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Unilever to Test Mobile Coupons

In Trial at Supermarket, Cellphones Will Be the Medium for Discount Offers

By ANDREW LAVALLEE

Seeking to marry a ubiquitous device with a time-tested marketing technique in a sour economy, **Unilever** plans to begin a trial run Sunday of a new technology that lets consumers redeem digital coupons by having a supermarket cashier scan their cellphones.

The test, being conducted at a ShopRite store in Hillsborough, N.J., will include discount offers for some of the Anglo-Dutch packaged-goods company's most popular brands, including Breyers ice cream, Dove soap, Hellmann's mayonnaise and Lipton tea. Samplesaint, a Chicago mobile-technology firm, developed the system.

"This has been a Holy Grail thing that people have been trying to figure out," says Marc Shaw, director of integrated marketing at Unilever, the first major marketer to test such a service in the U.S. "I think this is on target for where consumers' heads are at right now."


To get the coupons, customers must visit the Web site Samplesaint.com, from which they can transmit the Unilever discount offers to an Internet-enabled cellphone. At checkout, the cashier scans the bar code on the phone's screen, redeeming the coupon and deleting it from the phone. The test will run for four weeks, and Mr. Shaw says he hopes to see it extended to other stores after that.

Mobile coupons have been an area of growing interest for marketers, though the growth of overall spending on mobile advertising has been slowing down. Research firm eMarketer expects U.S. mobile-ad spending to grow 17% this year, less than half of last year's 35% gain.



Unilever

Putting marketing offers on a phone ties brands to a personal device that people tend to keep with them at all times, says Marc Shaw, director of integrated marketing at Unilever. "The cellphone is the thing that when you leave it behind at home, you go back and get it. It's the organizer of our lives."



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Supermarkets, packed with hundreds of brand names vying for attention, are an important venue for coupon providers. In an April study, Icom, a division of Epsilon Data Management, said 87% of survey respondents who had used coupons in the past month redeemed them at grocery stores, compared with 47% at restaurants and 41% at department stores. Earlier this month, Randalls Food Markets, a unit of grocery giant [Safeway](#), announced a coupon initiative with technology providers Cellfire and Shortcuts.com that links discount offers to customers' loyalty cards.

But technological hurdles remain. Many coupons offered on the Web are printable but can't be transferred to a mobile device. And many cellphone-based coupons require the cashier to enter a code shown on-screen. Manual entry can slow down the checkout process, a big disadvantage in low-margin, high-volume retail businesses.

"We're still in an attempt-and-learn phase" in mobile couponing, says Andy Murray, chief executive of in-store-marketing agency Saatchi & Saatchi X, part of [Publicis Groupe](#). Mr. Murray is skeptical that shoppers will load coupons onto their phones before making grocery runs, and he says finding, presenting and redeeming the coupons could prove to be a hassle for some. "Shoppers have a time budget, a money budget and a frustration budget," he says.

The potential for entry errors and other glitches has kept some big companies from trying the format, says Landy Ung, founder of 8coupons, which provides online coupons for the New York market. Steven Boal, CEO of printable-coupon site Coupons.com, says checkout with a mobile coupon is "fraught with peril," ranging from incompatible devices to software bugs to phones that get dropped while being passed back and forth. In addition, many retail scanners can't penetrate a cellphone screen to read the coupon.

Lawrence Griffith, CEO of Samplesaint, says his company's technology has solved most of those problems, and is expected to greatly reduce coupon fraud, since coupons will vanish from the cellphone after redemption and can't be forwarded or emailed. "We have full control," he says.

Unilever's Mr. Shaw says putting marketing offers on a phone ties brands to a personal device that people tend to keep with them at all times. "The cellphone is the

thing that when you leave it behind at home, you go back and get it. It's the organizer of our lives," he says.

American consumers have been heavy users of coupons amid the recession, and online-coupon providers have seen traffic and usage grow this year. Mr. Boal says Coupons.com is developing a mobile platform it will launch in the third quarter, while 8coupons, currently focused on the New York market, will add Washington this summer, followed by Boston, Chicago and San Francisco in coming months, Ms. Ung says.

Because consumers can select the online coupon they want, the offers have far higher redemption rates than those in newspaper inserts and other ads. Cellfire typically sees redemption rates in the mid-teen percentages, says CEO Brent Dusing. Icom and others in the industry estimate the average redemption rate for traditional coupons is less than 1%.

Unilever isn't abandoning traditional print coupons, or even other online partnerships, like one it has with Cellfire. "It's just another way to do this," Mr. Shaw says. "We want to be out there with as much variety as we can."

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Companies within this Article

Unilever N.V. ADS(UN)	23.98	-0.19	4:01p.m.
Safeway Inc.(SWY)	20.08	+0.44	4:00p.m.

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