

Class Action Over KFC Coupons Moves Forward

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Last year, KFC introduced its Kentucky Grilled Chicken, a healthier alternative to the restaurant chain's fried chicken, and promoted it heavily on the Oprah Winfrey show. As part of the promotion, Oprah invited consumers to download online coupons for a free Kentucky Grilled Chicken meal. KFC was soon overwhelmed with requests for free meals and prematurely ended the promotion.

According to a class action lawsuit filed against the company, KFC “began almost immediately to refuse to honor the coupons” and stopped the promotion after only two days, advising customers to apply for an online rain check, instead. Less than half of the 10.2 million coupons that were downloaded were ever redeemed. Among other things, the plaintiffs charged KFC with breach of contract, common law fraud, and violation of consumer protection statutes. This month, the court [denied KFC’s motion to dismiss](#) and allowed the case to move forward.



Marketers need to think carefully about how to structure coupon offers and take steps to anticipate redemption rates. Everyone loves a “free lunch” -- in this case, literally -- so online coupons for free products usually enjoy very high redemption rates. And once a coupon goes viral, it can be very difficult to control. These issues need to be addressed *before* the coupon is launched. As KFC’s experience shows, it can be difficult, if not impossible, to address them after problems start to arise. At that point, complaints and lawsuits are almost sure to follow.