

Canadian Loyalty in Financial Services - US - June 2013

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“Canada has a mature loyalty market and the vast majority of adults belong to at least one – and usually several – programs. However, most participants rarely, if ever, actually redeem any rewards. The challenge for program managers is how to make their programs effective enough to do what they were created to do: rewarding their most valued customers.”

– Robyn Kaiserman, Financial Services Industry

In this report we answer the key questions:

- What do loyalty customers want?
- How can marketers increase participation in loyalty programs?
- What are some attractive demographics to target?

The recent recession was both a challenge and an opportunity for the loyalty market, as it forced Canadians to try to reduce their spending, but also forced them to look for ways to save money on the spending they had to do. For now, at least, it looks like consumers' desire to save money is winning.

The economy seems to have stabilized a bit and unemployment is trending down, but loyalty programs are a staple now and consumers are used to being offered – and even expect – rewards even for purchasing items they would have purchased anyway. Now the question for loyalty marketers is how to get customers to join their program, a challenge made more difficult by the fact that many of the programs look so much alike that it is sometimes hard to differentiate among them.

The answer for the industry lies in technology. With so many changes happening in social media, social Customer Relationship Management (CRM), and mobile and digital technology, the opportunities for loyalty program marketers seem limitless. Many customers, especially young ones, want to take advantage of the new technology to provide marketers with the information they need to create more personalized incentives and purchase opportunities. Getting self-reported information about purchase behavior and attitudes could be a dream come true for marketers, but many are not yet taking full advantage. Those who can put the resources behind new technology will capture the young and growing segments of the population and get to know them well enough to be able to give them what they want.

Topics covered in this report include:

- Who is participating in the different types of loyalty programs?
- What are they looking for from their program(s)?
- What can loyalty marketers do to increase redemption rates?
- What can loyalty marketers do to attract the young consumers who comprise their future customers?

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DID YOU KNOW?

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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Key points

Canadian Tire

AIR MILES

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