

## Reimagining the Potential of the Coupon Code Q & A Session

Thank you to everyone who sent questions. Below are the responses from Claire Van der Zant from Uniqodo in purple and Kate Eringa from Commission Factory in blue.

### 1. How have you used unique codes to create a new category of customer experience?

Uniqodo is creating a new category of customer experience for advertisers' by allowing codes to offer more than a discount. Within the ecosystem of 'customer experience', campaigns and promotions have been overlooked until now. Advertisers can now use unique codes to unlock incentives and tailor the onsite journey they deliver to their customers. Curating great promotional experiences for customers builds brand engagement and amplifies conversion.

### 2. Any software or tool recommendations to support and manage unique coupon codes / code technology limitations?

There are some eCommerce and CRM platforms such as Salesforce Marketing Cloud that offer unique code functionality. However, there are limitations in all these options because the Promotion Engine is not a key feature of the platform. It's recommended to work with a dedicated provider such as Uniqodo to advance your promotional capabilities of unique codes.

### 3. Are there any complications for tracking via Commission Factory when you use an interstitial page?

There are no complications for tracking with Commission Factory when using an interstitial page. It's all managed through the affiliate link provided by Commission Factory. Uniqodo can also enhance monitoring data, as the issuance, validation and redemption of a code provide advertisers with information to layer into their tracking.

### 4. Brand Focus Questions

- How do we utilise coupon codes while maintaining a reputation for being a premium brand?
- How to bypass the tackiness of coupon codes?
- Impact of coupon codes on Brand image, best practices to define offers and wording?
- What's the best way to protect brand integrity whilst still participating in coupon sites?
- As a premium brand, why would we participate in coupon code discounting via the affiliate channel?

The best way to approach this is to decouple the code from discounting. Suppose advertisers want to tap into large audiences available via affiliates and partners. In that case, advertisers can use codes to offer exclusive access to a product or new product launch. If discounting is not part of an advertiser's strategy as a premium brand, it does not mean they bypass the affiliate channel. It means they need to approach it differently.

Using a code to give a bespoke user journey or early access instead of a discount will change the emotion evoked when a customer uses the code with a brand. Instead of using words such as deals, discount, bargain or sale, use custom, bespoke, exclusive, and alter the way the user looks at the code provided and their intention.

Offering a credit to use for future purchases instead of an immediate discount might also be a suitable option for some brands, likewise the use of gift cards may be an option open to some retailers.

- How can you integrate codes into your marketing without tarnishing brand image with a discount lens?

For this example, I'd only use discounts in situations where the business objective supports the hit on margins. A good example would be distressed or overstocks where there is an immediate need to sell. In this instance, a discount code incentive can mitigate the significant impact of lost sales or product write-off.

### 5. As partners receive a commission on sales, combining this with a discount for customers means there is a double hit on margin.

Both partner commissions and customer discounts are certainly something to balance against an advertiser's target cost per customer acquisition. As a performance channel, even with a commission fee and a discount for

the customer, unique codes are still more effective than above the line promotions. If advertisers use the principles from the webinar, they do not need to use a code to discount and only pay commission on successful transactions.

Commission payments are at a discounted price. If margins are a concern, we would recommend advertisers set up a coupon code with minimum spend or product/category exclusions. Alternatively, brands can arrange **bespoke commission rates** with coupon affiliates or different commission rates for purchases made with a coupon code. What's possible will depend on what information an advertiser can pass back to Commission Factory.

**6. Can an eco-system be built in the affiliate space without discounts / coupons?**

Customers do not always value a discount or money off. Getting exclusive access to a product first can be just as valuable. You can achieve this using links, but without codes, advertisers do not have the opportunity to fully control their promotions like they would with single-use, unique codes. My recommendation would be to build an ecosystem with codes using less discounting.

**7. Coupon codes that focus on gaining access to product launches sound nice and all, although is this what customers really want when visiting coupon websites?**

According to our data, customers want coupon codes to access product launches. As with all successful promotions, we must consider what the customer will attribute as 'valuable'. Innovative technology, new destinations, new collaborations, new collections - all these hold cache and the ability to 'get them first' is something customers see as valuable, even more than a discount.

Not all consumers who go to coupon sites are bargain shoppers, and having 'bespoke' codes on-site could allow the coupon site to reach or cater to different demographics.

Coupon codes are not only to be used on coupon websites. Offering coupons can open up opportunities for many different partners, including social media influencers and bloggers.

**8. Do coupon codes work better over a discount automatically applied at checkout?**

Absolutely, we believe that curating and automating the journey as much as possible removes unnecessary friction and helps amplify conversion.

Claire had a great point in the webinar, consumers love the idea of being 'first' and getting something over another consumer. In a lot of instances an advertiser could see a code that gives them something other than a discount work better due to the emotion of FOMO it provokes.

**9. Gift with Purchase - how commonly used is this used. And what effect does it have on acquisition and retention.**

Going back to my point on value, if the Gift with Purchase (GWP) is something that customers will love, it can have either the same or better impact than a discount. For GWP to work, it also needs to fit the brand and be relevant to the consumer.

**10. How can you use codes with Influencers without it going onto other channels?**

What a great question! Cross channel pollination poses a significant challenge for advertisers. Suppose we're referring to the usual channels' that influencers use, like TikTok, Instagram or Facebook. In that case, we can create a step in the journey between the social platform and the advertiser's website to issue unique codes via an interstitial page. We can also dynamically present a unique code once a customer lands on the website from the influencer channel. If the influencer has a website, we have plenty of ways to create simple integrations for the issuance of unique codes, controlling the promotion to only the influencers' audience. All these solutions mean codes cannot be copied and posted to unapproved voucher sites.

Commission Factory has the ability to assign exclusive coupons to specific publishers, which can be done on mass with unique codes. This ensures that only the influencer who has been allocated the coupons will be rewarded so there is no benefit to other partners to copy that code.

**11. In what ways can mystery discounts be used beyond discounting or money off for price-protective brands?**

Think of the mystery code as a series of 'slots' you can fill with incentives. Advertisers could fill those slots with things like free shipping, free next-day delivery, gift with purchase, a branded gift voucher, loyalty points or a partner reward. While discounts and money off are the more typical incentives, they're not the only thing that will encourage customers to roll the dice.

**12. Is there an expectation from customers (in Australia) that a promo code will give a discount? Are there any Australian case studies where a promo code as unlocked an experience, rather than a discount / Is Uniqodo new to the Australian market?**

Uniqodo is a UK-based business that operates globally for leading retail, technology and travel brands, so some of the work we distribute via their APAC sites. We do not work with Australian brands yet but are deploying our content gate solutions for some of our advertisers soon.

**13. Recommendations to prevent codes from leaking / What is the best thing a retailer can do to prevent coupon codes leaking?**

The best way to prevent codes from leaking is by using unique, single-use codes. Commission Factory can also assign a code to a publisher via the platform to stop it from leaking and being used across the affiliate channel.

**14. What are the best types of coupons for a B2B & B2C? The code which offers flat discount or the code that offers an up to discount?**

Which coupon code works better is always about what a customer will perceive as valuable and what behaviour advertisers are trying to drive. Different codes and incentives drive different behaviours, so it is about setting clear campaign objectives and then working out which type of coupon would be best.

**15. What are the different ways of using dynamic coupon codes and its advantages?**

Dynamic is a catch-all term. But suppose we interpret it to mean a code that can be tailored to an audience or specific objectives and loaded with criteria-based validation. What you get is a more sophisticated way to align promotions to your goals. Rather than generic codes and blanket discounts that might drive conversion, but impact margins and revenue.

**16. What are your thoughts on Brands using codes to promote their app downloads and rewarding discounts?**

It's a great idea, and we currently do this for several advertisers. The experience advertisers can deliver in-app is often more personalised for customers. So incentivising them to download their app with a coupon code has its benefits.