

Loyalty Programs - Canada - July 2019

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“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**

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**

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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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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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2018 was a year of cross-category partnerships

Sephora and Patagonia going beyond transactions to build relationships

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Notable mention: Lululemon

Notable mention: CVS Health

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Figure 14: Attitudes towards brand loyalty, April 2019

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Abbreviations

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