

Loyalty Programs - Canada - July 2019

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This report looks at the following areas:

Having said that, near universal participation means more clutter and retailers must work harder to ensure programs stand out as consumers generally feel that programs are undifferentiated and soft on providing value. While personalization is an obvious avenue to address this, programs that allow for more flexibility in ways to earn and burn rewards will see the greatest engagement. With consumer expectations changing, thanks in part to Amazon, companies today need to more clearly connect loyalty program offerings to the basic pillars that drive return patronage. Today's consumers will respond better to brands that build relationships than those that simply focus on retention.

- Delivering on the basics matters most, consideration of loyalty programs is secondary
- Prioritization of price doesn't necessarily coincide with brand loyalty
- Perceived value gained from participating in loyalty programs is soft



“Naturally, getting consumers to shop regularly at stores means delivering on the basics like good prices, quality, service and experience above all else. Loyalty programs are a secondary consideration, however, they do work to drive the namesake behaviour.”

– Carol Wong-Li, Associate Director - Lifestyles & Leisure

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- The influx of international entrants remains high
- An aging population means a greater range of shopping needs

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- **Flexibility in ways to earn and burn points wins the game**
- **Emotional connections run deeper than just transactional ones**
- **Things get even more personal and more subscription models to come**

WHAT'S HAPPENING?

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- **Notable mention: PC Insiders**
- **Notable mention: Lululemon**
- **Notable mention: CVS Health**
- **Personalization will get even more personal**
- **Skin treatment recommendations in context: La Roche-Posay**
- **Jet lag recommendations just for you: Etihad Airlines**
- **Cameras that make recommendations based on your age and gender are coming to a store near you**

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- **Consider in-store expertise to engage them online**

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