



6 REASONS TO REVAMP YOUR REBATE STRATEGY AND GO DIGITAL

WHITE PAPER

Rebates are one of the most widely used brand marketing strategies¹. The typical American household that actively redeems consumer rebates saves an estimated \$150 annually, and based on an analysis of rebates programs in 2010, the market for corporate-funded rebates is more than \$8 billion dollars in claimed rewards². Consumer Reports found that over the course of a year, 70% of consumers had taken advantage of manufacturer rebates on products³.

\$150 per annum

The amount a typical American household that actively redeems consumer rebates saves.



Rebates drive sales by providing a temporary discount while still protecting prices.



Rebates offer brands the best of both worlds: they drive sales by providing a temporary discount while still protecting prices. Rebates are also more cost effective than blanket discounting, and give marketers greater control over their discounting strategy. Keeping budgets in mind, rebates that span an entire fiscal quarter qualify for financial account benefits.

For example, during the turnaround time, the company can earn interest on the revenue, and if the turnaround time crosses into the next fiscal year or quarter, a rebate offer can inflate sales in the current period. Moreover, rebate revenue does not have to be accounted for until the next period, when it can be classified as a cost reducing sale or expense for the next period⁴.

In 2010, 70% of consumers took advantage of manufacturer rebates on products³.

Source: Consumer Reports



However, mail-in rebates have received considerable backlash, as rebate-related consumer complaints to the Federal Trade Commission and Better Business Bureau have skyrocketed. Shoppers feel that the fine print and cumbersome forms to fill are a ploy by the companies issuing the rebates to deter shoppers from receiving their savings⁵.

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While the final product (savings) still incentivizes customers, the process associated with traditional mail-in rebates is clearly antiquated. Mail-in rebates no longer work. Let's take a look at some of the major flaws of mail-in rebates and then examine ways in which a digitalized rebates solution not only solves the problem, but adds greater value:

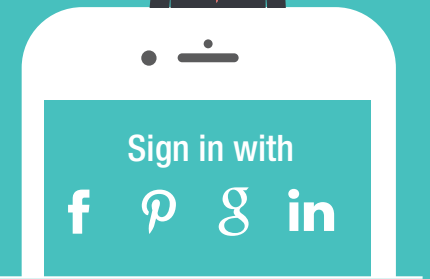
PROBLEM #1



THEY IGNORE TECH INNOVATIONS

These days, tech-savvy consumers are annoyed if they have to spend more than a few seconds to sign up for an online discount. An astonishing 86% of users say they are bothered by having to create new accounts on websites, which is why **social logins (which allow you to instantly sign in with your Google or Facebook account) have become so popular⁶**.

SOCIAL IS IN.
SIGN UP!



A Wall Street Journal report says that fewer than 50% of consumers mailed in rebates in 2014, due to burdensome processes and the level of documentation required.

If we, as a society, find it so irritating to type a few lines of text, imagine how inconvenient it is to force a consumer to fill out a lengthy paper application, physically cut out the proof of purchase, find an envelope and a stamp and drive to the post office – all to even begin the rebate redemption process. No, thank you!



Consumers can snap a picture and send a proof of purchase via e-mail, SMS or website upload.



SOLUTION



SNAP, SEND AND SAVE USING THE LATEST MOBILE-FIRST TECHNOLOGY

New mobile-first technologies allow consumers to use the camera on their phone to snap a picture and send a proof of purchase via e-mail, SMS or website upload – just with a few simple finger swipes. And with an e-mail or SMS proof of receipt from the retailer that lets consumers know that their information was received, digital rebates add a layer of transparency, thereby improving communication. This positively impacts the customer experience by sending them a clear signal that you’re committed to ensuring that they receive their money as quickly and efficiently as possible, and as promised.

PROBLEM #2



THEY ARE COMMUNICATION BLACK HOLES

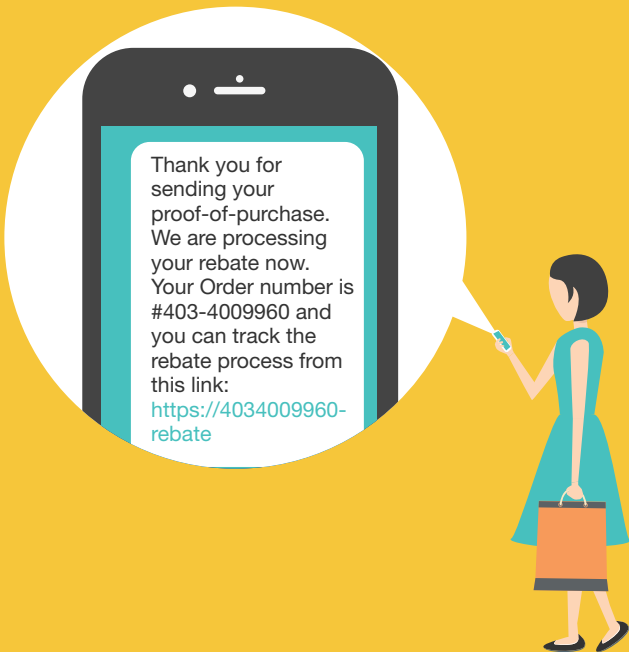
We’ve all been suckered into sending our 22-page rebate claim form in the mail, only to hear radio silence for the next few weeks or even months. In bouts of frustration and desperation, we’ve called telephone support numbers to follow up on our claims and find out when (and if) we would receive the rebate. This process involved long wait times, being placed on hold with horrible elevator music and frustration caused by a lack of clarity.

Telephone support for claiming a rebate involves long wait times and being placed on hold with horrible elevator music.

PLEASE, NO MORE BACH...
...I JUST WANT MY CASHBACK.



Brands must send an SMS and/or e-mail confirmation within minutes of the sending in their proof-of-purchase, informing them that their proof of purchase documents have been received.



SOLUTION



USE TECHNOLOGY TO ENCOURAGE TRANSPARENCY

You know that feeling of satisfaction when you receive an e-mail or SMS from your bank telling you that you've made an automatic bill payment or that your salary check has been deposited? This is the same kind of fast and transparent communication that should be provided to shoppers who have submitted a rebate. Brands must send an SMS and/or e-mail confirmation within minutes of the sending in their proof-of-purchase, informing them that their proof of purchase documents have been received, and their rebate is being processed. This communication must also include a customized order number and rebate tracking device, informing shoppers of exactly where they are in the process. When customers are constantly kept it in the loop, it sends a powerful reaffirming message and helps build a strong emotional connect based on trust.

PROBLEM #3



THEY RELY ON OUTDATED PAYMENT SOLUTIONS

When was the last time you actually wrote a check while paying for a purchase? The number of checks written in the United States has declined almost 10 percent every year from 2009 to 2012, according to a 2013 Federal Reserve Payments Study⁷. Most large retailers no longer accept checks as a payment method – so it seems contradictory that brands do not accept checks as a payment option, only to then send checks to shoppers redeeming a rebate offer.

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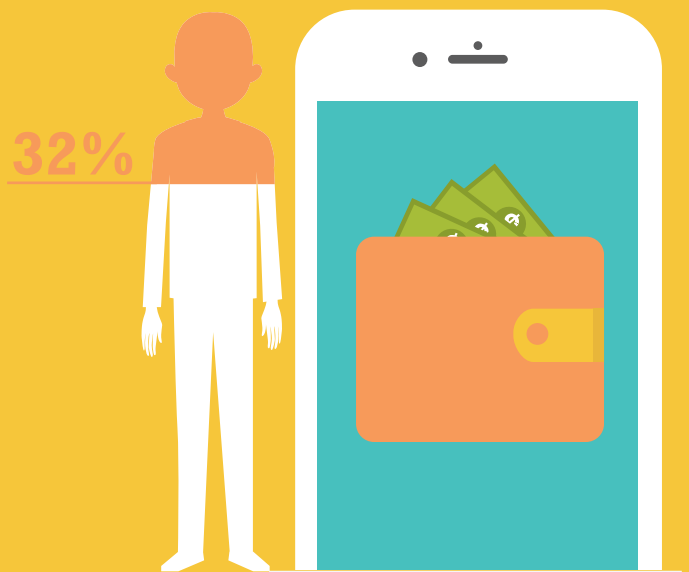
41% of consumers said convenience was one of the top 5 reasons they remain loyal to a particular retailer.



INTEGRATION WITH MOBILE WALLETS AND OTHER ELECTRONIC PAYMENT OPTIONS

Rebate redemption methods must be electronic, and ideally, shoppers should receive a choice as to how to receive the rebate; either as a direct deposit, a prepaid debit card, deposit into a mobile wallet or a store gift card. This added level of convenience will directly translate into more loyal customers: 41% of consumers said convenience was one of the top 5 reasons they remain loyal to a particular retailer⁸. In fact, retailers can capitalize on this convenience factor by offering additional savings if the rebate amount is spent in the store. For example, rebates paid out to consumers on prepaid store cards can be rewarded with 10% cash back.

With mobile wallet usage on the rise, digital rebates must be integrated with mobile wallets. Mobile wallets are utilized by 32% of smartphone users and adoption is only on the rise — by 2017, more than 9 in 10 coupon users will redeem a coupon or code via his or her mobile device. An additional benefit of mobile wallets like Apple Pay and Android Pay is that they give shoppers a safe place to store coupons and other offers and create an open channel for direct communication with brands, where brands can update offers, send reminders and alert users when they're close to a physical store.



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THEY DO NOT GENERATE ACTIONABLE DATA

Mail-in rebates require manual data entry, which is not only costly, but fails to collect relevant and available data, and does not allow for this data to be updated in real time. Moreover, this data is simply stored away in a silo – it is not useful in helping you engage with your shoppers or predict the types of purchase they are likely to make in the future.

Data gathered for mail-in rebates do not help brands engage with their shoppers or predict the type of purchases they could make in the future.

HELLO, I NEED TO BE UP-DATA'D.



Integrate Big Data into your rebate CRM to know your customers' likes and dislikes and create more targeted marketing and sales campaigns.

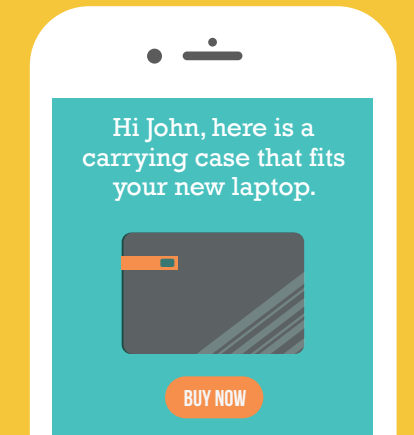


USE DIGITAL RECEIPT VALIDATION TO STUDY PURCHASING PATTERNS AND INCREASE PERSONALIZATION

Particularly in industries where companies have historically not been able to connect with their actual end users, such as CPG, rebate programs offer a unique environment within which to engage a meaningful dialogue. By using digital receipt validation, you can learn much more about consumer purchasing patterns, including their location, preferences and demographic details. Integrate Big Data into your rebate CRM to glean insights into your customers' likes and dislikes to create more targeted marketing and sales campaigns. After all, a rebate submission does not just tell you what the customer purchased, it also tells you what they did not purchase, thereby allowing you to engage with them so they return to you to buy those items.



For example, if he didn't purchase a carrying case, you could send him an e-mail containing carrying cases that fit his new laptop.



Suppose a customer purchases a laptop from your store and applies for a rebate. If your rebate process was digitized and mobile-friendly, then you would know everything else he purchased that day, and more importantly, everything that he did not purchase – and could use this information to re-target the shopper with a personalized offer. For example, if he didn't purchase a carrying case, you could send him an e-mail containing carrying cases that fit his new laptop. This not only will strengthen loyalty, but also create a personal connect and a long-lasting positive impression that he will share with friends and family.

Digital rebates using receipt validation also allow for brands to easily introduce these customers into their loyalty program – all the basic information is collected from the get-go and as the example above illustrates, retargeting promotions can be implemented after analyzing receipt data.

PROBLEM #5

THEY PRODUCE NEGATIVE BRAND SENTIMENT

Many consumers feel that traditional mail-in rebates are nothing more than a runaround, a marketing ploy used to lure shoppers to spend money with the promise of money 'on the way' that is never actually sent. Consumer backlash against rebates escalated to such an extent that the United States Federal Trade Commission has gotten involved with brands. In fact, if you do a Google search for 'rebate hell' – you'll get several bloggers discussing their awful experiences, and the Twitter handle #rebatehell returns some pretty harrowing accounts of consumers' experiences. It is estimated that over \$500 million in rebates go unfilled every year, many due to deceptive practices on the part of the companies overseeing them¹⁰.

Consumers consider mail-in rebates a marketing ploy to lure them to shop with the promise of money which is never actually sent.

IF I HAD A NICKEL FOR EACH TIME I NEVER GOT MY REBATE ...I WOULDN'T NEED TO PARTICIPATE IN REBATES!



Digitizing your rebates process enables you to learn a lot more about your consumers – information that will help your brand to upsell and cross-sell.



SOLUTION: RETHINK REBATES FROM THE CONSUMER'S PERSPECTIVE

You can save money and improve sentiment by rethinking rebates from the consumer's perspective. While there is a fine line between creating a great experience and the cost associated with rebate redemption, the long term benefits of customer loyalty that you will gain by successfully implementing a digital rebates program will far outweigh the costs. Not only that, but digitizing your rebates process enables you to learn a lot more about your consumers – information that will help your brand to upsell and cross-sell.

PROBLEM #6



THE PROCESS IS CUMBERSOME, INEFFICIENT AND EXPENSIVE

Most companies don't process their own rebate offers. Instead, they outsource this job to processing companies, thereby creating additional costs. Moreover, this process is incredibly time-consuming – you have to wait for snail mail to arrive, and wait for a live person to enter and check the information entered. And of course, the possibility of human error is also much greater for mail-in-rebates.

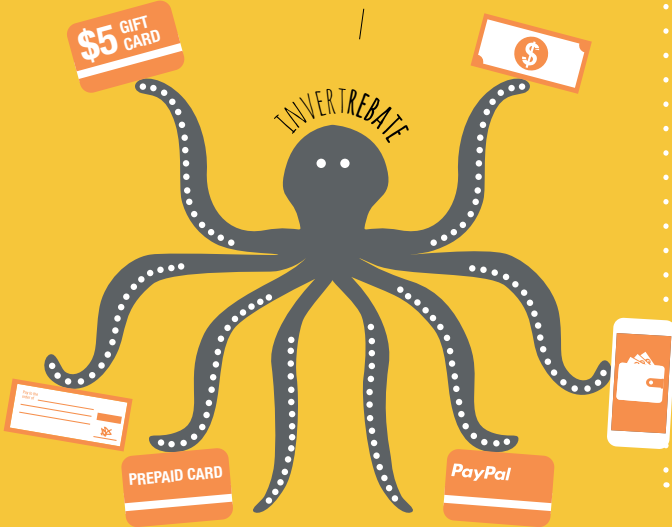
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COME ON, MY MONEY'S ON YOU TO MAKE IT IN TIME!



A centralized rebate center allows companies to simultaneously run several different rebates across multiple geographies, brands, models and timespans.

YOUR REBATES PROCESS JUST GOT AN OCTOPUSH!



CENTRALIZED, CUSTOMIZED AND DIGITIZED REBATE CENTER

There are many unique advantages of a centralized, customized and digitized rebate center. For starters, it's much faster to get started! The technology for setting up a digitized rebate center allows for a speedy setup, meaning that your brand can start launching targeted rebate offers right away, at a fraction of the cost, and with much less potential for human error (and the associated complications). Not only that, but this rebates center provides a centralized backend that can be used by marketing teams from any location and division to view and analyze key statistics.

Monitoring these statistics in real-time helps brands understand what is and isn't working, allowing them to create more targeted and customized marketing plans. This centralized rebate center also allows companies to simultaneously run several different rebates across multiple geographies, brands, models and timespans.

Not only that, but individual consumers would also have one centralized portal in which to view all of the rebates they have applied for, the status of the rebate, and even an option to select their preferred redemption method (e.g. cash-to-card, PayPal, gift card, or mobile wallet payment). This creates greater transparency and customization, which are positive improvements that go a long way towards building trust in and allegiance for your brand.

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So when it's time to consider your next digital rebate, here's a handy checklist to keep in mind:



Be completed by the consumer in less than 5 minutes using a mobile device?



Send instant SMS and e-mail messages to my customers when their rebate materials have been received, processed and dispatched?



Be set up and fully operational faster than ever before?



Feed people directly into my loyalty program?



Help me save on hiring, training and operational costs?



Let my customers choose their preferred redemption method, including mobile wallets, in-store gift cards, cash-to-card and PayPal?



Provide me with actionable data insights on my consumer's basket size, tastes and preferences?



Allow me to simultaneously create and monitor multiple offers across geographies, brands, models and time spans?



Minimize negative consumer sentiment caused by delays in processing rebates, denied rebate claims and lack of timely communication?



Help my sales and marketing teams create more personalized offers in the future?

If you're looking to take advantage of the huge potential offered by digital rebates, give us a call and learn more about the SnippRebates platform and the Snipp Rebates Center.

CONTACT US

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Snipp is a global loyalty and promotions company with a singular focus: to develop disruptive engagement platforms that generate insights and drive sales. Our solutions include shopper marketing promotions, loyalty, rewards, rebates and data analytics, all of which are seamlessly integrated to provide a one-stop marketing technology platform. We also provide the services and expertise to design, execute and promote client programs. SnippCheck, our receipt processing engine, is the market leader for receipt-based purchase validation; SnippLoyalty is the only unified loyalty solution in the market for CPG brands. Snipp has powered hundreds of programs for Fortune 1000 brands and world-class agencies and partners.

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