

Insights on Incentives

The Hershey Company

Using the creative solutions provided by Amazon Incentives to deliver a great customer experience all while reducing reimbursement costs

Jacquelyn Wise leads the global consumer relations team at The Hershey Company, a global snacks company with more than 80 brands around the world including *Hershey's*, *Reese's*, *Hershey's Kisses*, *Jolly Rancher* and *Ice Breakers*. Jacquelyn sets strategy for consumer care operations for the company's global business with a consumer-centric focus. She inspires her team to provide best-in-class consumer care and achieves this by offering multi-channel support, empowering her talented team to do what they do best and enacting simplified processes.

Q: What was the issue Hershey was trying to solve?

JACQUELYN: Hershey, like many other consumer packaged goods (CPG) brands, used standard reimbursement methods like coupons and checks for product replacement. Unfortunately, some people look to profit off free-product coupons and this fraud has become an issue for the industry. Most of our coupons are for a single candy bar, however, we are a \$7.4 billion global business with more than 80 brands and 200,000 contacts from our consumers per year, and that makes us a target.

Q: Why did Hershey choose Amazon Incentives?

JACQUELYN: One of our directors said, "We need to look beyond the traditional means for reimbursement. How many of us use Amazon on a regular basis and have Prime?" Right away, we saw that digital Amazon.com Gift Cards would cut down on the environmental and traditional costs associated with printing and mailing paper coupons. But beyond that, it would also allow us to support our consumers faster, make their experience better and reduce fraud. **After doing research, no one came close to Amazon.** Other providers wanted to charge ridiculous fees

for the small amounts we were discussing. Also, most of our consumers were already using Amazon and were familiar with the process. **Overall, Amazon was the only one to check off all the boxes on our list, including cost and brand recognition in the marketplace. This made it a "no-brainer" decision to go with Amazon Incentives.**

Q: What was your management's response to the idea of using Amazon Incentives?

JACQUELYN: "Why haven't we done this sooner?" The issues with fraudulent coupons and the costs associated were still fresh in everyone's minds. We're constantly evaluating our ability to take risks, **but moving to Amazon was smart risk-taking that ended up paying off for us and our consumers.**

Q: How has it been working with Amazon Incentives?

JACQUELYN: The Amazon Incentives team has a real willingness to move with us and define what this new frontier looks like. They come to the table and share their expertise to make a difference, versus forcing their own agenda on us.



Jacquelyn Wise
Manager - Global Consumer Relations

It's great working with Amazon as we are constantly going back and forth to find the best solutions for Hershey and our consumers. Together, we have created an easy and secure way to handle reimbursement issues and improve upon our consumers' experience. The only challenge is now I expect our other vendors to deliver an "Amazon-level" of partnership!

Q: What were some of the challenges Hershey had to overcome in moving to digital gift cards?

JACQUELYN: We're always concerned about heat and shipping with chocolate. We also wanted to show Hershey's products as soon as a consumer went to redeem the claim code. Amazon worked with us to find a solution for both concerns. First, the team created a list of all the Hershey products that are fulfilled by Amazon.com (versus third-party sellers). This ensured that all our products were packed and shipped to avoid heat-related issues and when possible delivered using Amazon Prime. Second, Amazon created a unique landing page for our program. Now consumers see a welcome message with Hershey's products that are sold and delivered by Amazon right away. A nice side benefit of this is that our consumers immediately can choose their favorite from Hershey's.

Q: How has Amazon helped Hershey be more effective, reduce costs and/or improve customer satisfaction?

JACQUELYN: **Amazon has made it easier for us to solve consumer issues and to work more efficiently by streamlining our entire process.** The Amazon digital reimbursement option (as we call it) leaves a smaller environmental footprint and eliminates postage and printing costs associated with hard-copy coupons. We are also shortening the amount of time we spend on fulfillment, in part because we can send Amazon.com Gift Cards instantly via e-mail. This has saved us time and money while allowing us to use our resources more effectively.

Q: How are you measuring the impact of the program with Amazon Incentives?

JACQUELYN: We have been surveying consumers and asking specific questions about the reimbursement that they received. Initially, we were concerned about consumer reactions to moving away from coupons and questioned if they would use their Amazon.com Gift Card to buy something other than Hershey's products. What we found, however, is that consumers were thrilled with the speed and ease of Amazon. We didn't expect to see such a positive response so fast. It reassured us that using Amazon to handle reimbursements worked and still delivered a great consumer experience. **From a financial perspective, working with Amazon has eliminated a lot of costs by going digital and reducing fraud, making the move a win for everyone.**

Q: What has been the reaction of your industry peers to Hershey working with Amazon Incentives?

JACQUELYN: When they hear the move to Amazon is going even better than expected, they say, "Maybe we should have been on this nine months ago." It's exciting and thrilling to be a part of something that is helping to lead our industry. We see it as a great way to solve the fraud problem we are all facing. The more brands that make digital codes the norm, the more we all set a new precedent for our consumers and their expectations. The bottom line is we found that consumers remained loyal to Hershey and our products. Plus, they loved the fast and efficient handling that Amazon provided.

Q: How has this experience changed how you think about future challenges?

JACQUELYN: It shows how innovation, understanding and being a smart risk-taker is important. We must continue to be creative and flexible as new capabilities emerge and be willing to adapt. We have to challenge everyone on the team to have an open mind and be willing to look at the problem differently with fresh eyes. Otherwise, you will never go down that path of exploration and see what is possible.



About The Hershey Company

The Hershey Company, headquartered in Hershey, Pa., is a global snacks company known for bringing goodness to the world through its chocolate, sweets, mints and other great-tasting snacks. Hershey has approximately 18,000 employees around the world who work every day to deliver delicious, quality products. The company has more than 80 brands around the world that drive more than \$7.4 billion in annual revenues, including such iconic brand names as *Hershey's*, *Reese's*, *Hershey's Kisses*, *Jolly Rancher* and *Ice Breakers*. Building on its core business, Hershey is expanding its portfolio to include a broader range of delicious snacks.

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