25 June 2010: Mass retail distribution – electronic discount coupons

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The Autorité de la concurrence accepts commitments enabling all market operators to use Webcoupon or to develop equivalent solutions

> Version française

After a referreal by the Institut de liaisons et d'études des industries de consommation (ILEC), and the company Ma Liste de Courses (MLDC), which complained of the practices implemented in the market for the issuing and processing of electronic discount coupons by the groups HighCo and Sogec, the *Autorité de la concurrence* issues today a decision in which it accepts the commitments proposed by HighCo, Sogec and the distributors association Perifem, in order to make the market more competitive.

Webcoupon has become the reference amongst mass retail distribution e-coupons

Electronic discount coupons (called e-coupons) are printed by consumers from manufacturers Internet sites or specialised sites and handed in at cash registers in stores. The stores advance the sums shown in the coupons to the customer, before turning to coupon processing centres in order to obtain reimbursement.

To prevent fraud, distributors wanted the process for issuing e-coupons to be secured. The Perifem association, which takes in the biggest names in the French distribution world, then turned to two discount coupon processing centres, HighCo and Sogec, which then jointly developed a standardised and secure e-coupon that is referred to as the Webcoupon.

The competition concerns: a risk of foreclosure by HighCo and Sogec

HighCo and Sogec are in a special position, since they operate both downstream as processing centres for e-coupons, but also upstream of the issue market, in which they are in competition with other actors such as Ma Liste De Courses, which filed the complaint.

In an effort to rationalise and simplify the system, Perifem undertook a broad communication campaign intended to promote Webcoupon within the mass retail distribution sector and amongst manufacturers. As such, Webcoupon was presented as the reference standard in France, and as the only one that guaranteed reimbursement by processing centres. Perifem, HighCo and Sogec further agreed not to develop, during the term of the agreement, any standard other than Webcoupon.

Moreover, competitors such as Ma Liste de Courses were refused the possibility of offering the Webcoupon under conditions that they considered to be acceptable. Finally, pricing differences were applied by the HighCo processing centre, between Webcoupon and competing e-coupons.

Commitments in favour of promoting competition in the market

In view of the expressed competition concerns, HighCo, Sogec and Perifem have notably committed themselves to the Autorité de la concurrence:

- firstly, to indicate that Webcoupon is only a “brand” coupon that complies with standard secure specifications, which means that non-Webcoupon e-coupons that comply with these specifications can be issued and accepted by stores, just like e-coupons that use other securitisation solutions.

- secondly to provide free access to the “proprietary” elements of the Webcoupons (brand and visual) to any operator who so requests it, provided that the securitisation specifications are respected and that the reimbursement of the Webcoupons is guaranteed under certain circumstances by the licence applicant.
HighCo, Sogec and Perifem have also committed themselves to consult with the

sector's stakeholders and to obtain their agreement in case of changes to the securitisation specifications for the e-coupons that they have developed.

HighCo and Sogec have also commited themselves to process the reimbursement of all e-coupons, under non-discriminatory conditions.

Given that these commitments, published in their entirety in the decision's appendix, respond to the competition concerns and that they are credible and verifiable, the Autorité de la concurrence has accepted them and has decided to close the procedure initiated before it.

> For more details, please consult the full text of the decision 10-D-20 relative to the practices implemented in the discount coupons sector