

Retailer Loyalty Programs - US - July 2014

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“While loyalty programs likely do not lead to complete loyalty to a specific retailer, many consumers are likely to change their shopping habits in order to earn incentives.

However, there is also a significant demand for more meaningful rewards and easier ways of earning them, suggesting that consumers see a lot of room for improvement in existing loyalty initiatives.”

– Bryant Harland, Technology Analyst

This report looks at the following areas:

- Does loyalty program participation translate to customer loyalty?
- Central frustrations with loyalty programs
- Should retailers emphasize personalization or privacy?

The share of consumers who reported participating in customer loyalty programs rose between 2013 and 2014 for every retail sector, with electronics supply stores, mass merchandisers, and online-only retailers making considerable gains. As overall loyalty program participation rises, however, it will be more difficult for retailers to differentiate their initiatives from the programs offered by the competition.

This report finds that monetary incentives are the most important for consumers when they think about loyalty programs. This report explores the types of promotions that loyalty participants are most receptive to and how loyalty programs fit in with other shopping motivations.

Other themes in this report include overall receptiveness to promotional communication, which communication mediums consumers prefer, and the core frustrations that consumers have with the loyalty programs they participate in.

This report builds on the analysis presented in Mintel's *Retailer Loyalty Programs – US, August 2013*, *Loyalty Marketing – US, September 2010*, *Customer Satisfaction and Loyalty Programs – US, January 2010*, and *Loyalty Program Consumer – US, July 2003*.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Table of Contents

Scope and Themes

- What you need to know
- Definition
- Data sources
- Consumer survey data
- Direct marketing creative
- Abbreviations
- Terms

Executive Summary

- Overview
- The market
 - Figure 1: Actions taken to earn loyalty rewards, May 2014
- Key players
- The consumer
- Loyalty programs key factor in determining where consumers shop
 - Figure 2: Factors influencing where consumers shop, May 2014
- Action taken correlates to household size
 - Figure 3: Action taken to earn loyalty rewards - any, by household size, May 2014
- More than four in 10 report frustration with loyalty programs
 - Figure 4: Frustrations with loyalty programs, May 2014
- What we think

Issues and Insights

- Does loyalty program participation translate to customer loyalty?
 - The issues
 - The implications
- Central frustrations with loyalty programs
 - The issues
 - The implications
- Should retailers emphasize personalization or privacy?
 - The issues
 - The implications

Mintel Trends

- Trend: Many Mes
- Trend: Return to the Experts
- Trend: Why Buy

Market Drivers

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Key points

Consumer spending trending upward since the recession

Figure 5: Consumer confidence and unemployment, 2000-14

Online shopping forecast to grow

Figure 6: US total online shopping sales, at current prices, 2009-19

Mobile apps improve the convenience of loyalty programs

Cashback rewards credit cards provide universal rewards to consumers

Figure 7: Rewards/affiliations with respondents' credit cards, by age, November 2012-December 2013

Leading Companies

Key points

Figure 8: Number of mentions of leading retailers May 2014

CVS

Walgreens

Kroger

Target

Amazon

Best Buy

Starbucks

Kohl's

Walmart

Safeway

Innovations and Innovators

The North Face offers experiential awards

Figure 9: The North Face's VIPeak rewards catalog, April 2014

Delicious Karma translates loyalty into charitable donations

Figure 10: Delicious Karma's "Karma Challenge" page, April 2014

Birdback

Figure 11: Birdback homepage, April 2014

American Express lets loyalty members use points for Uber rides

Marketing Strategies

Loyalty programs that emphasize cost savings

Figure 12: Pier 1 Imports, fresh finds for your spring table, April 2014

Figure 13: Pier 1 Imports, make it an early spring with our candles, lanterns, and fragrances, February 2014

Figure 14: The Children's place, loyalty member email campaign, April 2014

Loyalty programs that emphasize exclusivity

Figure 15: Banana Republic, cardmembers: add some color with exclusive savings!, January 2014

Figure 16: Sephora, VIB 15% off: early access event, April 2014

Loyalty programs with experiential rewards

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The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Social Media

Key points

Market overview

Key social media metrics

Figure 17: Key performance indicators, selected retailer loyalty programs, June 16, 2013-June 15, 2014

Brand usage and awareness

Figure 18: Brand usage and awareness of retailer loyalty programs, May 2014

Interaction with brands

Figure 19: Interaction with retailer loyalty programs, May 2014

Leading online campaigns

Rewarding healthy, active lifestyles

Exclusive partnerships for limited-edition offers

Loyalty programs that give to charity

Social media promotion rewarded with extra perks

What we think

Online conversations

Figure 20: Selected Starbucks' My Starbucks Rewards Twitter mentions, November 2013

Figure 21: Online mentions, selected retailer loyalty programs, June 16, 2013-June 15, 2014

Where are people talking about retailer loyalty programs?

Figure 22: Selected Walgreens Balance Rewards Twitter mentions, June 2014

Figure 23: Mentions by page type, selected retailer loyalty programs, June 16, 2013-June 15, 2014

What are people talking about online?

Figure 24: Mentions by topic of conversation, selected retailer loyalty programs, June 16, 2013-June 15, 2014

Retailer Loyalty Program Participation

Key points

Loyalty program participation is on the rise

Figure 25: Participation in retailer loyalty programs, June 2013 - May 2014

Young men and women participate in the largest number of programs

Figure 26: Participation in retailer loyalty programs (mean), by gender and age, May 2014

Parents more likely to participate in loyalty programs than those without children

Figure 27: Participation in retailer loyalty programs (mean), by gender and parents with children in household, May 2014

Participation across retail sectors trends upward with household income

Figure 28: Participation in retail loyalty programs, by household income, May 2014

Shopping Motivations: Where Loyalty Programs Fit

Key points

Top motivations for engaging with a business

Figure 29: Respondent opinions about shopping, by age, November 2012-December 2013

Nearly four in 10 consumers prefer stores with loyalty programs

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Figure 30: Factors that influence where consumers shop, by gender and age, May 2014

The Impact of Loyalty Programs on Shopping Behavior

Key points

More than half of respondents took action to earn loyalty rewards

Figure 31: Impact of loyalty programs on shopping behavior, by demographics

Young men and women more likely to spend more to earn rewards

Figure 32: Impact of loyalty programs on shopping behavior, by gender and age, May 2014

Moms and dads show higher engagement with loyalty programs than nonparents

Figure 33: Impact of loyalty programs on shopping behavior, by gender and parents with children in household, May 2014

Engagement with loyalty programs trends upward with household size

Figure 34: Impact of loyalty programs on shopping behavior, by household size, May 2014

More than four in 10 consumers from lower-income households alter shopping behavior to earn rewards

Figure 35: Impact of loyalty programs on shopping behavior, by household income, May 2014

Perceptions Regarding Customer Loyalty Programs and Sources of Frustration

Key points

Most common loyalty frustrations

Figure 36: Preferences and frustrations regarding loyalty programs, May 2014

Types of loyalty programs consumers prefer

Figure 37: Preferences and frustrations regarding loyalty programs, by gender and age, May 2014

Dads express frustration with redeeming rewards

Figure 38: Preferences and frustrations regarding loyalty programs, by gender and parents with children in household, May 2014

Loyalty Incentives: Importance of Reward Type

Key points

Free products, storewide discounts, and store credit with purchases top loyalty program incentives

Figure 39: Importance of retailer loyalty program features, by gender and age, May 2014

High-priority incentives for subscription-based programs

Figure 40: Importance of features for subscription-based loyalty programs, May 2014

Younger consumers more receptive to subscription-based loyalty programs

Figure 41: Importance of incentives in subscription-based loyalty programs, by gender and age, May 2014

Consumers' Preferred Mediums and Frequency of Promotional Communication

Key points

How much do consumers want to interact with businesses?

Figure 42: Preferred frequency and medium of promotional communication, May 2014

Young consumers open to frequent promotional communication

Figure 43: Preferences regarding promotional communication – any high frequency, by gender and age, May 2014

More than one third of larger households are receptive to frequent promotions on social media

Figure 44: Preferences regarding promotional communication – any high frequency, by household size, May 2014

Race and Hispanic Origin

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Key points

Asians participate in the largest variety of loyalty programs

Figure 45: Participation in retailer loyalty programs, by race/Hispanic origin, May 2014

Half of Asians ask others for advice before making a purchase Looking at broader shopping motivations and behaviors provides insight into the types of experiences that may be valuable to consumers as part of a loyalty program. For example, 42% of all respondents said that they usually ask for advice before buying something new. This may present an opportunity for brands that emphasize exclusivity in their loyalty programs – members may gain access to online forums or information about ratings and reviews from other loyalty participants.

Figure 46: Respondent shopping behaviors, by race/Hispanic origin, November 2012-December 2013

Hispanics and Asians are the most likely to prefer frequent communication

Figure 47: Preferences regarding promotional communication – any high frequency, by race/Hispanic origin, May 2014

Blacks show receptiveness to advertising

Figure 48: Respondent general attitudes about the media, by race/Hispanic origin, November 2012-December 2013

Consumer Segmentation

Key points

Consumer segmentation by promotional communication frequency

Figure 49: Loyalty program groups, by gender and age, May 2014

Influence of communication preferences on loyalty participation

Figure 50: Impact of loyalty programs on shopping behavior, by loyalty programs groups, May 2014

Consumers who prefer frequent brand communication show greater interest in diverse loyalty programs

Figure 51: Importance of loyalty rewards, by loyalty programs groups

Consumers who prefer limited promotional communication are the most price sensitive

Figure 52: Factors that influence where consumers shop, by loyalty programs groups, May 2014

Communication preferences and loyalty program frustrations

Figure 53: Preferences and frustrations regarding loyalty programs by loyalty programs groups, May 2014

Appendix – Loyalty Program Members

Overview

Figure 54: Total US loyalty program memberships and active memberships, 2006-12

Appendix – Other Useful Consumer Tables

Participation in retailer loyalty programs

Figure 55: Participation in retailer loyalty programs, by gender and age, May 2014

Figure 56: Participation in retailer loyalty programs, by gender and parents with children in household, May 2014

Figure 57: Participation in retailer loyalty programs, by loyalty programs groups, May 2014

Figure 58: Participation in retailer loyalty programs (mean), by household income, May 2014

Figure 59: Participation in retailer loyalty programs (mean), by household size, May 2014

Figure 60: Repertoire of participation in retailer loyalty programs, by gender and age, May 2014

Figure 61: Repertoire of participation in retailer loyalty programs, by gender and parents with children in household, May 2014

Figure 62: Participation in retailer loyalty programs (mean), by race/Hispanic origin, May 2014

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Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Importance of loyalty rewards by type

Figure 63: Importance of loyalty rewards, by race and Hispanic origin, May 2014

Consumer shopping motivations and behaviors

Figure 64: Respondent opinions about shopping, by gender and age, November 2012-December 2013

Figure 65: Respondent opinions about shopping, by household income, November 2012-December 2013

Figure 66: Respondent shopping behaviors, by age, November 2012-December 2013

Figure 67: Factors that influence where consumers shop, by household income, May 2014

Figure 68: Factors that influence where consumers shop, by household size, May 2014

Figure 69: Factors that influence where consumers shop, by gender and parents with children in household, May 2014

Figure 70: Respondent opinions about shopping, by race/Hispanic origin, November 2012-December 2013

Sources of product information

Figure 71: Sources of product information during shopping, by age, November 2012-December 2013

Figure 72: Sources of product information during shopping, by race/Hispanic origin, November 2012-December 2013

Participation in credit/debit card rewards programs

Figure 73: Respondent credit card ownership, by age, November 2012-December 2013

Figure 74: Rewards/affiliations with respondents' credit cards, by household income, November 2012-December 2013

Figure 75: Perceptions regarding retail loyalty programs by actions taken to earn rewards

Figure 76: Rewards/affiliations with respondents' credit cards, by gender and age, November 2012-December 2013

Preferences regarding promotional communication

Figure 77: Preferences regarding promotional communication – any high frequency, by gender and parents with children in household, May 2014

Figure 78: Preferences regarding promotional communication – any usage, by gender and age, May 2014

Figure 79: Preferences regarding promotional communication – any usage, by loyalty programs groups, May 2014

Figure 80: Loyalty program groups, by household income, May 2014

Figure 81: Loyalty program groups, by race/Hispanic origin, May 2014

Figure 82: Loyalty program groups, by household size, May 2014

Figure 83: Loyalty program groups, by gender and parents with children in household, May 2014

Perceptions regarding advertising

Figure 84: general attitudes about the media, by gender and age, November 2012-December 2013

Appendix – Social Media

Online conversations

Figure 85: Online mentions, selected retailer loyalty programs, June 16, 2013-June 15, 2014

Brand analysis

Figure 86: Starbucks' My Starbucks Rewards key social media indicators, June 2014

Figure 87: Best Buy's My Best Buy key social media indicators, June 2014

Figure 88: CVS ExtraCare Rewards Program key social media indicators, June 2014

Figure 89: Walgreens Balance Rewards key social media indicators, June 2014

Figure 90: Kroger Rewards key social media indicators, June 2014

Figure 91: Safeway Rewards Points key social media indicators, June 2014

Brand usage or awareness

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Figure 92: Brand usage or awareness, May 2014

Figure 93: Walgreens Balance Rewards usage or awareness, by demographics, May 2014

Figure 94: CVS ExtraCare Rewards Program usage or awareness, by demographics, May 2014

Figure 95: Kroger Rewards usage or awareness, by demographics, May 2014

Figure 96: Safeway Reward Points usage or awareness, by demographics, May 2014

Figure 97: Best Buy's My Best Buy usage or awareness, by demographics, May 2014

Figure 98: Starbucks' My Starbucks Rewards usage or awareness, by demographics, May 2014

Activities done

Figure 99: Activities done, May 2014

Figure 100: Walgreens Balance Rewards – activities done – I have looked up/talked about this brand online on social media, by demographics, May 2014

Figure 101: Walgreens Balance Rewards – activities done – I have contacted/interacted with the brand online on social media to, by demographics, May 2014

Figure 102: Walgreens Balance Rewards – activities done – I follow/like the brand on social media because, by demographics, May 2014

Figure 103: Walgreens Balance Rewards – activities done – I have researched the brand on social media to, by demographics, May 2014

Figure 104: CVS ExtraCare Rewards Program – activities done – I have looked up/talked about this brand online on social media, by demographics, May 2014

Figure 105: CVS ExtraCare Rewards Program – activities done – I have contacted/interacted with the brand online on social media to, by demographics, May 2014

Figure 106: CVS ExtraCare Rewards Program – activities done – I follow/like the brand on social media because, by demographics, May 2014

Figure 107: CVS ExtraCare Rewards Program – activities done – I have researched the brand on social media to, by demographics, May 2014

Figure 108: Kroger Rewards – activities done – I have looked up/talked about this brand online on social media, by demographics, May 2014

Figure 109: Kroger Rewards – activities done – I have contacted/interacted with the brand online on social media to, by demographics, May 2014

Figure 110: Kroger Rewards – activities done – I have researched the brand on social media to, by demographics, May 2014

Figure 111: Safeway Reward Points – activities done – I have looked up/talked about this brand online on social media, by demographics, May 2014

Figure 112: Safeway Reward Points – activities done – I have contacted/interacted with the brand online on social media to, by demographics, May 2014

Figure 113: Safeway Reward Points – activities done – I have researched the brand on social media to, by demographics, May 2014

Figure 114: Best Buy's My Best Buy – activities done – I have looked up/talked about this brand online on social media, by demographics, May 2014

Figure 115: Best Buy's My Best Buy – activities done – I have contacted/interacted with the brand online on social media to, by demographics, May 2014

Figure 116: Best Buy's My Best Buy – activities done – I follow/like the brand on social media because, by demographics, May 2014

Figure 117: Best Buy's My Best Buy – activities done – I have researched the brand on social media to, by demographics, May 2014

Figure 118: Starbucks' My Starbucks Rewards – activities done – I have looked up/talked about this brand online on social media, by demographics, May 2014

Figure 119: Starbucks' My Starbucks Rewards – activities done – I have contacted/interacted with the brand online on social media to, by demographics, May 2014

Figure 120: Starbucks' My Starbucks Rewards – activities done – I follow/like the brand on social media because, by demographics, May 2014

Figure 121: Starbucks' My Starbucks Rewards – activities done – I have researched the brand on social media to, by demographics, May 2014

Appendix – Trade Associations

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