RECEIPT

ANY STORE
ANY TOWN
555-555-5555

CUSTOMER RECEIPT COPY
CUSTOMER NUMBER: 10312547175999

FIRST PRODUCT   12.99
508214-006 1 @ 12.99

SECOND PRODUCT   14.99
807469-002 1 @ 14.99

THIRD PRODUCT   22.99
505453-033 1 @ 22.99

================================
SUBTOTAL   50.97
SALES TAX   3.06
TOTAL   54.03
================================
CASH TENDERED   60.00
CHANGE   5.97

A MARKETER'S GUIDE TO RECEIPT PROCESSING TECHNOLOGY

SNIPP!

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A MARKETER'S GUIDE TO RECEIPT PROCESSING TECHNOLOGY

The fact that brick-and-mortar retail is as valuable as ever is supported by a growing proliferation of evidence. Shoppers are growing ever more satisfied with the retail experience: according to the latest "American Customer Satisfaction Index", retailers scored 78 out of 100 points, up 4.7% from the year before and an all-time high measurement.[1]

Furthermore, one third of American shoppers have three or more mobile applications on their devices that they use while shopping in-store.[2] For marketers, finding innovative ways to bring mobile devices into play can be effective in reaching this huge swath of the retail population. From iBeacons and geo-fencing, to loyalty apps and online shopping, there are myriad tools that can influence a shopper's path through the aisles. But most promotions operate only up to the check-out counter, as the point of sale is an exceedingly difficult space to conquer – despite its importance as a marketing checkpoint, and the valuable, granular purchase data that it captures.

Historically, brand marketers looking to make one-off, purchase-based promotions, in addition to loyalty programs, have had to either integrate into retailer POS systems or rely on printed codes on pack. Both methods are expensive for the brand and cumbersome for the user.

An elegant solution to this problem is the use of the humble purchase receipt. The combination of a customer's POS receipt and their mobile phone can provide brands with an inexpensive, highly scalable way to create effective purchase promotions, while also accessing a great deal of data directly from shoppers.
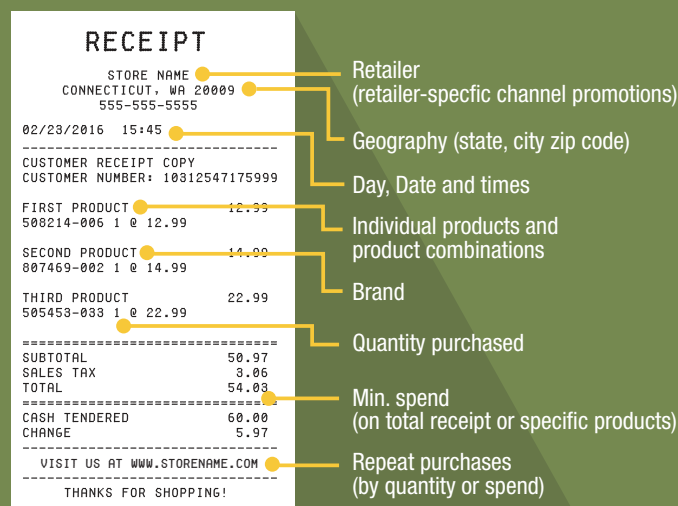
WHY RECEIPT PROCESSING?

The POS receipt, usually stuffed into a shoppers' pocket or bag to be tossed out and forgotten, is a marketer's holy grail. It carries an abundance of information about the shopper's behavior. It includes information that shoppers would rarely provide directly, including where, when and in what mix they make their purchases. This makes the receipt a very sophisticated marketing tool.

With marketers increasingly looking to take advantage of the fact that consumers use their mobile devices in-store, they are leveraging the most basic mobile features – camera and text messaging – to incent consumers to share pictures of their receipts. Through fun and engaging real-time promotions, such as text-to-win, shoppers are being motivated to take snapshots of their printed paper receipts to claim discounts, rebates, loyalty points or rewards.

The texted images of shopper receipts are usually processed and analyzed through Optical Character Recognition (OCR) tools in order to extract individual shopper data, without the need to coordinate with retailers or integrate with their POS systems. Analyzing the data collected from shopper receipts allows brands to customize their promotions and rewards programs, and bring a high level of personalization to their offerings for shoppers.

SAMPLE INFORMATION FROM A RECEIPT


```
        RECEIPT
        STORE NAME
    CONNECTICUT, WA 20009
        555-555-5555

02/23/2016  15:45
------------------------------
CUSTOMER RECEIPT COPY
CUSTOMER NUMBER: 10312547175999

FIRST PRODUCT           12.99
508214-006 1 @ 12.99

SECOND PRODUCT          14.99
807469-002 1 @ 14.99

THIRD PRODUCT           22.99
505453-033 1 @ 22.99

==============================
SUBTOTAL                50.97
SALES TAX                3.06
TOTAL                   54.03
==============================
CASH TENDERED           60.00
CHANGE                   5.97
------------------------------
    VISIT US AT WWW.STORENAME.COM
------------------------------
    THANKS FOR SHOPPING!
```

Retailer
(retailer-specfic channel promotions)

Geography (state, city zip code)

Day, Date and times

Individual products and product combinations

Brand

Quantity purchased

Min. spend
(on total receipt or specific products)

Repeat purchases
(by quantity or spend)

www.snipp.com   1

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BENEFITS OF RECEIPT PROCESSING TO MARKETERS

BRAND MARKETERS CAN REACH SHOPPERS DIRECTLY

Brands typically get consumer insights from big research companies, or from retailers who may choose whether to share their data. For CPG companies, it's incredibly difficult to run a shopper marketing campaign without the co-operation of retailers. But now that consumers all carry smartphones, these brands for the first time have the ability to get deep insights, and drive measurable sales in-store, without being beholden to retailers.[3] By having shoppers initiate

communication, via texting a picture of their receipt, they can be more open to follow-up messaging and re-targeting from brands they favor.

DATA DATA DATA

By reaching shoppers directly and accessing the purchase receipt, brands can offer an incredible sheer volume of data and analytics. Marketers can get an entire picture of a shopper based on full basket data – not just the purchase of their own brand – as well as

their preference of location, time of day, and insights into their lifestyles. This kind of data allows brands to target their promotions more effectively, create product bundles, and offer more localized and personalized touches to better serve shopper needs.[4]

FLEXIBILITY AND REAL-TIME SCALABILITY OF PROMOTIONS

A large part of the attraction and interest in receipt-based solutions is based on the inherent flexibility and the sheer number of different promotion options available. Marketers can create very sophisticated purchase-related promotions, incorporating coupons, loyalty, contests, giveaways. They can also fine tune and segment the programs as needed, based on the immediacy of the data that gets

generated. For example, a receipt processing text-to-win campaign may generate more participants in one city versus another. This type of information can help marketers immediately scale up the promotion in the market where it's working, while cutting down investments in areas where participation is not as strong.

MOBILE PLATFORM SERVES AS THE BRIDGE BETWEEN ONLINE AND OFFLINE

As marketers strive to be omni-channel in their promotions, mobile as the medium for these kinds of promotions serves as a convenient and effective bridge between these different domains. To access promotions that incorporate receipt processing, in-store shoppers can text a picture of their receipts, whereas online shoppers can text or email the digital receipt from

the online shopping platform. Mobile is the device consumers use as their primary shopping companion, and allowing the brand-consumer interaction to occur on the same platform means that consumers will feel a stronger affiliation to that brand over others running traditional campaigns.

CUSTOMIZATION PUTS BRANDS IN THE DRIVERS' SEAT

Even as receipt processing allows brands to run national programs quickly and to scale, it can also allow a high level of customization within the promotions and programs as needed. Brands can choose to restrict a promotion to a specific retailer or set of retailers, or even channels. This allows brands to enter into partnerships with retailers that are truly win/win, for example in the form of promotions that drive foot traffic into the stores, in exchange for greater shelf space.

Hill's wanted to drive sales of their new Science Diet pet food and to build in-store channels to combat growing competition from eCommerce, and strengthen their relationship with Petco retailers. Snipp created a customized promotion to incentivize in-store purchase at Petco. To earn a $10 Petco e-gift card, consumers simply had to submit their purchase receipt of eligible products. The reward was a perfect fit for engaging the target demographic.[5]

EASE AND EFFECTIVENESS OF LOYALTY PROGRAM PARTICIPATION

Receipt processing makes it easier to automatically collect points for purchase, minimizing a challenge in many loyalty and rewards programs.

Kellogg's Family Rewards, for example, now allows members to collect points by scanning and uploading images of receipts with their mobile devices – the receipt processing platform then automatically adds earned points to members' rewards accounts.[6]

To incentivize sales and build loyalty through brand engagement & rewards for **Anheuser-Busch Busch Beer** brand, Snipp is running the program on its integrated SnippCheck and SnippLoyalty platforms where consumers can submit their purchase receipt to earn loyalty points. The program offers many promotional overlays & targeted rewards to maintain relevance & excitement.[7]

LIMITED INVESTMENT & FAST LEAD TIMES ALLOW FREEDOM TO EXPERIMENT

One factor that has stunted mobile coupon growth is the slow adoption of point-of-sale technologies that support mobile offers. With receipt processing, there is no need to invest in new operational technologies and POS infrastructure, making them very easy to start and end. Because set up is easy and cheap, marketers have the ability to experiment with different kinds of programs in various environments, and learn from those experiments. Receipt-based promotions allow for seasonality in marketing, which can be hugely beneficial to shoppers looking to derive value from their time-bound expenses.

To boost its sales over Father's Day, and amplify excitement and buzz for **Old Spice**, Snipp developed a themed promotion that activated consumers over Father's Day. Valid at Walgreens & Ahold retailers, consumers could earn a pair of Foot Cardigan socks on the submission of their qualifying purchase receipt.[8]

SOME KEY CONSIDERATIONS, AND LESSONS LEARNED

At Snipp, our own receipt processing platform SnippCheck is now in its seventh year, with hundreds of promotions under its belt — it's safe to say that we've had some learnings through the process of applying this technology to real-world campaigns:

KEEP IT SIMPLE — AND OMNICHANNEL

This piece of learning applies to digital-based promotions in general, but we'd like to reiterate it — it's important to simplify the path to purchase. A simple keyword to which shoppers can text their receipts is about the long and short of what should be required. But while providing a text-based entry method, be sure to open other avenues as well — web upload or email delivery for example — to expand the reach of the promotion and to gain insight into the channels of choice for your customers.

ONLINE
Please upload a picture of your
Choose   Upload
SUBMIT

TEXT
RECEIPT

EMAIL
To: promo@promo.com
Subject: Reward
RECEIPT

MAKE REWARDS ATTRACTIVE AND ATTAINABLE

Attractiveness and relevance of rewards is critical in order to entice shoppers to follow through on the requirement of sending in their receipts — no matter how simple the process. Instant gratification also goes a long way in driving brand loyalty and promotion participation. For this reason, digital rewards are often the most attractive to retail shoppers because they can be accessed and redeemed instantly on a smartphone. For brands that may not be alluring (cleaning products, household products, etc.), digital rewards allow a wider range of attractive enticements especially to millennial shoppers.

Big Red, in their effort to create an exciting, summer-themed promotion for 2017, offered BBQ relevant prizes, as well as a grand prize of a decked-out backyard BBQ party.[9]

BE CLEAR ON PROGRAM GOALS

The design of a receipt-processing promotion, and its accompanying rewards, should follow from a very clear objective and concrete goal. The inherent flexibility of the receipt as a promotional tool allows for a range of goals to be fulfilled, be they lifting sales, garnering more shelf space in-store, aggregating purchase data, or collecting individual shopper insights. The program design has to be solid, in order to address any of these objectives.

LEVERAGE THE DATA TO UNDERSTAND SHOPPERS AND IMPROVE TARGETING

A key benefit of receipt processing is the volume and quality of data that is generated – and not all brands leverage this in any meaningful manner. The data collected can be used to identify key customer segments, possible products to be bundled, coupons and offers that can be designed, and used to understand shopper behavior at a granular level.

COMMITMENT IS KEY

Receipt processing, although simple in concept, is still a relatively new promotional ask for consumers – and consumer behavior doesn't change overnight. Promotions should be designed for success, but also with an understanding of this particular behavioral trait. Marketers should be prepared to commit to experimenting and learning from multiple programs, and to using the data and lessons being generated into future iterations.

TAKE CUSTOMERS ON A JOURNEY

A big benefit of receipt processing as an incentive marketing solution is that it can support everything from a one-off promotion to an evergreen loyalty program. The most forward-looking programs will be designed with an eye to migrating customers along that journey, and will move them from redeeming a single offer to becoming an ongoing participant in a loyalty program.

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loyalt

LOYALTY PROGRAM
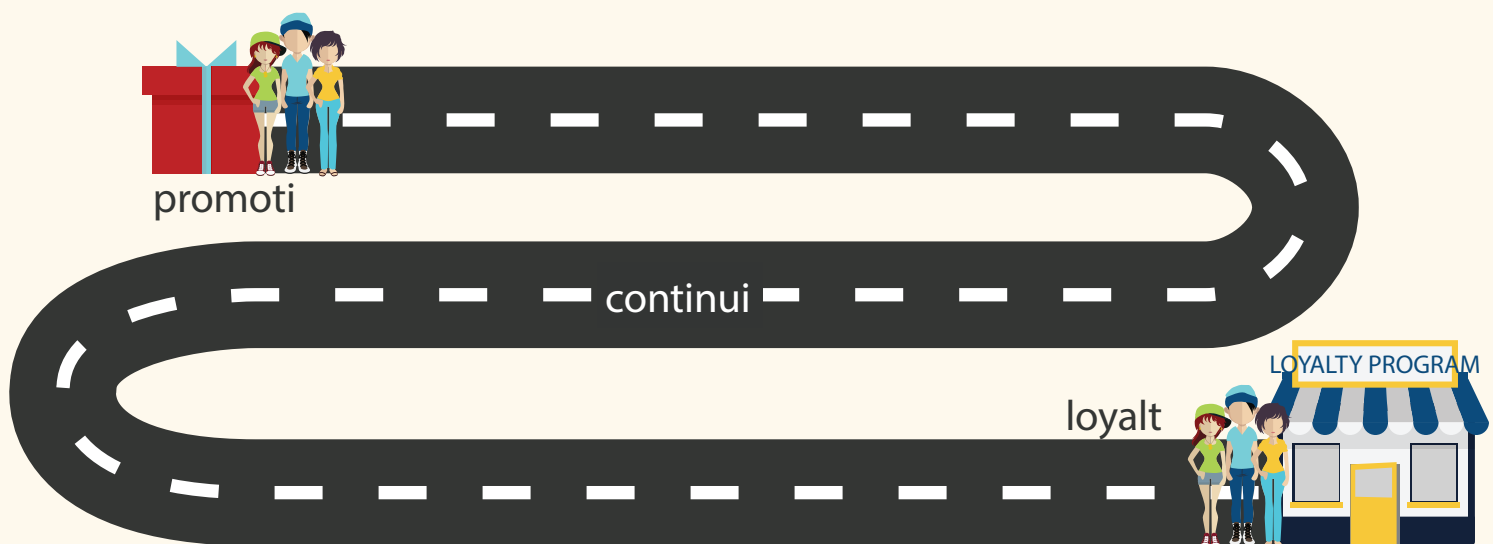
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