

Report Price: £1750.00 | \$2834.04 | €2223.04

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



"The saturation of loyalty schemes highlights that retailers need to think outside of the box in order to attract or maintain shoppers. Larger retailers need to focus on the consumer rather than their competitors; targeting products and offers on a more individualised basis, simplifying the shopping process and acting quickly on shopper feedback."

- Jack Duckett, Consumer Lifestyles Analyst

This report looks at the following areas:

- · Personalisation key to supermarket loyalty scheme development
- · Opportunity to further expand click-and-collect services
- Targeting men with loyalty schemes

Consumers have become increasingly hard to pin down in recent years; savvier shopping habits developed during the recession years have made them more inclined to shop around in order to get the best deal.

Retailers looking to earn back or retain consumer loyalty need to ensure they are providing a tailored approach – recognising each consumer for the individual they are. Whilst the growth of digital schemes has already facilitated this to an extent, further personalisation of offers, deals and even product portfolio can help shoppers feel at home in the retail environment. However, retailers must be careful to be as transparent as possible in order to maintain trust from the consumer, as well as ensure that they are not eating into long-term margins by navigating shoppers away from specific product lines.

BUY THIS REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533

> Brazil 0800 095 9094

Americas +1 (312) 943 5250

+61 (0) 2 8284 8100

EMAIL: reports@mintel.com

DID YOU KNOW?

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



Report Price: £1750.00 | \$2834.04 | €2223.04

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

Table of Contents

Introduction

Abbreviations

Executive Summary

Market drivers

Companies, brands and innovation

Convenience dominates choice of supermarket

Figure 1: Factors influencing loyalty in the supermarket category, August 2014

Consumers seek targeted offers

Figure 2: Consumer expectations in return for loyalty, August 2014

Regular sales a key draw in the clothing and department stores segment

Figure 3: Factors influencing loyalty in the department stores and clothing retailers category, August 2014

Product range influences three in five shoppers in beauty and personal care sector

Figure 4: Factors influencing loyalty in the beauty and personal care category, August 2014

Opportunity for DIY retailers to move onto the high street

Figure 5: Factors influencing loyalty in the DIY/homewares category, August 2014

67% save up loyalty points for big-ticket purchases

Figure 6: Attitudes towards loyalty schemes, August 2014

What we think

Issues and Insights

Personalisation key to supermarket loyalty scheme development

The facts

The implications

Opportunity to further expand click-and-collect services

The facts

The implications

Targeting men with loyalty schemes

The facts

The implications

Trend Application

Trend: Life Hacking
Trend: Make it Mine
Trend: Let's Make a Deal

Market Drivers

Key points

Opportunity to target older consumer with tailored loyalty offerings

Figure 7: Trends in the age structure of the UK population, 2009-19

BUY THIS REPORT NOW VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

EMAIL: reports@mintel.com



Report Price: £1750.00 | \$2834.04 | €2223.04

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

Households set to get smaller

Figure 8: UK households, by size, 2009-19

Decline in food prices unsustainable

Figure 9: Consumer Price Inflation, percentage change over 12 months ending August 2014

Disposable income on the up

Figure 10: Trends in how respondents would describe their financial situation, June 2009-June 2014

Space race remains heated

Figure 11: Number of outlets, 2008 and 2014

Nearly three quarters of consumers own a smartphone

Figure 12: Technology products personally owned, June 2014

Who's Innovating?

Key points

Morrisons pledges to match discounters

Figure 13: Morrisons' Match & More card, October 2014

Using social media to boost engagement

Figure 14: Kipling Friends programme, October 2014

Gamification helps drive engagement

Digital loyalty schemes begin to take off

Click-and-collect: Rewarding supermarket loyalty with convenience

Figure 15: Waitrose Click-and-collect tube station lockers, September 2014

Competitive pricing

Figure 16: Aldi 'Like Brands, Only Cheaper' campaign, 2014

Supermarket retailers embrace healthy living

Brand Perceptions and Social Media

Brand perceptions

Key brand metrics

Figure 17: Key brand metrics, August 2014

Brand map

Figure 18: Attitudes towards and usage of brands in the retail sector, August 2014

Correspondence analysis

Brand attitudes

Figure 19: Attitudes, by retailer, August 2014

Brand personality

Figure 20: Retailer personality – macro image, August 2014

Figure 21: Retailer personality – micro image, August 2014

Brand usage

Figure 22: Retailer usage, August 2014

Brand experience

Figure 23: Retailer experience, August 2014



VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

EMAIL: reports@mintel.com



Report Price: £1750.00 | \$2834.04 | €2223.04

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

Brand loyalty

Figure 24: Retailer loyalty metrics, August 2014

Figure 25: Retailer loyalty index, August 2014

Figure 26: Retailer loyalty index versus regular usage, August 2014

Social media and online buzz

Social media metrics

Figure 27: Social media metrics of selected retailers, October 2014

Online mentions

Figure 28: Share of conversation of top six retailers, by mentions, 29 September 2013-27 September 2014

Figure 29: Share of conversation of next seven retailers, by mentions, 29 September 2013-27 September 2014

Topics of discussion

Figure 30: Topics of discussion around selected retailers, 29 September 2013-27 September 2014

Figure 31: Twitter handle mentions around competitions versus Twitter handles not including competitions, 29 September 2013-27 September 2014

Figure 32: Brand share of conversation around low prices, 29 September 2013-27 September 2014

Figure 33: Brand share of conversation around loyalty schemes, 29 September 2013-27 September 2014

The Consumer – Usage of Supermarkets

Key points

Four in five do their main shop at a Big Four grocer

Figure 34: Usage of grocery retailers for main/weekly shop and additional shopping, August 2014

Shift towards grocery discounters

Figure 35: Length of usage of most popular main grocery stores/supermarkets, August 2014

Consumers branch out when it comes to top-up shopping

The Consumer - Loyalty in the Supermarket Sector

Key points

Convenience dominates choice of supermarket

Figure 36: Factors influencing loyalty in the supermarket category, August 2014

Discount grocers emerge as the cheapest option

Figure 37: Influence of "It is the cheapest option", by retailer selected as main weekly/monthly shop, August 2014

Older consumers more likely to be swayed by loyalty cards

Figure 38: Proportion of consumers influenced by whether or not the supermarket has a good loyalty scheme/card, by gender and age, August 2014

Own-label lines influence 43%

Figure 39: Proportion of consumers influenced where to shop by a retailer's own-label range, by retailer used for main weekly/monthly shop, August 2104

Figure 40: Example of Aldi packaging and major brand equivalent, 2014

The Consumer – Loyalty Expectations of Supermarkets

Key points

Consumers seek targeted offers

Figure 41: Consumer expectations in return for loyalty, August 2014

Consumers seek to feel more involved



VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

FMAII · renorts@mintel.com



Report Price: £1750.00 | \$2834.04 | €2223.04

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

Lower expectations amongst discount grocery store users

Figure 42: Consumer expectations in return for loyalty, by selected main grocery retailer, August 2014

The Consumer - Reasons for Changing Supermarket

Key points

Lower prices could drive consumers to alternative retailers

Figure 43: Reasons consumers would consider switching away from their preferred main supermarket/grocery store, August 2014

Some 36% would consider a more conveniently located alternative

Loyalty to discount grocers driven by low prices and quality

Figure 44: Reasons consumers would consider switching away from their preferred main supermarket/grocery store, by main supermarket, August 2014

The Consumer – Membership of Loyalty Schemes

Key points

Membership of loyalty schemes exceeds nine in 10

Figure 45: Membership of loyalty schemes, August 2014

Women significantly bigger users of loyalty cards than men

Figure 46: Membership of loyalty schemes, by gender, August 2014

Three quarters of all adults have Tesco Clubcard

Nectar cuts points in half

Figure 47: Nectar Card, October 2014

Boots and Superdrug loyalty schemes register high penetration

my John Lewis scheme, a victim of its own success?

Figure 48: myWaitrose and my John Lewis loyalty cards, September 2014

The Consumer - Loyalty in the Department Stores and Clothing Retailers Market

Key points

Consumers look to bag a bargain

Figure 49: Factors influencing loyalty in the department stores and clothing retailers category, August 2014

Online delivery valued by over a quarter

Figure 50: Proportion of consumers influenced to shop at their preferred department store/clothing retailer by its online shopping/home delivery service, August 2014

Influence of marketing appears marginal

Figure 51: John Lewis Christmas 2013/14 television advert

The Consumer – Loyalty in the Beauty and Personal Care Market

Key points

Product range influences three in five shoppers

Figure 52: Factors influencing loyalty in the beauty and personal care category, August 2014

Loyalty cards prove popular in the beauty/personal care market

Figure 53: Proportion of consumers influenced to shop at their preferred retailer by a good loyalty scheme/card, by retail sector, August 2014

The Body Shop users loyal to brand's ethical ethos

The Consumer - Loyalty in the DIY/Homewares Segment

Key points

BUY THIS REPORT NOW VISIT: store.mintel.con

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com



Report Price: £1750.00 | \$2834.04 | €2223.04

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

Opportunity for DIY retailers to move onto the high street

Figure 54: Factors influencing loyalty in the DIY/homewares category, August 2014

Figure 55: Argos Digital store prototype, April 2014

Young adults seek online how-to guides

Loyalty cards encourage three in 10 to be loyal

Figure 56: Proportion of consumers influenced to shop at their preferred retailer by a good loyalty scheme/card, by retailer, August 2014

The Consumer – General Attitudes towards Loyalty Initiatives

Key points

67% save up loyalty points for big-ticket purchases

Figure 57: Attitudes towards loyalty schemes, August 2014

The drive for instant results

Nearly half of all consumers prove less loyal since the recession

Figure 58: Agreement with the statement "Since the recession I have become less loyal to retailers", August 2014

Patriotic Brits keen to endorse Britain

Figure 59: John Lewis 'Never Standing Still' campaign, May 2014

Attitudes towards customer service differ by age

Figure 60: Agreement with selected statements, by age, August 2014

EMAIL: reports@mintel.con