

# **COUPONING: HOW TO RUN AN EASY AND PROFITABLE BUSINESS SELLING SPECIAL COUPONS**

Look in your mailbox. What do you see almost every day? Coupons. Look in your newspaper. What do you see EVERY day? Coupons. It seems like coupons multiply like rabbits. Why? Prices are rising, unlike a majority of people's incomes.

Coupons only make good financial sense. But what if you discovered that someone's making money from coupons? They are, and so can you, by selling a special type of coupon.

Manufacturers use coupons primarily to attract new customers. The money savings entice people to try products they might otherwise not have. The same can be true of local businesses in your area. Sure, they put coupons in their newspaper ads.

But you can give them the opportunity to get their coupons into the hands of the exact customers they need, and at a far better price than the local newspaper. You can produce a Local Business Coupon Book easily, inexpensively, and profitably, if you follow the steps outlined here.

The first step in running a successful coupon publishing business is to find the businesses that will advertise with you. Any business that relies on local advertising is a good prospect.

Here is a short list of businesses you should consider:

- Theaters;
- Hair Salons;
- Fast Food Restaurants;
- Record  
and CD Stores;
- Dry Cleaners;
- Supermarkets;
- Car Washes;
- Muffler Shops;
- Ice Cream and Frozen Yogurt Shops.

Basically, any store that could reasonably use a coupon to draw in new customers is a prospect.

You may want to specialize in one area, such as fast food restaurants. Or, cover the whole gamut. Look through your phone book for businesses you might not have thought of.

When you approach these businesses, target a group within a five mile radius. It will be more time-efficient for you, and you can use the area grouping in your sales pitch. Stress the fact that around 80 percent of their business will come from that five mile radius. Tell them that you plan to distribute the coupon book within that radius, so it will draw the best results.

To be really profitable, you should get at least 15 - 25 businesses in the book. The more, the better.

How much to charge? That depends on how many books you will be distributing, and what your costs are. One coupon book producer charged \$100 for a coupon going to 1,000 people in an eight mile radius. His total cost was \$300, and he sold 11 businesses coupons. This gave him an \$800 profit in one week!

The second step is to create the coupons. If you have a computer, the job of designing the coupons can be quite easy with some of the word processor/ graphics packages available. If not, talk to your printer. He or she will more than likely have some ready-made templates for coupons. You can just fill in the blanks.

Be sure to put YOUR business name on the coupon (in small print, so it doesn't distract). Subconsciously, people will remember your business name and associate it with saving money. In any case, you will need to put the advertising business' name, address, phone, logo (if any, many businesses will have them ready made for you to use), the amount of the discount, any conditions they may have, and an expiration date. Your printer can help you with the layout, if you are inexperienced, or you can find easy to use layout boards at an office supply or art store.

Assembling the coupon books can be done in a number of ways. The easiest, and recommended, way to start is by simply stapling them together. Only one staple will be necessary, on the left side of the stack of coupons. Make a cover coupon with your business name and the name you've chosen for the coupon book. Put that on top of the stack before you staple. Other methods are perforating/padding, and perforating/perfect binding. Your printer should be able to provide pricing information on these and other binding methods.

The third step is distributing. You have already identified the radius within which you will distribute your coupon books. There are two methods of delivery you can use. You can either deliver them by car or foot, or you can bulk mail them.

Bulk mailing is infinitely easier and more efficient, but requires a bit of paperwork and registration fees. If you are delivering in one zip code area, you can use either five digit presort mailing, or carrier route presort mailing.

You should check with your postmaster regarding rules and fees. As soon as you have mailed the coupons, deliver a copy of the coupon book to each business that has advertised in it, so they know that customers will now be bringing them in.

The fourth and final step is follow up. You need to know how your coupon books are doing. Ask the businesses that advertise in your book to write the amount purchased by the coupon-bearing customer on the back of the coupon, and to hold them for you.

Stop by at least once a week and pick up the redeemed coupons. Besides giving you purchase totals that you can refer to in future sales to new customers, this also gives you a chance to talk

to the businesses about purchasing coupons in new books. You can show them right then and there the results they have gotten, and they should be enthusiastic about signing back on.

It is important to maintain a good relationship with the businesses who advertise with you. Show them that you are committed to helping them increase their business. If you care, so will they. This is a fun business that can be started part-time, and can easily move to full-time. Remember the man who cleared \$800 his first week in this business. He was just starting out, and you can do that, too!