



# Microsoft® Tag for Coupons

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*Using mobile elements to create dynamic couponing campaigns*

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# Introduction

We're used to finding coupons online and in newspapers, freestanding inserts (FSIs), direct mail, and email. Now, mobile couponing – coupons distributed and redeemed on mobile devices such as smartphones – represent a significant opportunity.

Noting the growing appeal of mobile couponing for retailers, a recent analyst report observed that, "Much improved redemption rates with mobile coupons compared to paper coupons are attractive to merchants..." The case for mobile couponing is growing increasingly stronger. According to eMarketer, including mobile elements within couponing campaigns can help marketers "forge stronger bonds with shoppers and create ongoing interactions with brand loyalists." <sup>1</sup>

Market drivers for mobile couponing include user demand, increasing use of smartphones, the "green" movement, and increased redemption rates. The benefits include cost savings for organizations related to printing and distribution reduced printing and distribution costs, superior security, and the convenience that comes with mobile delivery and redemption.<sup>2</sup>

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<sup>1</sup> "CPG Mobile Couponing," eMarketer, November 2009.

<sup>2</sup> Mobile Marketing & Retail Strategies: Advertising, Coupons & Smart Posters 2009-2014," Juniper

# Improve Couponing with Microsoft Tag

The Microsoft® Tag solution can make it easier for people to access and enjoy mobile content anywhere, anytime. The technology transforms anything in the real world into a live link to mobile media, such as web content, videos, music, reviews, maps, social networks, promotions, and more.

With Tag, content publishers and marketers can interact with and engage consumers in meaningful and creative ways. When a consumer scans your Tag barcode, the camera on their smartphone reads the Tag and links them to whatever digital experience you've designed.

With Tag analytics, you can measure the effectiveness of campaigns adjust your digital content to maximize the return on your marketing investment.

An end-to-end solution, the Microsoft Tag system includes the following components:

- *Multiple recognition technologies that you can put on just about anything, including:*
  - *Colorful 2D barcodes called Tag barcodes*
  - *QR Codes, another widely used 2D barcode format, which can now be created in the Microsoft Tag Manager and scanned by the Microsoft Tag app. QR Codes created in Tag Manager offer much of the same functionality of Microsoft Tags, although they cannot be visually customized the way Tags can. [Learn More.](#)*
  - *NFC touchpoints, using an emerging recognition technology to deliver data to smartphones using sensors rather than scanning. NFC URLs can now be created in the Microsoft Tag Manager and "tapped" with the Microsoft Tag app. [Learn More.](#)*
- *The Tag Manager website, where you can create any of Tag's recognition technologies and use reporting and analytics capabilities that enable you to monitor and improve the effectiveness of your Tag campaigns.*
- *The free Tag app, the software that can be downloaded to Internet-capable smartphones that have cameras, running platforms including Windows Phone 7 and 7.5, iPhone, Android, Windows Mobile, BlackBerry, Symbian, and J2ME.*

You can easily create and manage Tag's recognition technologies online, and generate reports to track the scan rates for each item. For more information, see the Microsoft Tag [Implementation Guide](#).

Microsoft Tag offers an innovative way for organizations and businesses to increase customer loyalty and encourage repeat business. Now the unique Microsoft Tag technology can provide more dynamic and interactive opportunities for businesses to both initiate contact and stay in touch with their customers.

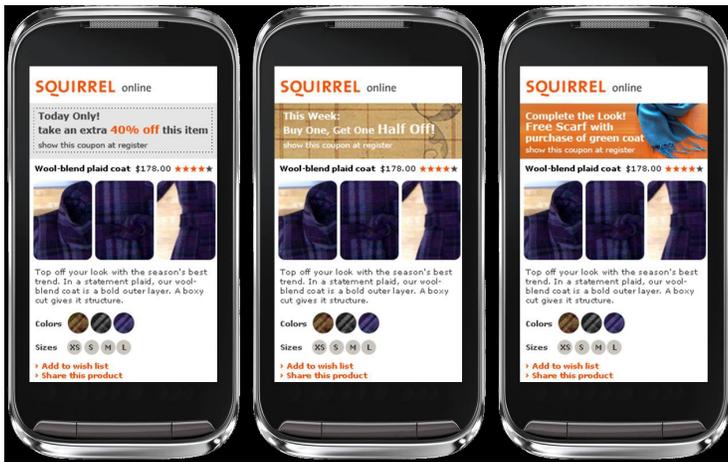
This document is part of a series of resource guides that supplement the information available on the Microsoft Tag website. This guide describes possible scenarios for implementing Microsoft Tag technology by using coupons, including information to help you provide a high-quality user experience. By reading this document developers and designers of mobile web content, marketing agencies, and other mobile media providers can engage the broad base of smartphone users in original and innovative ways. It will be updated and expanded as the technology evolves.

The illustrations in this and other Microsoft Tag resource guides use Tags to help you understand some of what you can do with this exciting new technology. To view the examples in action, visit <http://gettag.mobi> on your mobile phone, download the free Microsoft Tag app, and then scan the enlarged Tag barcodes or QR Codes that accompany the illustrations in this document.

## USING MICROSOFT TAG TO RUN DYNAMIC COUPONING CAMPAIGNS

Traditionally, promotions are static – one promotion for everyone. Microsoft Tag adds a dynamic aspect. Unlike traditional printed coupons, you can store the terms and other details of your promotion on the server to which a Tag barcode, QR Code, or NFC URL links when scanned. Because it's easy to generate different reports online, you can manage and maneuver Microsoft Tag couponing campaigns more effectively. For more information, see the Microsoft Tag [Implementation Guide](#).

Microsoft Tag technology helps you analyze consumer actions and change the digital elements of a promotion quickly without having to change any Tag barcodes, QR Codes, NFC touchpoints, or print materials already in circulation. This might also help advertisers to reduce some costs related to printing and distribution.



*Use Tags and related reporting and analytics tools to dynamically evaluate and update promotional offers.*

Because the information associated with each Tag barcode, QR Code, and NFC URL can be changed at any time, Tag-based couponing campaigns enable capabilities such as timely updating, A/B testing, changeable promotions, and variable promotion codes, all of which can be altered as needed without changing printed campaign elements. For example, you could dynamically change Tag-based coupon data to do any of the following:

- *Inform consumers that the stock for a particular item is exhausted*
- *Provide a list of the remaining locations where the product is still available or refine the list to stores nearest to their ZIP code*
- *Deliver a "rain check" for the item*
- *Offer a coupon for a comparable website*

You can also hone promotions based on geographical information, such as where promotions are being redeemed the fastest, or areas where certain offers are more or less successful. For more information, see [Heat Maps](#) on the Tag website.

Microsoft Tag provides some new and interesting ways for consumers to redeem your coupons, extending the reach and helping to ensure the relevance of your promotions.

## THREE MICROSOFT TAG-BASED REDEMPTION SCENARIOS

There are three methods by which consumers can receive coupons and three ways to redeem them. Each scenario is described in more detail in this section.

- **Mobile redemption:** *Scan the coupon from your phone at the checkout stand.*
- **Automatic redemption:** *Associate promotions specific consumers through an IT system on the back end.*
- **Print redemption:** *Create a coupon that can be redeemed by any merchant using this approach.*

### MOBILE REDEMPTION

Mobile redemption is the most direct way for consumers to redeem your coupons. They just display your coupon on their mobile phone at the point of sale (POS).



*A QR Code on a shelf talker could easily link shoppers to digital coupons, which they would redeem just by showing their mobile phone at the checkout.*

There are three major ways to present coupons to customers.

**Shelf talkers:** For example, an electronics retailer might include a Tag barcode or QR Code on a shelf talker. The call to action could be: "Scan this Tag to get a special promotional offer." The Tag could take shoppers to a mobile landing page, where they learn more about the coupon, and find out how to redeem it. With mobile redemption, shoppers would be advised to show the mobile coupon at the POS.

**Promotion codes:** If you own the product and the store, you could place the Tag barcode for the coupon in a newspaper or magazine. When scanned, the Tag could link consumers to a mobile web page that displays a promotional code the consumer could save. Later, they could redeem their coupon in a store, online, or even as part of a catalog-based sales transaction.

You could also link consumers to a website, where you ask for their phone numbers, then use SMS to deliver the coupon code. The beauty of this method is that although the print media associated with your campaign is static, because both the promotion and the promotional code are delivered on the mobile webpage, you can update either one at any time.

*Note:* Incorporating SMS into a Tag-based campaign is also helpful when a wireless connection is weak or unavailable at the point of sale, because the code is already in the smartphone's history.

Remember, when using mobile redemption, marketers need to provide:

- *A mobile website landing page that contains the promotion.*
- *A logical title for the page, so consumers know they've reached the correct site.*
- *An intuitive method for consumers to save the offer to their smartphones and find it later when they want to redeem it.*

**Barcodes:** Finally, the mobile redemption method can be completed by scanning a barcode directly from a smartphone. Some cash register scanners can work with mobile phone device coupons by using a special kind of barcode instead of a Tag barcode or QR Code.

If your retailer uses the correct kind of scanning equipment, consumers can scan a Tag barcode in your ad or signage, and then show the coupon on their mobile phone during checkout. Retailers could then scan the coupon's barcode (not a Tag) directly from consumers' smartphones.

## AUTOMATIC REDEMPTION

This method works extremely well for promotions that can be associated with specific consumers who can identify themselves during checkout and redeem their coupon. This method not only gives you more control over who receives your offers, but it also benefits consumers because they don't have to save or find your offer later on their smartphones.

There are many ways to use automatic redemption, including:

**Loyalty programs:** For example, loyalty program members scan a Tag barcode to add a manufacturer's coupon directly to their loyalty or membership card accounts. At the POS, the promotional item is scanned, the customer's loyalty ID entered, and consumers redeem their coupons. The process of redeeming the stored coupons could be managed behind the scenes by the loyalty system.

**Phone numbers:** Promotions can be associated with consumers by a phone number. When consumers scan your Tag barcode and link to your mobile landing page, you would ask them to enter their phone numbers in the field you provide. Later – whether they are at the checkout, on the phone, or online – consumers could provide their phone number to redeem your promotion.

**Dual Tags:** Or consumers could scan the printed Tag barcode or QR Code linking them to the mobile landing page, and store the offer to their history. At the checkout, they could scan a second Tag barcode or QR Code to link their smartphone with your behind-the-scenes system, which would associate their actions with the stored offer, and apply the offer to the purchase.

For information about ways to integrate Tag recognition technologies into existing loyalty programs or incorporate automatic redemption without a loyalty program, see "Two Methods of Identification Using Microsoft Tag" later in this document.

## PRINT REDEMPTION

When you just need a coupon that can be redeemed by any merchant, you can use a print-based approach for redemption. One of the simplest ways to incorporate Microsoft Tag technology into couponing is to create Tag barcodes, QR Codes, or NFC touchpoints that, when scanned, request the consumer's email address so that you can deliver a coupon by email. Consumers can then print the coupon to redeem it during checkout.

Microsoft Tag provides access to two data features that identify customers: the Microsoft Tag Device ID, which identifies the mobile phone, and the customer's personally identifiable information (PII), which customers can decide to share. Depending on the kind of couponing campaign, you can configure Tag's recognition technologies to collect one, all, or none of this type of customer information.

The PII needed for an emailed coupon campaign can be collected by using entry

forms. To collect PII, you can create Tag barcodes or other recognition technologies that, when scanned, direct the consumer's mobile phone's browser to a web page, where the participant can enter the requested information into a form, so that it can be stored in a database for later use. For more information, see "Two Methods of Identification Using Microsoft Tag" below.

Linking to online forms by using Microsoft Tag can help you collect consumer input for different uses in addition to couponing. For example, the target web page can be designed to collect consumers' full contact information or email addresses or phone numbers.

## TWO METHODS OF CUSTOMER IDENTIFICATION USING MICROSOFT TAG

When you use Tag's recognition technologies in marketing activities, some initial design decisions include whether, how, and when customers will be uniquely identified. Microsoft Tag provides access to two data features that identify customers: the Microsoft Tag Device ID, which identifies the mobile phone, and the customer's personally identifiable information (PII). Depending on the type of contest, you can configure Tag barcodes, QR Codes, and NFC touchpoints to collect both, one, or none of this information.

Note that QR Codes or NFC touchpoints scanned using third-party apps will not return Device ID information.

## USING THE MICROSOFT TAG DEVICE ID

The Microsoft Tag app, the free scanner application that works with smartphones with cameras, can include a uniquely encoded Device ID. This ID can be included in the data stream when a Tag barcode is converted to a URL. Therefore, marketers can identify the specific smartphones that are participating in specific promotions.

**Note:** Each encoded Device ID is specific to each mobile phone and to the Tag creator's account. There is no unique Device ID that remains constant across separate Tag creator accounts. This design consideration helps ensure consumer privacy between different businesses and organizations that use Microsoft Tag technology.

Here is a more detailed example of how a large supermarket chain might integrate Microsoft Tag into its existing customer loyalty program.

By design, Microsoft Tag assigns a unique identifier, Device ID, for each smartphone.

The ID can be read when a mobile phone scans a Tag barcode and links to a web page.

The Tag barcode must be created to collect this information by forming the URL associated with the Tag as shown in the following example:

**`http://www.my-grocer.com/coupon_4158.aspx?device={!Deviceid}`**

This would be replaced during the Tag scan with the following:

**`http://www.my-grocer.com/coupon_4158.aspx?device=AUniqueEncodedDeviceID`**

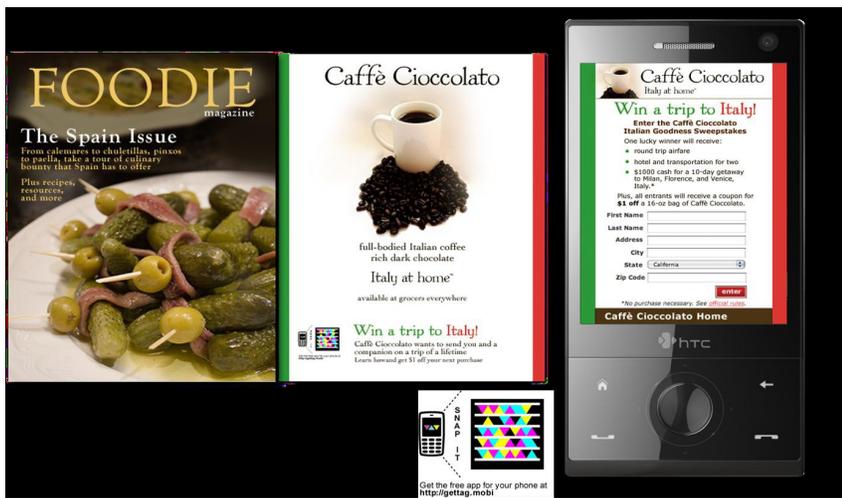
This kind of URL can be created to collect the Device ID when the Tag is scanned, and then look up the Device ID in a particular loyalty program's back-end database.

If no existing record of the mobile phone is found, the mobile web browser will prompt the participant for the loyalty program membership number for this first use, and then create a relationship between the participant's loyalty program account number and the Device ID in the loyalty program's database.

Subsequently, for each coupon Tag barcode that the customer scans, the URL will look up the Device ID, find it in the database, and update the participant's account by using the new coupon information. During checkout, a final scan can then be associated with a cash register-specific Tag barcode that has been integrated with the retailer's existing loyalty program back-end systems. This will eliminate the need for the user or cashier to enter the customer's loyalty program or phone number.

## REQUESTING PERSONALLY IDENTIFIABLE INFORMATION

Use entry forms to collect PII for your Tag-based couponing campaigns. To collect PII, you can create Tag barcodes that, when scanned, direct the consumer's mobile web browser to a mobile web page, where the consumer can enter additional information.



*The "entry form" format is extremely useful when you want to collect user input, such as contact information.*

When you use the entry form format, the target web page can be designed to collect the consumer's full contact information or an email address or telephone number.

**Important:** Always make sure that you protect consumers' PII according to your privacy standards.

## SOME ADDITIONAL BENEFITS OF USING MICROSOFT TAG IN COUPONING CAMPAIGNS

Microsoft Tag can be a more convenient, organized, and even entertaining method for collecting and saving coupons than the paper version of coupons. The Microsoft Tag app is easy to download and install on smartphones. Your audience can see a Tag barcode, QR Code, or NFC touchpoint for the first time, follow the optional instructions next to the items to download the Tag app, and receive your coupon in a matter of seconds. In addition, because Tag barcodes and other recognition technologies can link people to digital coupons, consumers never have to tear out and keep track of physical coupons – or become disappointed if someone else gets to your coupon before they do.

Because Tag barcodes, QR Codes, or NFC touchpoints can be put almost anywhere – in print and in the real world, such as on public transportation, on objects, or in electronic video displays – they provide access to a much wider variety of location opportunities. Traditional coupon manufacturers deliver their printed coupons in a medium that depends on adoption rates, such as newspapers and mailers.

Consumers must then be willing to invest the time to clip, collect, organize, and eventually remember to use the physical coupons.

On the other hand, Tag-based couponing campaigns can be distributed to reach multiple target consumer segments more quickly and inexpensively. In addition, Tag couponing scenarios can use a much wider variety of media.

The ability to expand the number of distribution channels for Microsoft Tag couponing campaigns enables businesses to potentially reach a much broader audience of existing and new customers. While eliminating the need for physical coupons, this approach also provides an incentive for increased consumer engagement by taking advantage of a fresh, innovative technology that allows for active participation by the consumer.

Without any need for physical coupons, each Tag coupon can be designed one time, and then distributed in a range of media – such as posters, stickers, web pages, product packaging – and to several locations to be scanned by a potentially unlimited number of consumers.

## Make Your Couponing Campaigns More Dynamic with Microsoft Tag

There is huge potential for using Microsoft Tag to incorporate mobile elements into your couponing scenarios. Because Microsoft Tag can help you turn anything you can imagine into a mobile phone experience: it can bring excitement and mystery to your promotional campaigns, which can incorporate Tag recognition technologies in advertisements, signage, and packaging, almost anywhere at all.

Get started with Microsoft Tag today and make your couponing campaigns more effective, more measurable, more immersive, and more fun.

For information about using Microsoft Tag, visit [tag.microsoft.com](http://tag.microsoft.com) and the [Microsoft Tag Implementation Guide](#).

For more ideas about using coupons with Tag, visit the [Point of Sale: Couponing](#) page.