The publisher, developer or the named products corporate entity should have a reasonable mechanism in place to allow for consumer feedback as to the use, distribution, feasibility, security and content of the coupon.
- Certain Mobile coupons requiring reconciliation may need to be registered with a clearinghouse prior to publishing. This will ensure that retailers can reconcile after redemption.
- All coupons must contain proper sponsor identification. Sponsor identification consists of the name of the sponsor's corporate name, trade name or name of the product.

#### Fraud Notification

- Legal copy should appear on the coupon application or the website linking to the wireless coupon that speaks to protection against fraud and misredemption.
- It is recommended to use the disclaimer: "Void if mobile coupon is altered, transferred, purchased or sold. Use for these purposes is illegal and constitutes fraud on mobile coupons or the applications that supplies such coupons."

#### Mobile Coupon Design

- The Offer: The coupon offer should be clear, specific, and visible including the purchase requirements such as quantity, size, etc. The purchase requirements should be prominently shown and stated in simple, easy to read language. Multiple purchases should be clearly stated and shown next to the face value. Avoid complicated offers, where possible.
  - Include language on the coupon or in the Terms and Conditions such as:
    - "Coupon valid for items indicated"
    - "Any other use constitutes fraud"
    - "May not be combined with any other offer"
    - "Duplicate or altered coupons will not be accepted"
  - Promotion of a coupon, service or campaign should clearly indicate whether the service is a subscription.
- Face Value: The coupon's purchase requirements should be clearly stated and prominently displayed.
- Guarantees and Warranties: References to guarantees, warranties or similar terms must comply with all applicable laws and governmental rules and regulations. If any duration or exclusions are attached a disclosure stating "see dealer (or store) for details" should be included. Use of the term "Satisfaction or your money back" will be construed that the full purchase price will be refunded at the option of the purchaser.
- Source: Include the words "Manufacturer Coupon" or "In-store Coupon" as appropriate for mobile coupon offers.
- Use of the word "Free":
  - An offer may be described as "free" provided that all conditions for obtaining the "free" product or service are clearly and conspicuously disclosed.
  - Any limitations must be disclosed.
  - Text message programs for delivering coupons should always disclose messaging and





- data charges that apply to the consumer (i.e. “msg&data rates may apply”).
- If a product or service in a promotion is described as “free”, and the consumer must meet certain conditions or make payments or purchases in order to receive the free item (e.g., buying X amount, paying shipping & handling fees, completing consumer surveys or providing personal information), those conditions must be clearly and conspicuously disclosed.
- It is considered normal practice for a corporate entity to give a maximum value of allowance for “free” coupons. (e.g., this coupon is good for a free one 12.oz. drink, maximum value not to exceed \$2.00). Again, any additional conditions must be clearly and conspicuously disclosed.
- Expiration Date: It should be clearly visible. Shorter expiration periods limit your liability and promote faster response to your promotion; however, longer expiration dates increase your redemption rates. The coupons expiration should be prominently displayed with the month, day and year on the mobile coupon. If there is no expiration then the words “No Expiration” should be placed on the mobile coupon. Any offer without an expiration date should be considered carefully. If an offer is utilizing a retailer loyalty platform or some other type of CRM database system, an expiration date should always be used. Most systems have limits to the amounts of offers that can be housed.
- Product: Display the name of your product/brand for quick recognition. If you’re using formats that allow graphics (MMS, application or image) include a logo or product image to increase recognition. All images should be appropriate for the viewing audience.
  - Redemption Offer code: Redemption codes can be numeric or alphanumeric. Each promotion should be coded in such a way to be distinct from other promotions that may be running at the same time – either from the same issuer or others.
  - Barcode: Any barcode displayed must be compliant with the redemption mechanism. Alphanumeric code is recommended in case that the validation scanner doesn’t read the code.
  - MMS: If using MMS, indicate what the value is and where to scan.
    - Barcode on MMS should have more than 90% accuracy and an alternative way to input the validation code.

## References

The following documents provide additional sources of information and reference:

- The MMA Code of Conduct (<http://www.mmaglobal.com/modules/content/index.php?id=5>)
- The MMA Consumer Best Practices Guidelines for Cross-Carrier Mobile Content Programs (<http://www.mmaglobal.com/bestpractices.pdf>)
- The MMA Introduction to Mobile Coupons (<http://mmaglobal.com/mobilecoupons.pdf>)
- Digital Coupons Guidelines from the Association of Coupons Professionals (ACP) – ([http://couponpros.org/resources\\_digital\\_coupons.shtml](http://couponpros.org/resources_digital_coupons.shtml))



## Who We Are

The Mobile Marketing Association (MMA) is the premier global non-profit association established to lead the growth of mobile marketing and its associated technologies. The MMA is an action-oriented organization designed to clear obstacles to market development, establish mobile media guidelines and best practices for sustainable growth, and evangelize the mobile channel for use by brands and content providers. The 450+ global member companies include agencies, advertisers, hand held device manufacturers, wireless operators, aggregators, technology enablers, market research firms and all companies focused on marketing via the mobile channel. The Mobile Marketing Association's global headquarters are located in the United States with regional chapters in Europe Middle East & Africa (EMEA), Asia Pacific (APAC), and Central & Latin America (LATAM) consisting of representatives in over forty countries across the globe. For more information, please visit [www.mmaglobal.com](http://www.mmaglobal.com)

Mobile Commerce Committee: Is chartered with developing best practices and guidelines in regards to mobile commerce initiatives. The ultimate goal of the committee is to, eventually, enable a simple, consistent and compatible consumer experiences across all carriers. The committee will establish balanced guidelines that encourage brand, retail and media adoption to drive consumption.

Mobile Couponing Task Force: The Task Force is chartered with developing best practices and guidelines in regards to mobile couponing campaigns.

The Task Force, co-chaired by Mobile Dreams Factory and Inmar developed these guidelines in collaboration with representatives from MMA member companies including:

| Mobile Couponing Committee |                  |                       |
|----------------------------|------------------|-----------------------|
| Cellfire                   | Inmar            | Mobile Dreams Factory |
| Infinian                   | Verizon Wireless |                       |

## Contact Us

For more information, please contact the Mobile Marketing Association at:

Mobile Marketing Association

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## Glossary of Terms

The MMA maintains a nomenclature glossary for all terms within MMA guidelines, education documents and research. The Glossary is available at <http://mmaglobal.com/wiki/mma-glossary>.