

# COLLOQUY<sup>®</sup> talk<sup>™</sup>

THE ART AND SCIENCE OF BUILDING CUSTOMER VALUE

## Censustalk

**The Billion Member March: The 2011 COLLOQUY Loyalty Census**  
Growth and Trends in Loyalty Program Membership and Activity

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# Censustalk

## The Billion Member March: The 2011 COLLOQUY Loyalty Census Growth and Trends in Loyalty Program Membership and Activity

Our research reveals that for the first time in history the number of loyalty memberships in the U.S. exceeds 2 billion, netting out to more than 18 memberships per household.

### Introduction

America, it may be time for a bigger wallet.

In the 11 years since COLLOQUY conducted our first study of the loyalty-marketing industry, the number of memberships among U.S. households has grown steadily. Back in 2000, ours was simply an exercise to gauge household participation in loyalty programs. But the results inspired us to return to the lab in 2006 and 2008, when we performed much more ambitious studies. These massive undertakings resulted in our milestone *CensusTalk* white papers, which continue to serve as the benchmark of the U.S. loyalty-marketing industry, relied upon by industry leaders and the business media.

And so it was with a sense of duty, as well as anticipation, that we launched our third Census analysis. The *2011 COLLOQUY Loyalty Census* is the result of exhaustive research by the COLLOQUY team, which examined membership numbers for what we believe is more than 96% of all loyalty programs in the U.S. (4% of memberships are estimated from proprietary and secondary research resources).

Once again, the results do not disappoint. Our research reveals that for the first time in history the number of loyalty memberships in the U.S. exceeds 2 billion, netting out to more than 18 memberships per household. That's up 16% from the almost 1.8 billion memberships counted in 2008. In Canada, we counted 120.7 million members, up 3.9% from the 2009 COLLOQUY Loyalty Census.

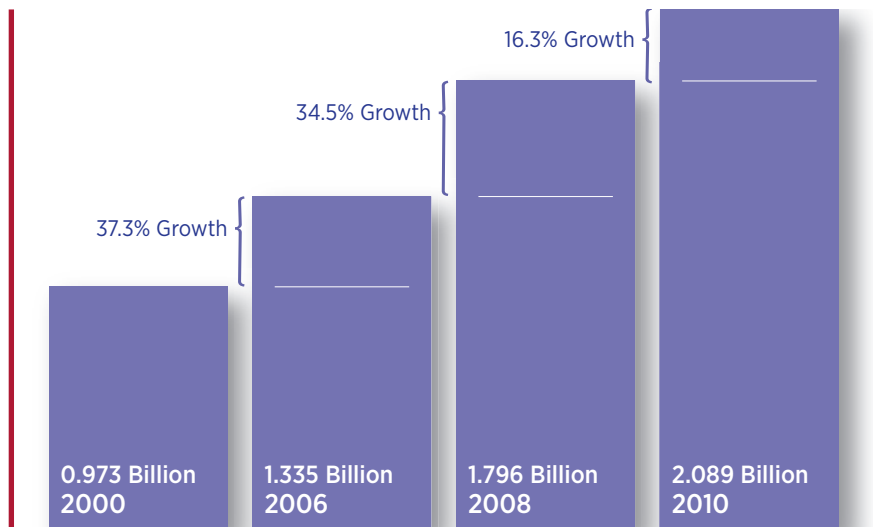
Likewise, the U.S. figure, though a milestone, does represent a slowdown in growth from the 2009 COLLOQUY Loyalty Census research, which showed a membership increase of 34%. A deep dive into the different industry sectors reveals unexpected trends that explain the deceleration. We'll deconstruct the causes and motivations later in this white paper.

The good news is that more North Americans are inspired to commit to their favorite chains and brands due to the benefits they get from loyalty programs. The disappointing news? The number of *active* members in the U.S. (8.4 per household) is still less than half the total. Yet, the value of all of those rewards, points and miles earned is substantial — almost \$48 billion. (For details, see “Buried Treasure” on page 3.)

The takeaway: The Great Recession cut both ways for loyalty marketing. For some industries, it signaled a need to tighten the belt on rewards program offers. For others, it inspired them to leverage loyalty as tool to distinguish themselves from competitors. All together, companies — and consumers — are much smarter about using loyalty programs.

## I: The Big News: Enrollment, activity levels up, but not across the board

If the headline of the 2011 COLLOQUY Loyalty Census is “More than 2 billion memberships and counting,” then the subhead is this: “The Great Recession may have actually helped contribute to the increase.” Despite still-lagging U.S. GDP growth (2.8% in 2010 and 2.6% in 2009) and soft retail sales, loyalty membership rose 16.3% from 2008 to 2010, in part because many industry players saw loyalty as a way to compete.



**Exhibit 1**  
Total U.S. Loyalty Program  
Memberships by Census Year

Source: 2011 COLLOQUY Loyalty Census;  
2009 COLLOQUY Loyalty Census;  
2007 COLLOQUY Loyalty Census;  
2000 COLLOQUY Sizing Study

This increase reveals a slowing in the rate of membership growth compared to our previous two studies, which showed a 37.3% increase from 2000 to 2006 and a 34.5% increase from 2006 to 2008. Yes, enrollment and activity levels were up, but not across the board. Given the challenging economic climate and higher overall comparison figures, this news is not unexpected. Since 2000, the number of loyalty memberships in the U.S. has more than doubled, from 973 million to 2.09 billion. And the number of programs per household rose by more than 50% since 2006, from 12 to 18.

Still, membership activity continues to lag. While the average U.S. household has enrolled in more than 18 programs, they are active in only 8.4. For our purposes, we define an active membership generously, as a membership that demonstrates at least one instance of activity within a 12-month period. The encouraging sign is that as a percentage, the level of activity is improving even as overall memberships numbers rise. Members are active in 46% of the loyalty programs in which they are enrolled, while in 2008, members were active in 44% of their programs. In 2006, they were active in 39%. These rising numbers could indicate an increasing understanding of loyalty programs among consumers and a heightened level of savvy in terms of how to best benefit from them.



## Exhibit 2 Active Versus Inactive U.S. Loyalty Program Memberships, 2010

**Source:** 2011 COLLOQUY Loyalty Census: 2.09 billion program memberships;  
953.97 million active program memberships  
• U.S. Census Data: estimated U.S. households: 113.616 Million

Still, even those members who participated in earning points and miles in programs lagged in benefiting from the value of those earnings, as you see in “Buried Treasure.”

### Buried Treasure

The 2011 Forecast of U.S. Consumer Loyalty Program Points Value

While our tally of loyalty memberships provides an accurate sizing of the industry, this snapshot of consumer enrollment and participation in loyalty programs presents only the beginning of the loyalty-marketing picture.

As a natural extension of the 2011 COLLOQUY Loyalty Census, COLLOQUY partnered with SWIFT EXCHANGE, a Miami-based rewards technology company ([www.swiftexchange.com](http://www.swiftexchange.com)), in a separate collaborative forecasting exercise to determine the perceived value of the miles and points issued in consumer-oriented rewards programs by loyalty marketers. What was the value? According to our forecast, it’s an astonishing \$48 billion per year in the U.S. alone.

<b>Perceived value (i.e., fair market value) of points earned per year as of 2011</b>	<b>\$38.83 Billion</b>
<b>Perceived value of points sold to third parties per year as of 2011</b>	<b>\$9.07 Billion</b>
<b>Total perceived value of points issued and sold per year as of 2011</b>	<b>\$47.90 Billion</b>

**Source:** 2011 Forecast of U.S. Consumer Loyalty Program Points Value, which is the outcome of a collaboration between COLLOQUY and SWIFT EXCHANGE

Yet, nearly one-third — a full \$16 billion — of those rewards earned in a given year will go unused. Said another way, this massive amount of rewards value translates into the average active U.S. household earning \$622 in rewards per year — yet not “cashing in” on one-third of it, or about \$205. Just think of the impact this would have, if properly unleashed, not only on general consumer spending power, but on the health and viability of businesses in all industry sectors.

The message here is clear: Consumers, issuers, merchants and manufacturers have an opportunity to capitalize on the “buried treasure” that lies within the value of the points and miles being issued each year. The recipe for a transition from accumulating rewards to realizing the true promise of the U.S. rewards industry will be distinguished by solutions that help consumers earn rewards — and collect on the promise of the value of those rewards — as easily as they make purchases in their daily lives.

*Methodology Notes:* COLLOQUY and SWIFT EXCHANGE completed this forecast through an intensive nine-step process that required examining the perceived value of loyalty rewards across all industries. The bottom-up sizing of the number of memberships in the 2011 COLLOQUY Loyalty Census formed the backbone of that forecast.

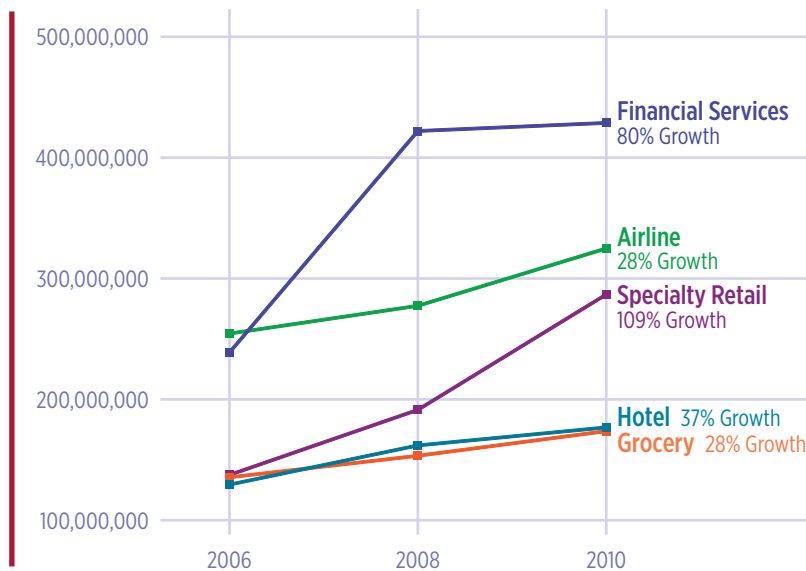
Since no Generally Accepted Accounting Practices exist yet in the U.S. for exactly how companies record the perceived value or actual cost to deliver loyalty rewards, a mix of publicly reported data points (reviews of corporate public records, websites, press releases), third-party information and forecast assumptions were used. The full white paper — including the methodology for the forecast — can be found at [www.colloquy.com/whitepapers](http://www.colloquy.com/whitepapers)

All of which underscores the amount of heavy lifting still required by loyalty marketers in terms of delivering value and clarity to consumers. The industry is making substantial strides due to enhancements in data technology and in targeted communications that invite non-members to join and discuss loyalty programs through traditional and new media, including social media.

We'll draw a more conclusive picture of the economy's impact on the loyalty-marketing industry in the next section.

## II: Census by Sector

When we break our results down, we see revealing trends that reflect the Great Recession's influence on loyalty across industry sectors – and some of that influence is actually very positive.



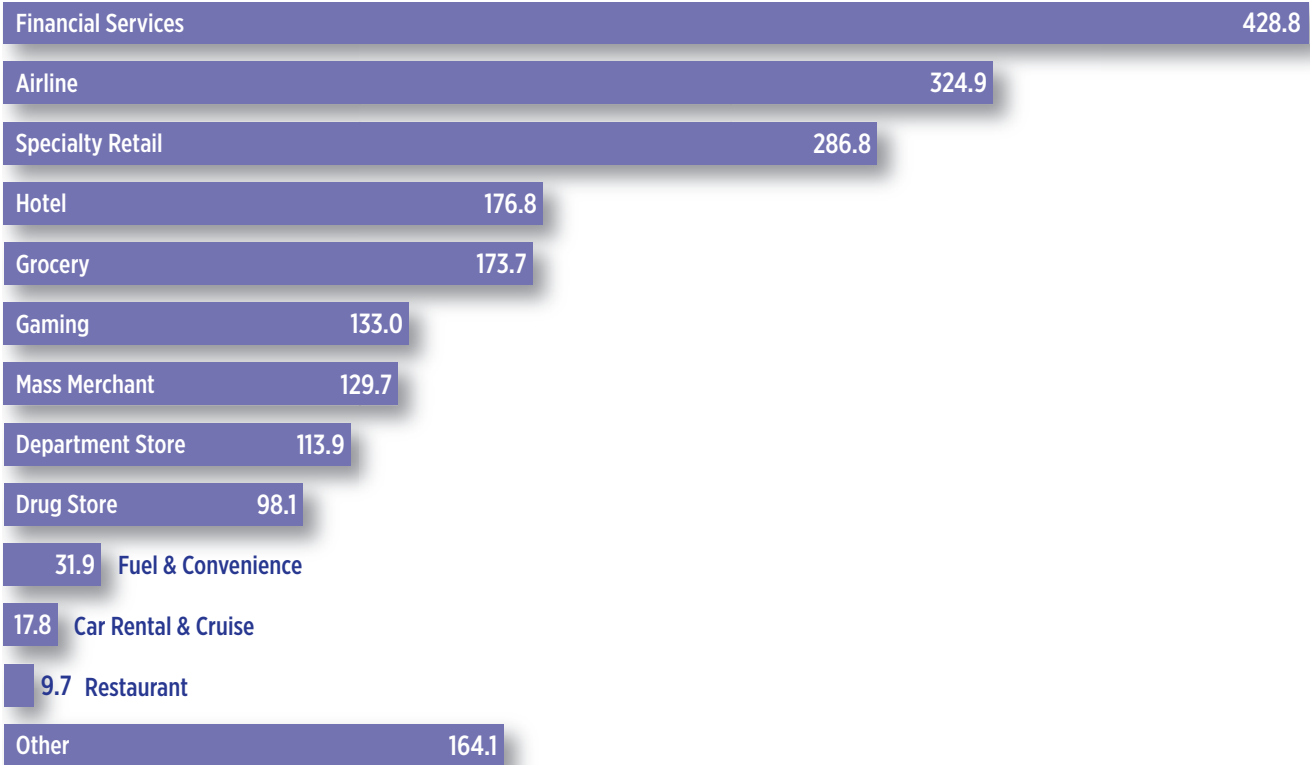
**Exhibit 3**  
Growth in Memberships, 2006-2010 Retained – Selected Industry Sectors

Source: 2011 COLLOQUY Loyalty Census;  
2009 COLLOQUY Loyalty Census;  
2007 COLLOQUY Loyalty Census  
• Figures detail 2006-2010 growth

While the Financial sector saw basically flat growth, likely due to cutbacks in mailed credit card applications as well as reduced credit card spending among consumers, several other sectors – notably, the Drug Store and Specialty Retail industries – recorded unprecedented growth. This suggests some savvy marketing strategies at play, as well as the nimble application of loyalty as a market differentiator.

Exhibit 4 presents a big-picture rundown of current membership sizes in various sectors.

Exhibit 4  
U.S. Loyalty Program Memberships by Sector, 2010



Source: 2011 COLLOQUY Loyalty Census  
 • Memberships expressed in millions  
 • "Other" includes Coalition, Entertainment, Internet, Telecom, Cable, etc.



Exhibit 5  
U.S. Loyalty Program Memberships,  
Percentage by Category, 2010

Source: 2011 COLLOQUY Loyalty Census

With that overall view in mind, let's look more closely at each category.

### Census Snapshot: Financial Services Loyalty Program Memberships, 2006 to 2010

Industry Sector	2006 Memberships	2008 Memberships	Growth '06 - '08	2010 Memberships	Growth '08 - '10	Growth '06 - '10	Growth Projection
Financial Services	238,783,000	422,044,000	77%	428,760,000	2%	80%	↔

Source: 2011 COLLOQUY Loyalty Census; 2009 COLLOQUY Loyalty Census; 2007 COLLOQUY Loyalty Census

**Financial Services.** Though an industry powerhouse in the previous two COLLOQUY Loyalty Census reports, the Financial Services industry showed negligible growth from 2008 to 2010 – 1.6%, to 428.8 million memberships. This is a clear reflection of the economic slowdown and lenders pulling back on inviting and accepting credit card and reward card applications. At the same time, consumers cut back on credit card spending, which resulted in less new program memberships.

**Our Prediction:** We expect the Financial sector to continue to be somewhat flat. There likely will be a pick-up in applications now that the recession has broken, but that won't fully offset the stifling impact of industry saturation. Pending regulations regarding privacy and fee structures could further hamper growth. COLLOQUY really wishes there was more innovation in financial services rewards programs, but there aren't many glimmers of hope yet evident.

### Census Snapshot: Retail Loyalty Program Memberships, 2006 to 2010

Industry Sector	2006 Memberships	2008 Memberships	Growth '06 - '08	2010 Memberships	Growth '08 - '10	Growth '06 - '10	Growth Projection
Specialty Retail	137,473,000	191,339,000	39%	286,790,000	50%	109%	↑
Drug Store	80,039,000*	73,876,000	-8%	98,100,000	33%	23%	↑
Department Store	89,985,000*	92,805,000	3%	113,910,000	23%	27%	↔
Grocery	135,493,000*	153,323,000	13%	173,720,000	13%	28%	↔
Mass Merchant	Not measured until 2008	124,800,000	—	129,700,000	4%	—	↔
Fuel & Convenience	38,467,000	40,420,000*	5%	31,870,000	-21%	-17%	↓
<b>Total</b>	<b>481,547,000*</b>	<b>676,563,000*</b>	<b>41%</b>	<b>834,090,000</b>	<b>23%</b>	<b>73%</b>	

Source: 2011 COLLOQUY Loyalty Census; 2009 COLLOQUY Loyalty Census; 2007 COLLOQUY Loyalty Census  
Asterisk (\*) indicates membership number adjusted since original Census publication

**Retail.** Collectively, the six sectors in the Retail category expanded by 23%, from 676.6 million memberships to 834.1 million between 2007 and 2010. The 2009 COLLOQUY Loyalty Census figure has been adjusted to strip out the Restaurant industry, which was transferred from Retail to the Travel & Hospitality category in the 2011 COLLOQUY Loyalty Census. But even with losing the numbers from that category, Retail continues to control the lion's share of the loyalty marketing industry, with 40% of total membership.

**Snapshot Specialty Retail 2010 Memberships: 286.8 Million**

Loyalty enrollment in the Specialty Retail sector rose 50% since 2008, and by 109% since 2006. This growth indicates not only an increase in the number of loyalty programs available, but also a focus on using loyalty programs as a competitive edge and differentiator. Among good examples are Toys 'R' Us and Best Buy, each of which enhanced its rewards program to better communicate and meet consumer desires, in turn amplifying the value proposition. The reason is clear: With low-cost mass merchandisers such as Walmart continuing to dig into the market share of specialty retailers, rewards are a distinguishing feature.

**Snapshot Drug Store 2010 Members: 98.1 Million**

The Drug Store industry saw membership grow by 33% since 2008, following a 8% decline in the previous period. In part, the rise was propelled by the launch of Rite Aid's national *wellness+* program as well as a pilot rewards program launched by Walgreens. Further, advancements in technology and using the resulting data enhanced the industry's ability to deliver relevant offers on important everyday items.

**Snapshot Department Store 2010 members: 113.9 million**

Our 2011 COLLOQUY Loyalty Census shows loyalty memberships in the Department Store sector rose by 23%, compared with 3% growth in the prior period. It is partially driven by new programs — Sears and Kmart introduced a major loyalty program, as did JCPenney. With the addition of soft benefits, such as exclusive sales events, as well as more sophisticated messaging techniques, department stores are able to better target best shoppers across channels — driving up the importance of loyalty programs in this sector.

**Snapshots Grocery, Mass Merchant, Fuel & Convenience 2010 members: 335.3 million**

The balance of the industry is a mix, for the most part, of laggards and missed wins. The Grocery industry, slow to innovate or get customer creative during the recession, saw membership rise a modest 13% — the same increase as in the 2009 COLLOQUY Loyalty Census — to 173.7 million. However, partnerships with fuel chains, such as those between Kroger and Shell and Safeway and Shell, have elevated the value equation for consumers by giving discounts at the pump in return for dollars spent in the store. Memberships in the Mass Merchant sector, which is already quite saturated with paid-fee memberships to shop — such as at Costco — rose a mere 4%, to 129.7 million. And the Fuel & Convenience Store sector lost more than 21%, at 31.9 million memberships, reflecting in part the elimination of standalone loyalty programs by both BP and Chevron.

**Our Predictions:** Overall, we expect the Retail industry to continue to suffer some missed opportunities, offset by a handful of smart retailers taking advantage of technology and using loyalty as a distinguishing benefit. The Drug Store industry will likely drive much of this growth because many of the key players in the segment are still new to the loyalty field. The same upside potential applies to the Specialty Retail segment, which is also demonstrating much creativity in its rewards and recognition programs.

The Grocery industry, meanwhile, is not expected to generate much more growth, in part because the sector is already saturated, but also because it has been slow to overhaul its customer-facing value proposition. True, Grocery companies are using data better, but in terms of soft benefits and in-the-aisle value, they have a lot more ground to cover.

Overall, we expect the Retail industry to continue to suffer some missed opportunities, offset by a handful of smart retailers taking advantage of technology and using loyalty as a distinguishing benefit.

The Fuel & Convenience sector, meanwhile, has been losing memberships because fewer people are using proprietary fuel credit cards. Fuel chains are responding to this behavioral shift by partnering with supermarkets in their own loyalty programs.

Last, as for the Mass Merchant sector — while it may dominate overall Retail sales, it is also among major loyalty memberships. Without some keen innovation, or at least a genuine demonstration of commitment, we do not expect much change.

### Census Snapshot: Travel & Hospitality Loyalty Program Memberships, 2006 to 2010

Industry Sector	2006 Memberships	2008 Memberships	Growth '06 - '08	2010 Memberships	Growth '08 - '10	Growth '06 - '10	Growth Projection
Airline	254,435,000	277,410,000	9%	324,900,000	17%	28%	↓
Hotel	129,463,000*	161,896,000	25%	176,800,000	9%	37%	↔
Car Rental & Cruise	Not measured until 2008	13,500,000*	—	17,760,000	32%	—	↑
Gaming	77,660,000	106,043,000	37%	133,040,000	26%	71%	↑
Restaurant	6,709,000*	8,377,000	25%	9,790,000	17%	46%	↑
<b>Total</b>	<b>468,267,000*</b>	<b>567,226,000*</b>	<b>21%</b>	<b>662,290,000</b>	<b>17%</b>	<b>41%</b>	

Source: 2011 COLLOQUY Loyalty Census; 2009 COLLOQUY Loyalty Census; 2007 COLLOQUY Loyalty Census  
Asterisk (\*) indicates membership number adjusted since original Census publication

**Travel & Hospitality:** With 662.3 million members, or 32% of total U.S. loyalty program membership (now including the Restaurant industry), Travel & Hospitality is again the second category in terms of loyalty enrollment, after Retail. Frankly, we were surprised by how much this category grew, considering its maturity in the industry, combined with the number of airline mergers over the past two years. These snapshots break down how the different segments performed.

#### Snapshot Airline 2010 Members: 324.9 Million

Growth in the Airline sector — 17% — was a surprise. But the industry, which used loyalty as a marketing aid following 9/11, again leveraged this tool in the Great Recession. Program improvements made by Delta, following its merger with Northwest, serve as a good example. But they also point to a membership slowdown trend that is on the horizon due to industry consolidation.

#### Snapshot Hotel 2010 Members: 176.8 Million

Nine percent growth might not seem like much, but in a category as mature as Hotel, with nearly 30 years in loyalty, this is a solid gain. What makes the growth especially impressive is that it follows a 25% increase reported as of the 2009 COLLOQUY Loyalty Census. Increased activity in social media and more experiential benefits certainly contributed, as did the use of data to customize rewards on a global scale.

**Snapshots Car Rental & Cruise, Gaming, Restaurants 2010 Members: 160.6 Million**

Significant gains were made in the Car Rental & Cruise and Gaming sectors (31% and 26%) for total memberships of 17.8 million and 133 million, respectively. The lift speaks to a cautious return to both leisure and business travel and the resulting search for the best deals and programs. It also is evidence of legislative willingness, on the state level, to legalize gaming.

The more competitive and fragmented Restaurant industry, meanwhile, saw a 17% increase in memberships, to 9.8 million, as chains including T.G.I. Friday's and Starbucks followed the example set by the airlines. Among the offers to engage customers during the recession — exotic coffee beans, special menu items and sweepstakes.

**Our Predictions:** In total, we expect the Travel & Hospitality category to coast along with little growth, given its already significant market penetration and consolidations. That said, we'll toss in one wild card: the Gaming industry.

Let's break it down. Despite expected challenges, the Airlines have proven adept at enhancing reward programs to resonate with members. But while free baggage check and priority boarding benefits enhance the value proposition and could lead to increased participation, sheer consolidation will take number of memberships down in the next few years.

Hotel memberships, like those of the Airlines, also are expected to be flat — primarily the result of the industry's maturity in loyalty marketing. Every major chain offers a program, and most frequent travelers are members of at least one. In response, the chains are working on activity challenges — such as how to refresh benefits and introduce services that are truly unique.

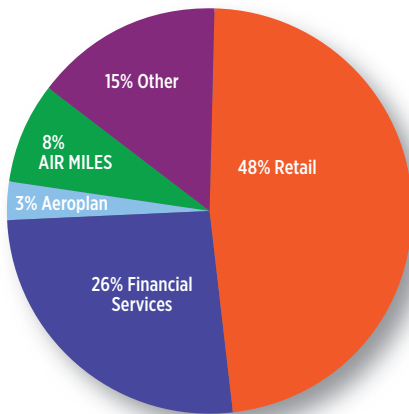
Likewise, we predict modest growth in the Car Rental & Cruise industries. The economy and willingness of consumers to travel are the determining factors here, as well as the ability of the industries to deliver offers that are feasible while relevant to consumers.

And last, let's look at Gaming. Despite its double-digit growth, we're not quite prepared to double-down on gaming, considering its limited avenues for growth. But with MGM having re-launched its *Player's Club* program as *M life* and Caesars seeing expanding business value in *Total Rewards*, combined with a growing number of states passing gaming legislation, we'll put our money on a modest gain.

In total, we expect the Travel & Hospitality category to coast along with little growth, given its already significant market penetration and consolidations. That said, we'll toss in one wild card: the Gaming industry.

### III: The Canadian Landscape

Exhibit 6  
Active Canadian Loyalty Program  
Memberships by Category, 2008 and 2010



Census Snapshot:  
Active Canadian Program Memberships, 2008 and 2010

Vertical Market	2008 Memberships	2010 Memberships	Growth '08 - '10
Coalition AIR MILES Aeroplan	9,500,000 4,000,000	10,000,000 4,000,000	5% 0%
Financial Services	25,897,000*	31,040,000	20%
Retail	57,850,000	57,340,000	-1%
Travel, Gaming, Dining, Entertainment, Other	18,974,000	18,330,000	-3%
<b>Total</b>	<b>116,221,000*</b>	<b>120,710,000</b>	<b>4%</b>

Source: 2011 COLLOQUY Loyalty Census; 2009 COLLOQUY Loyalty Census  
Asterisk (\*) indicates membership number adjusted since original Census publication

The 2011 COLLOQUY Loyalty Census is the second consecutive report to include figures on the size and growth of the Canadian loyalty market. Note that while individual proprietary programs dominate the U.S. loyalty industry, a multi-merchant coalition program, called the AIR MILES Reward Program, as well as a partner airline program called Aeroplan, are the most dominant forces in Canada's loyalty industry.

That said, the number of loyalty memberships in which Canadians were active rose a modest 3.9% since the 2009 COLLOQUY Loyalty Census – from 116.2 million to 120.7 million. Among the key findings:

- Unlike in the U.S., the Canadian Financial Services category drove the loyalty-industry growth, with active memberships up almost 20%, from 25.9 million to 31 million.
- Active memberships in the Retail category were flat (a decline of 0.9%), from 57.9 million to 57.3 million. Meanwhile, the Travel, Gaming and Entertainment sectors saw a 3.4% decline, from about 19 million to 18.3 million active program memberships.
- Among the leading coalition plans, the AIR MILES Reward Program grew active memberships by 5.3%, from 9.5 million to 10 million. Aeroplan reports a stable active membership number of 4 million.

Looking ahead, Canada faces the high-class problem of gaining wallet share in a loyalty marketing environment that's among the most mature, penetrated and sophisticated in the world. Indeed, the industry's membership numbers will benefit from recent college graduates as they become card-carrying consumers, because Canada's loyalty marketers have already won the public's trust. But Canada's true long-term growth opportunities lie in its advanced data technologies and the ability to use these innovations to further improve the value equation for consumers.

## IV: Lessons From the 2011 COLLOQUY Loyalty Census

Despite a historic recession and corporate mergers of unprecedented scale, the loyalty-marketing industry delivered positive numbers as detailed in the 2011 COLLOQUY Loyalty Census. But the more substantial and critical work of revitalizing membership *engagement* in programs still lies ahead. Corporate executive teams and shareholders will continue to expect a maximum return on program investment while controlling costs. At the same time, consumers will demand more tailored, immediate and relevant rewards and recognition in return.

All this will be done against a backdrop of pending legislation that is scrutinizing consumer privacy issues and industry-specific issues like credit card and debit card fee structures that cast a new light on the business model for rewards programs. This is the time for loyalty marketers to set the standards in terms of what should be expected and accepted among consumers, by diligently protecting the data they collect and using it for only one purpose: To enhance the value proposition to consumers. In turn, loyalty marketers will succeed.

To this end, COLLOQUY offers these best practices to guide you through these challenging days.

- 1. Invest in engaging the members you have.** At 18 programs per household and activity in only 8.4 of those programs, marketers have actually made progress. But does any company really want to become the 19th program a household enrolls in . . . only to be forgotten? Marketers should invest in a multi-faceted communications strategy that optimizes the number and variety of communications channels. This will ensure direct, relevant connections with the most valuable, *highest-potential* customers. Remember, such communication includes social media, which can foster more organic, word-of-mouth growth, rather than the huge membership enrollment drives of yesteryear.
- 2. Pursue new, innovative value propositions.** Want to stand out from the pack? Innovative recognition benefits and brand-enhancing rewards are only the starting point. It's time to take mere perks a few steps further and to borrow inspiration through partnerships with other industries — from Fuel and Grocery to Non-Profits and Restaurants. Too many programs are still designed for simple frills, simple thrills — and fail to evolve to meet the advancing needs, values and demands of today's canny consumer. Strategic alliances offer the ability to join forces with other companies and create richer, faster ways to earn rewards and status.
- 3. Break down the silos.** So many companies have invested in programs because they change customer behavior. But how can those insights transform the *entire* customer experience? Insights from the most valuable and highest-potential customers can help a marketer deliver more relevant, targeted promotions. That use of data insights is now table states in a saturated loyalty environment. Instead, marketers should use their insights from customers to ensure the experience they deliver is custom-made to speak specifically to their best customers' fast-evolving needs — from their email inbox to the layout of the stores they visit to the merchandise presented to them on store shelves.

Only then will they get to the front of that crowded wallet.

Too many programs fail to evolve to meet the advancing needs, values and demands of today's canny consumer.

Strategic alliances offer the ability to join forces with other companies and create richer, faster ways to earn rewards and status.

## Appendix: Methodology and Changes From the 2009 COLLOQUY Loyalty Census

In 2000, 2006, 2008 and 2010, COLLOQUY undertook a comprehensive review of loyalty program memberships. To compile our figures, we researched websites, press releases, annual reports and third-party publications to estimate the total number of adults belonging to each program by market.

When no data were available, we attempted to get it by phoning and/or emailing the company in question, most often using our existing subscriber database. When new programs were brought to our attention, we added them to the compiled list and attempted to quantify membership through primary research.

Since the inception in 2000 of our loyalty-market Census-taking, we have continually refined the methodology of our compilation to maintain its integrity as the definitive account of U.S. and Canadian loyalty memberships. Likewise, following the 2009 COLLOQUY Loyalty Census, many industry observers provided additional input, to further enhance the accuracy of this 2011 report.

As a result, we have adjusted our data points wherever necessary to report trends in the most consistent fashion possible. This valuable input, for instance, required us to adjust our total 2008 U.S. membership to 1.796 billion from 1.807 billion. Likewise, the 2009 COLLOQUY Loyalty Census Fuel & Convenience Store figures were adjusted, while the Grocery number was adjusted in the 2007 COLLOQUY Loyalty Census.

We continue to encourage feedback from membership program operators and other industry experts as we diligently pursue the most reliable information available.

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### The Authors



As COLLOQUY Managing Partner, **Kelly Hlavinka** has helped define and carry out COLLOQUY's mission as the voice of the loyalty industry since 1996. Drawing on her 20 years as a loyalty specialist, Kelly develops articles, white papers and educational initiatives that illuminate the many ways to unlock the asset of customer-specific data for her clients. Kelly has shared her expertise with correspondents of *The Wall Street Journal*, *The New York Times*, *USA Today*, *Brandweek*, *BusinessWeek*, *Advertising Age* and *SmartMoney*. A sought-after presenter, she has taught loyalty-marketing workshops and webinars around the world. Kelly in 2003 launched and managed COLLOQUY's strategic consultancy, working with clients such as Lennar Homes, MGM Mirage, Eddie Bauer, Best Buy, HP and American Express. Prior experience includes positions managing membership programs with Buyers Choice (now The Polk Co.) and the National Wildlife Federation, and she has held database-marketing positions with ACS and Equifax Consumer Direct.



As COLLOQUY Partner, **Jim Sullivan** directs the advancement of Enterprise Loyalty at COLLOQUY, an endeavor guided by his almost 30 years of managing in marketing, strategic planning, business development, innovation, and communications. Jim assists with COLLOQUY's loyalty workshops, seminars and conferences, and serves as an academic liaison for colleges, universities and other institutions researching Enterprise Loyalty. Before joining COLLOQUY, Jim founded and was a principal at Built to Lead, a leadership development practice. From 1997 to 2008, he worked at Alliance Data Inc., as Chief Marketing and Planning Officer and a member of the Executive Committee for the Retail Services division, and earlier as SVP at Information Resources Inc., consulting with such clients as Procter & Gamble, Kraft USA and ConAgra Frozen Foods. Jim serves on the Advisory Board of The Initiative for Managing Services at The Fisher College of Business, The Ohio State University, and is an MBA-level instructor in Services Marketing at OSU.

Research Analyst **Joan Deno**

## The Publisher



COLLOQUY® comprises a collection of publishing, education and research resources devoted to the global loyalty-marketing industry. COLLOQUY® has served the loyalty-marketing industry since 1990 with more than 40,000 global subscribers to its magazine, and [www.colloquy.com](http://www.colloquy.com) is the most comprehensive loyalty website in the world. COLLOQUY's research division develops consumer and B2B research studies and white papers including industry-specific reports, sizing studies and insights into the drivers of consumer behavior. COLLOQUY also provides educational services through workshops, webinars and speeches at events throughout the world and is the official loyalty-marketing partner of both the Direct Marketing Association and the Canadian Marketing Association. COLLOQUY also operates The COLLOQUY Network, a global consortium of practitioners certified in COLLOQUY's proprietary methodology. COLLOQUY magazine subscriptions are available at no cost to qualified persons at [www.colloquy.com](http://www.colloquy.com) or by calling 513.248.9184.

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