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2009 Loyalty Census from COLLOQUY Shows Membership in U.S. Loyalty Rewards Programs Approaches Two Billion

Average U.S. Household Belongs to 14.1 Loyalty Programs but Actively Participates in Only 6.2 of Them

CINCINNATI (April 14, 2009) - Membership in U.S. loyalty rewards programs has reached 1.808 billion, according to the 2009 COLLOQUY Loyalty Census released today.

The adjusted total represents a 24% growth from the 1.3 billion tally in COLLOQUY's last loyalty marketing industry census, published two years ago in 2007. The 2009 census covers three industry segments not included in the 2007 version: Car Rentals, Cruise Lines and Mass Merchandisers. If these new industries are removed, the adjusted 2009 U.S. census total stands at 1.673 billion. To properly compute growth trends, COLLOQUY used the adjusted 2009 membership total as its data point.

COLLOQUY's 2009 updated measurement of the scope of U.S. loyalty marketing shows the average U.S. household has signed up for 14.1 loyalty programs but actively participates in only 6.2 of them. The corresponding numbers in 2007 were 12 and 4.7.

A loyalty marketing program recognizes and rewards the best customers of a business. COLLOQUY's census tabulates program memberships, not unique individuals. COLLOQUY provides a complete report on the 2009 census in a white paper titled, "The Big Sort: The 2009 COLLOQUY Loyalty Marketing Census." The paper is available free of charge at www.colloquy.com/whitepapers.

In a key finding from the research released today, COLLOQUY pegs the number of *active* memberships in U.S. loyalty programs at 792.8 million - a number that the study's authors characterize as "one of the worst-kept dirty secrets of the industry."

Definitions of active memberships vary from company to company; but a typical example is a member that has at least one instance of activity, such as earning points on a purchase or redeeming for a reward, within a 12-month period. The 792.8 million number means the rate of active membership is relatively flat at 43.8%, compared to 39.5% in 2007.



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“With roughly one billion inactive memberships, essentially names in databases, it’s fair to say the U.S. loyalty industry has reached the middle-age bloat stage,” said COLLOQUY partner Kelly Hlavinka.

“Given the bursting of the credit bubble, the recession and pressure to control program costs, loyalty marketers must turn to growing program value, not the size of their membership base,” added COLLOQUY Editorial Director Rick Ferguson. “Conditions are ripe for marketers to use loyalty data across the enterprise, enhance value propositions and adopt innovative loyalty models such as coalitions, as they seek to revive lapsed members and turn engaged members into profitable, loyal customers.”

COLLOQUY is a provider of loyalty marketing publishing, education and research. Its 2009 census is based on information from its own archives, program web sites, sponsor-company press releases, annual report filings, third party publications and research reports.

Other industries covered in the 2009 census include Airlines, Drug Stores, Department Stores, Financial Services, Fuel Convenience, Gaming, Grocery, Hotel, Restaurant, Specialty Retail and Other.

U.S. loyalty program memberships ranked by industry are as follows (in millions): Financial Services 422.0; Airline 277.4; Specialty Retail 191.3; Hotel 161.8; Grocery 153.3; Mass Merchants 124.8; Gaming 106.0; Dept. Stores 92.8; Drug Stores 73.9; Fuel Convenience 51.2; Restaurant 13.7; Car Rental and Cruises 10.7; and Other 127.9.

The results of this study will be presented in a webinar cosponsored by The Direct Marketing Association, June 25, 2009. Registration and information available at www.the-dma.org/seminars/loyaltyweb/20090625.shtml.

About COLLOQUY

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 over 30,000 global subscribers to its magazine and www.colloquy.com is the most comprehensive loyalty web site in the world. COLLOQUY’s research division develops consumer and B-to-B 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 or by calling 513-248-9184.



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