



EXECUTIVE SUMMARY

Loyalty/Rewards is Seen as Part of the Marketing Mix

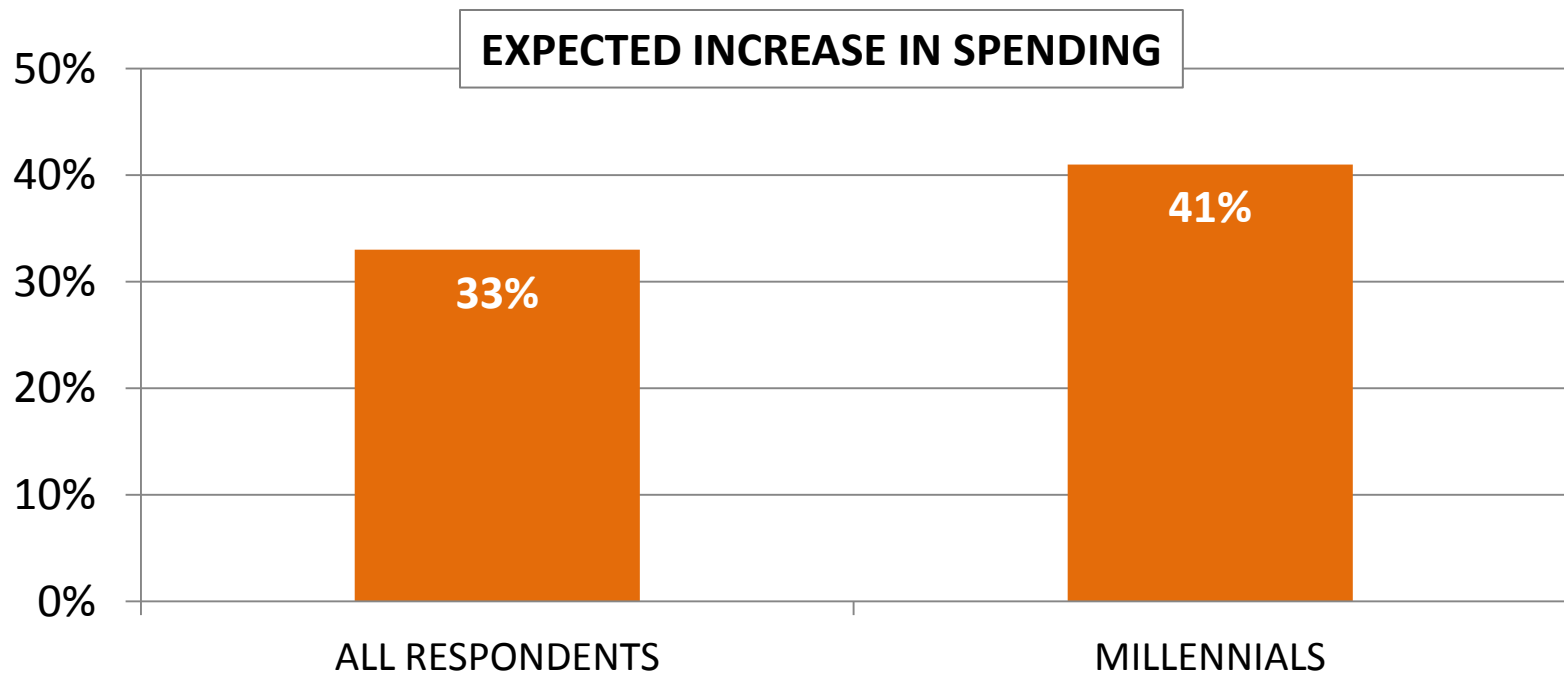
- 💡 Retail loyalty or 'rewards' programs are becoming increasingly popular as an integral component in the marketing strategy for retail companies.
- 💡 A variety of recent technological advancements have made the implementation of rewards programs easier and less expensive, making the programs accessible to more retail companies.
- 💡 Many companies have programs in place and recognize that the rewards program itself is just a part of the opportunity to drive incremental business.

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- 💡 Detailed customer purchase data derived from a rewards program is seen as a strategic advantage in understanding purchase patterns, targeting specific types of behavior, and measuring the cost-effectiveness and return on investment associated with marketing programs.
- 💡 Many retail companies are considering programs, but face a variety of questions that need answers before they can make an informed decision about whether or not a rewards program is right for their brand.
- 💡 The purpose of this study is to provide consumer insight on a national level regarding the design of programs, consumer attitudes and behavior with respect to these programs and the potential that programs have to generate incremental customer spending.
- 💡 The study used a survey of 1,100 U.S. consumers between 25 and 65 years old with household incomes of \$75,000 and over.

HIGHLIGHTS

- 💡 If a retailer you like offered a rewards program that was appealing to you, how much (as a percentage) do you think your spending would increase with that retailer (between 0% and 100%)?



DETAILED FINDINGS

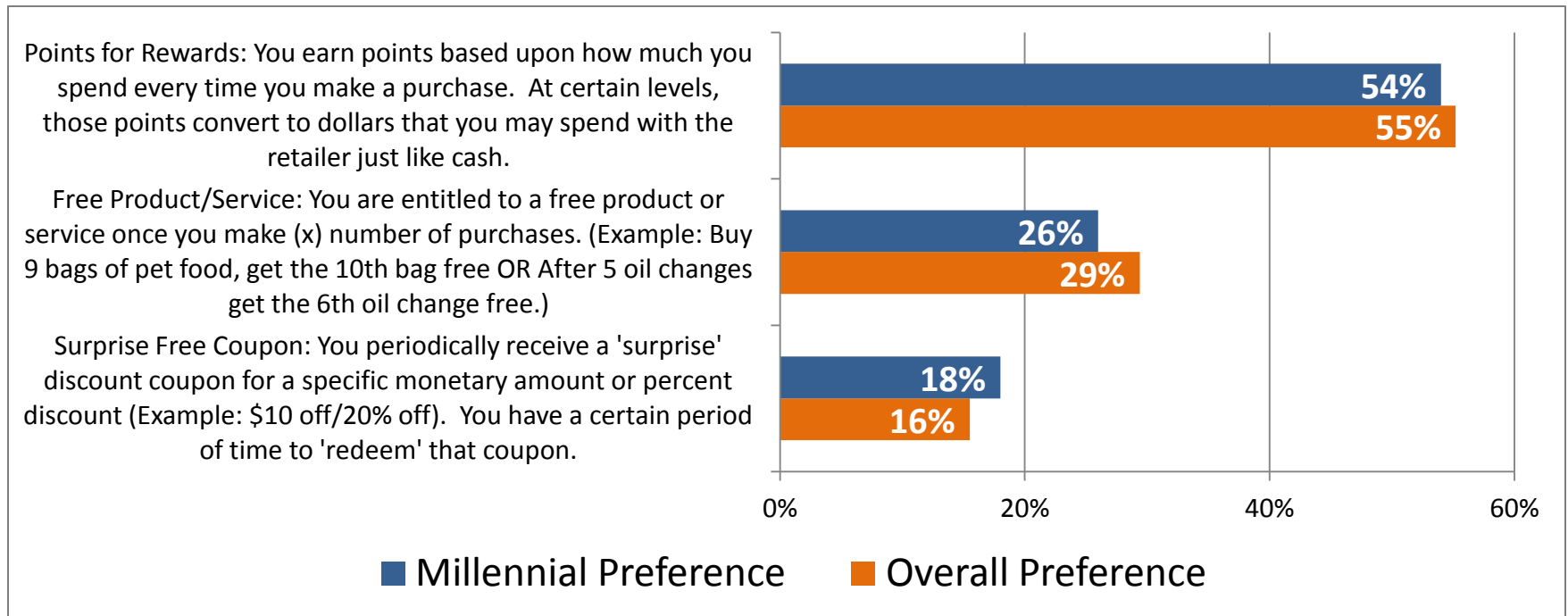
HOW APPEALING ARE CERTAIN FEATURES/BENEFITS?	PERCENT THAT FIND THIS APPEALING	MILLENNIALS
Earn points toward free/discounted products.	78%	85%
Special birthday reward.	68%	77%
Special holiday rewards/offers.	64%	74%
Special bonus offers at certain times of year.	62%	73%
Periodic offers to purchase exclusive "members only" products.	50%	60%
Special wedding anniversary reward.	50%	65%
Periodic offers to purchase newly released products before they are available to the general public.	46%	59%
Periodic chances to win extra rewards of substantial value (sweepstakes).	46%	58%
Special bonus offers for getting people I know to join the rewards program.	40%	58%
Wish list manager/reminder to track desired product/gift items for family members, loved ones and special friends.	37%	59%
Ability to donate my rewards to a charity of my choice.	32%	49%
Ability to donate my rewards to a 'green' cause.	27%	45%

DETAILED FINDINGS


STATEMENTS ABOUT INTERACTIONS WITH RETAIL REWARDS PROGRAMS	PERCENT WHO AGREE	MILLENNIALS
I would like to have one rewards program membership that was honored at multiple retail chains.	73%	80%
I would like a simple, no hassle way to join in the store and provide my name and contact information later online.	65%	71%
I would like to receive e-mails with discount offers on specific products and items I have ordered/purchased in the past.	63%	69%
I would like to receive e-mails with offers of value relating to the program.	62%	65%
I don't mind carrying a membership card if it's necessary.	60%	66%
I would like to be able to join online and begin earning rewards using my telephone number.	57%	64%
I would like to use my phone number instead of a membership card.	51%	62%
I would like to receive something of value for getting my friends to join the program.	51%	62%
I would like to do everything using a smart phone app.	35%	57%

COMPARING THREE POPULAR CONCEPTS

- 💡 Most consumers want to know what benefits they will receive by participating in a retail rewards program.
- 💡 We asked, *“Thinking about a retailer you like, which of the following three programs would be MOST LIKELY to motivate you to visit that retailer more frequently.”*



DETAILED FINDINGS

 We asked, *“If a retailer you like offered a rewards program that was appealing to you, tell us the extent to which you agree with the following.”*

IMPACT OF A RETAIL REWARDS PROGRAM	PERCENT WHO AGREE	MILLENNIALS
I would shop there more often.	71%	81%
I would recommend that retailer more often to people I know.	65%	76%
If I had a problem related to my shopping experience, I would be more likely to tell the management than keep it to myself.	58%	65%

DETAILED FINDINGS

HOW MANY RETAIL REWARDS PROGRAM DO YOU PARTICIPATE IN?	ALL RESPONDENTS	MILLENNIALS
Apparel	1.1	2.2
General merchandise retailers	0.9	1.9
Pet supplies	0.8	1.7
Electronics, computers and technology	0.8	1.7
Footwear	0.7	1.4
Books	0.6	1.3
Home improvement and hardware	0.6	1.3
Sporting goods	0.6	1.2
Jewelry and accessories	0.5	1.4
Automotive service, repair and tires	0.5	1.3
Garden supplies, plants and accessories	0.5	1.2
Furniture	0.4	1.1
Total	8.1	17.8

DETAILED FINDINGS

AGE	ALL RESPONDENTS
25-34	25%
35-44	25%
45-54	25%
55-65	25%

DETAILED FINDINGS

GENDER	ALL RESPONDENTS
Male	35%
Female	65%

DETAILED FINDINGS

HOUSEHOLD INCOME	ALL RESPONDENTS
\$75,000-\$99,999	48%
\$100,000-\$149,999	38%
\$150,000 and over	14%

