

## RETAIL POINT OF SALE NAME ACQUISITION BEST PRACTICES

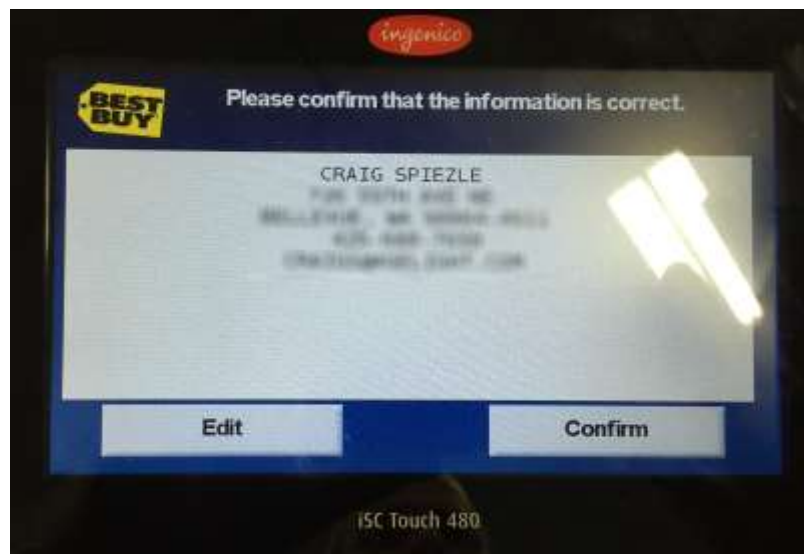
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Email continues to be a rich and vibrant channel to connect with consumers, provide news, and distribute promotional offers – all while building and enhancing loyalty with the retailers that consumers frequent. Retailers have recognized the power of email address collection at time of purchase and are increasingly providing consumers the choice of receiving their receipt, promotional newsletters and coupons via email as they check out.

Email collection at time of purchase provides significant benefits to the retailer and, done right, for the consumer as well. Electronic receipts can be extremely convenient and provide “archived” storage for both the consumer and retailer, providing that retailers have the ability to access receipts by email address and that the correct email address was entered by the retail sales associate. Point of purchase is an ideal time to start such an engagement, assuming that appropriate notice, choice and controls are in place and the data captured at retail is accurate.

Electronic receipts provide many benefits. Unlike paper receipts, they cannot be lost or misplaced and give consumers and retailers alike the ability to retrieve receipts based on a search for the consumer’s email address. Unfortunately, while electronic receipts reduce the need for paper proof, many systems do not yet accommodate returns with a digital receipt on a mobile device, which currently limits those systems to serve only as name capture vehicles.

Conversely, as shown in the image below, retailers with loyalty programs such as Best Buy have integrated their online and retail systems, prompting customers to confirm the email address and address at check out.



Such systems provide consumers the ability to validate that the correct address has been entered and verify that address during follow up transactions. With proper notice procedures, email collection at “brick and mortar” retail can build consumer loyalty, create social and viral marketing opportunities, and instill consumer trust and affiliation with a retailer’s brand. The advent of Apple Pay and other mobile payment solutions will certainly accelerate this transition, and receipts may soon take the path of airline tickets and boarding passes where paper is passé and electronic versions have become the new norm.

That said, how can a consumer understand how their email address will be being used? What forms of notice are appropriate, and is it reasonable that a sales clerk can understand the nuances of data collection, transactional data use and sharing personal information with affiliate or unaffiliated third parties?

To aid retail and email marketers, OTA issued a call for public comments, soliciting input from leading interactive marketing experts, consumers and retailers. Based on this input, and recognizing both legal requirements and the importance of consumer notice, choice and control over how their email address is used, the following best practices have been outlined.

While developing and reviewing retail email acquisition strategies and processes, it is critical to consider the pragmatic limitations at retail point of sale. These include the time limitation and risk of creating “friction” or delay at check out, and the inability for a retail sales associate to accurately and consistently communicate the terms.

OTA recommends that retailers consider the following best practices for name acquisition:

1. **Collection is Optional.** Consumers must be made aware that they are not required to provide an email address in order to complete a transaction or to receive a receipt. The motivation can be an electronic receipt, discounts or other benefits, but an email address is not required.
2. **Purpose.** The ideal default practice is to use the email address only for the purpose for which it has been collected; namely, for mailing the purchase receipt and related product information (such as safety warnings and recalls). Additional uses (such as use for promotional mailings) can be layered in with further permissions from the consumer.
3. **Name Capture Mechanisms.** Typical practices here are to have the sales clerk enter the address in the POS system or via a physical sign-up sheet. These methods are highly error prone and possibly subject to abuse. Instead, a mechanism to allow the buyer to enter their own address (or verify the spelling with the sales clerk) is preferred, coupled with a true opt-in mechanism for the email (i.e., the consumer must agree via a confirming email to receive messages). Scrubbing the names through a mail hygiene service is also recommended. The one catch here is the status of the receipt if the user doesn’t opt-in – how can they get it?
4. **Opt-In vs. Opt-Out.** Consumers should have control over how their address is used. Give them a choice at checkout (via a checkbox to receive promotions in addition to receipts) or a choice at the end of the receipt email to “opt up” for additional mailings, possibly with an incentive such as a purchase discount.

5. **Consumer Notices & Disclosures.** This is possibly the most difficult issue to address during the rush of checkout. Newer, more consumer-friendly POS systems may allow for short, layered notices with clear choice, or this could be provided via a QR code or on a laminated card by the sales clerk. Specifically, notices must state what the email address will and will not be used for and should explain how to opt in or opt out of additional uses of personal data. The key is to communicate policies efficiently and not delegate the responsibility to the sales clerk, since the written policy will always override anything said verbally. For example, a retailer could do the following to be in compliance with these guidelines:
  - a. Provide an option to opt out of, or alternatively opt in to, receiving promotional offers and newsletters.
  - b. Offer consumers the ability to opt out of promotional offers at any time, with no impact to the storage and retrieval of their transactional sales receipt.
  - c. Explicitly state that (for example) “we do (or do not) share your email with any third party.”
  - d. Offer the ability to request to be added to promotional mailings. Ideally this functionality would be tied to a preference center allowing the consumer to select the types and frequency of email they receive.
  - e. Provide examples of previous offers, upcoming sales or newsletters promoted through email to showcase the value of the email program. Providing examples also ensures that consumers understand what they have signed up for. Ideally the preference center should include visual examples.
6. **Marketing to Minors.** Retailers need to consider the implication of marketing to minors. To protect themselves, retailers should ensure that their systems and/or retail clerks confirm the customer is over the age of 13 during signup in order to comply with [COPPA](#).
7. **Warranty Activation.** Though tempting, name collection at POS should NOT be used to activate warranties, largely due to the typical time gap between purchase and use of the product. However, ease of future warranty activation could be used as an incentive to opt-in to email interaction.
8. **Gift Receipts.** Use of gift receipts is a common practice and can complicate the email receipt process. Ideally the purchase systems would allow for electronic mailing AND physical printing of a gift receipt to accompany the gift (or gift card).
9. **Proof of Purchase for Rebates.** Since receipts are often used in the rebate process, electronic receipts should include a transaction number or code that can be verified to claim a rebate.
10. **Returns.** Retailers offering electronic receipts must be willing to accept electronic receipts (and electronic proofs of purchase) to process returns.
11. **Promotional Offer.** Consider offering an incentive such a discount on the next purchase if used within 30 days.

Consumers should consider the following when provided the option of receiving electronic receipts at physical retailers:

1. **Review the Printed Terms.** Do not rely on the retail clerk to provide information about how your data will be used. The clerk may be misinformed, and you will be held to the terms of the written agreement.
2. **Understand Your Rights.** A retailer cannot require you to provide an email address.
3. **Use a Different Address.** If you cannot confirm how your email address will be used and shared, then provide a secondary email address, using free email services such as Gmail, Outlook.com or Yahoo! Mail. You can always forward receipts sent to this secondary email address or create a rule to place records into a folder.
4. **If in Doubt, Unsubscribe.** If you find a retailer that is not using responsible emailing practices, unsubscribe. If after 10 business days you are still receiving email, consider notifying the Federal Trade Commission at <https://www.ftccomplaintassistant.gov>.

Updates to this document will be posted at <https://otalliance.org/retailpos>

**Other Useful Resources for Consumers:**

<http://www.consumer.ftc.gov/articles/0262-stopping-unsolicited-mail-phone-calls-and-email>

<http://www.consumer.ftc.gov/articles/0038-spam>