



CASE STUDY

HOW A BOOST WITH PERSONALIZED OFFERS WINS CONSUMER LOYALTY





How do retailers usher in the next generation of retail loyalty?

Retailers who are getting consumer loyalty right maximize every interaction with each consumer to meet basic expectations for customer experience. However, those who are working towards true loyalty know that just covering the basics won't be enough to set themselves up for the transformation of retail in the next decade.


Winning in the next decade requires starting early and it definitely pays to prepare. In 2016, Exchange Solutions was approached by a retailer with the challenge of future-proofing their brand. After many years running a loyalty program with consistent results, it was time to think beyond solid and steady to re-energize their most loyal customers with innovative solutions. It had become necessary to work on further bonding their loyal customers with their brand and set up for the next generation of retail loyalty.

Together, Exchange Solutions and the retailer developed a plan that focused on 3 major milestones in their loyalty customer lifecycle.




Increase account activation rate from the unregistered* loyalty members.

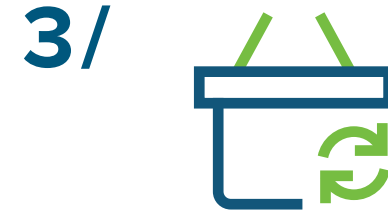
*Loyalty points can be earned with an unregistered account but to redeem them an account must be activated.

 **Known members can be targeted with personalized offers for better engagement.**




Reduce the time needed to cross-sell into a new category or up-sell a purchase.

 **Diversified purchase profile beyond a single category and greater stretch for average order value creates “stickier” members.**



Increase purchase frequency, reducing the time in between visits.

 **Less time between visits means this brand was their go-to in this retail vertical.**

It was imperative that all 3 milestones improve in order to maximize consumer engagement levels and increase overall value to the business. These were established as key behaviors that entrenched the member further with the brand.

To achieve expectations, the team decided to leverage the expertise of the advanced analytics group at Exchange Solutions to develop multi-faceted, hyper-targeted campaigns that were personalized to each individual member.

Here's how it worked:

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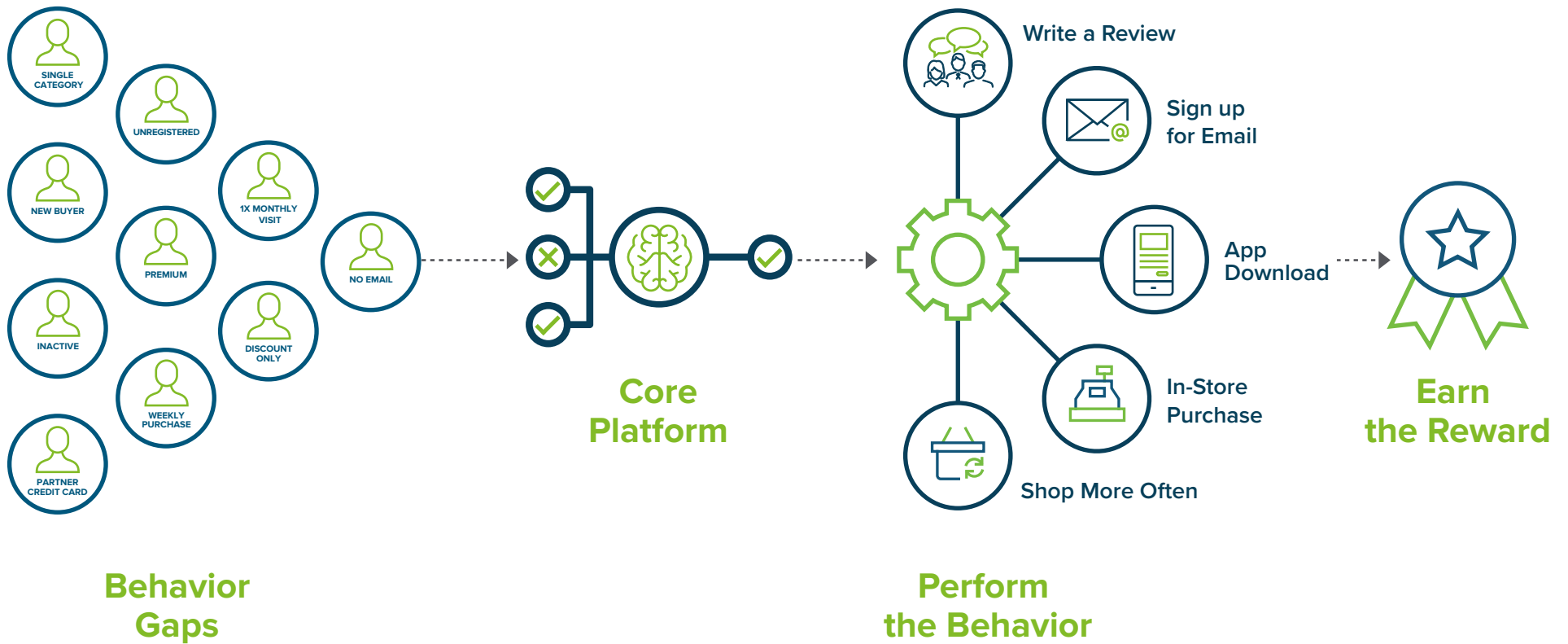
Each loyalty member was individually assessed and profiled for behavior gaps.

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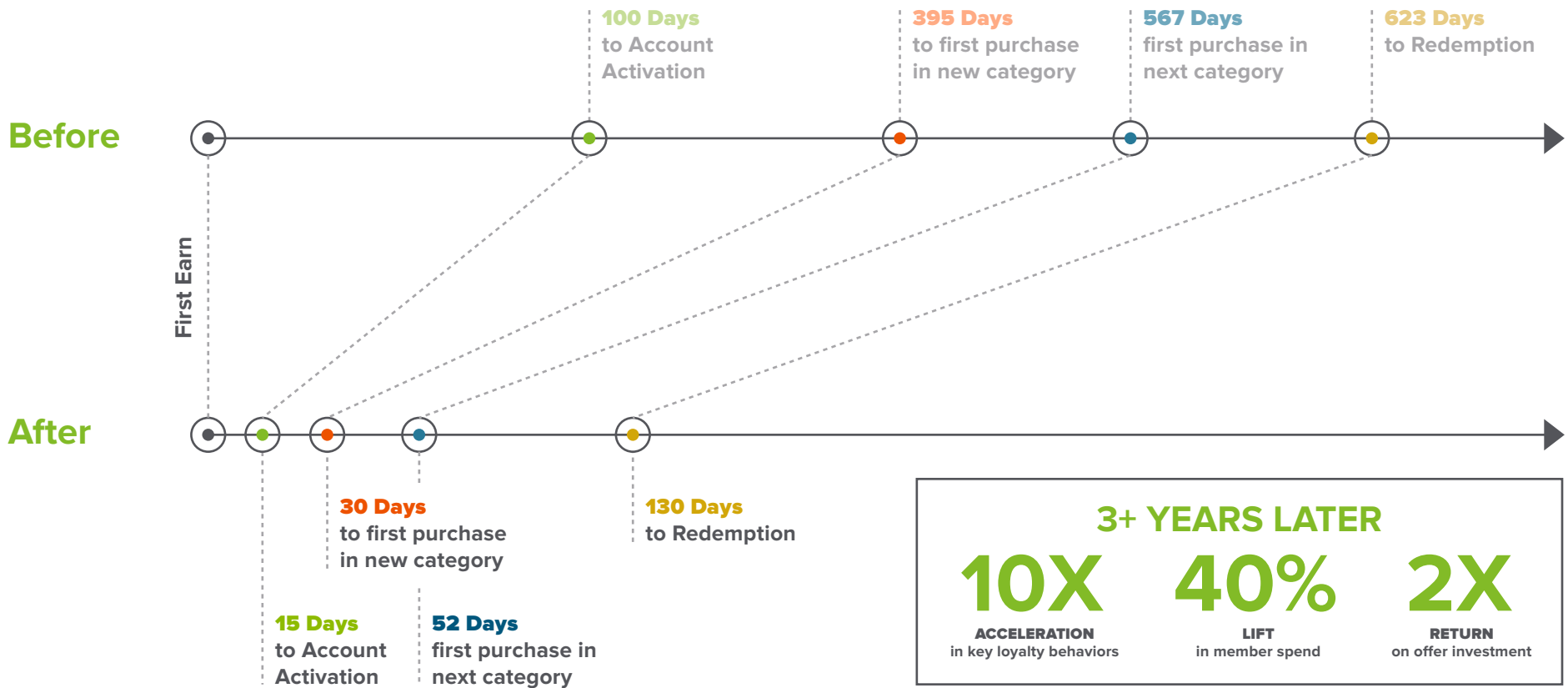
An offer engine applied personalized offers against each behavior gap.

3/

With each campaign, the offer engine learned from engagement and purchase data and continuously optimized those offers for even more conversions.



Here's what was improved 1 year after the program boost:



ACCOUNT ACTIVATION

85% Improvement
Members were activating accounts within weeks instead of months!

MULTI-CATEGORY PURCHASE

90% Improvement
It used to take >1 year for first purchase in new category and then ~2 years for first purchase in next category.

REDEMPTION

80% Improvement
Members were now seeing value from their program with earlier redemptions, ~4 months vs. the previous time of ~2 years before value was realized through redemption.

There is no true finish line when it comes to the race for consumer loyalty. Not only do retailers need to compete with the market, they must continuously beat their own expectations to innovate and remain relevant. Quick promotions or mass offers don't differentiate your brand or engage your members long-term. To be a leader and be miles ahead of the competition, you must train to achieve a real win at consumer loyalty, measurable by the achievement of key loyalty behaviors.

About Us

Exchange Solutions is a cloud-based marketing technology company that delivers personalized loyalty solutions to retailers that enable them to build deeper and more profitable engagement with their consumers. With more than 20 years of experience in the industry, Exchange Solutions transforms loyalty programs and promotions from being costly applications to productive and profitable capabilities for clients across various verticals in the US and Canada. Current clients include Esso™ and Mobil™, Sobeys Inc., Lowe's, Safeway and Today's Shopping Choice.

To learn more visit [exchangesolutions.com](https://www.exchangesolutions.com).

Give us a call, 1.888.992.0521.

