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Contact:

Tim Sansbury tim@jzmcbride.com 513.231.5115 or
Will Sikes will@jzmcbride.com 513.231.5115

U.S. Consumer Participation in Loyalty Programs Jumps Nearly 20% Amidst Recession, Says Latest COLLOQUY research

One-third of consumers find retail loyalty programs “more important” when battling tough times

18 to 25 year old Millennials represent fastest growing demographic

CINCINNATI (July 1, 2009) - Despite the recession, U.S. consumer participation in rewards programs is on the rise across all demographic segments, according to COLLOQUY research released today. The study reports a 19% participation growth by the general population since 2007.

Activity in desirable demographic segments is up even more. Participation by Millennials (age 18-25) has soared 32% since last measured in 2007. Women as a demographic are up 29% in the same time period.

Loyalty marketing programs recognize and reward the best customers of a business. The statistics are included in COLLOQUY’s latest white paper titled, “After the Meltdown: Consumer Attitudes and Perceptions About Loyalty Programs in the Post-Recession Economy.” The paper is available for a free download at www.colloquy.com/whitepapers.

Consumers are leaning on loyalty programs to stretch household budgets further by earning rewards for their purchases. The retail category demonstrates the highest positive impact in reward program attitudes, with 75% of 2,152 surveyed reporting a net neutral or positive effect on their program participation as a result of the economy. The Financial Services sector remained relatively flat, with 52.7% reporting “no difference” in the impact of the recession on program participation.

“In spite of the dire economic news of the past 18 months, consumers remain as engaged, if not more, with loyalty and rewards programs,” said COLLOQUY Editorial Director Rick Ferguson. “In



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1000 Summit Drive, Suite 200
Milford, Ohio 45150
513 248-9184

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fact, U.S. consumers clearly see value in program participation, and continue to leverage their activity as an antidote to hard times - seeking added value and using rewards to stretch dollars.”

COLLOQUY’s study of loyalty perceptions “After the Meltdown” examined trends in six consumer segments: General Population representing a statistically distributed sample of the U.S. overall; Affluent (heads of household with annual incomes of \$125,000 or greater); Millennials or Young Adults (any respondent 18 to 25 years of age); Seniors (any respondent 60 years or older); Core Women (any female respondent age 25 to 49 with an annual income between \$50,000 and \$125,000); and Emerging Hispanic (any respondent age 21 or older of Hispanic origin with an annual household income of \$40,000 or less.

Loyalty participation by Millennials has increased significantly since COLLOQUY’s last benchmarking study in 2007. According to the study officially released today, recalled participation rates in this demographic stand at 58%, a 32% increase from two years ago. The data reveals more intriguing information about this group and their perceptions about loyalty programs, including:

- Nearly half (46.4%) of responding Millennials rate retail rewards programs as “more important” during the recession. This outpaces the general population, at 32.3% for the same category.
- 27% of Millennials are actively seeking to enroll in new programs to help expand their budgets.
- Somewhat expected, but still significant - Millennials are far more likely to enjoy engaging with programs through new media channels than the General Population. Over 55% appreciate communicating through social networking sites (39% for General Population), and 52% enjoy communication via cell phone or text message (38% for General Population).

“Millennials represent a golden opportunity in a time of economic darkness for loyalty marketers,” said Kelly Hlavinka, COLLOQUY partner and coauthor of the white paper. “This demographic is receptive to the wish-list of loyalty initiatives - eager to join programs, eager to build relationships with their favorite brands and eager to engage with new media channels. This shows a powerful opening for loyalty marketers to build sustainable loyalty with the next generation of American consumers.”

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



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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.