



Retail Reward Programs: They're More Important in the Recession, Say Over 20% of Canadian Consumers

TORONTO (September 30, 2009) - More than one-fifth of Canadian consumers (21.2%) consider their participation in Retail rewards programs to be “more important” as they seek to stretch their household budgets in the recessionary economy, according to survey research from COLLOQUY, a LoyaltyOne company.

The 21.2% number represents General Population responses to an online survey from which COLLOQUY obtained a total of 2,934 completed interviews nationwide in Canada.

Among key demographic groups, the significance attached to Retail rewards programs during the recession is more pronounced. Here are the percentages of respondents within Canadian demographic groups who rated their participation in Retail rewards programs more important:

- 27.2% of Young Adults (age 18-25)
- 22.5% of Women (age 25-49)
- 22.1% of Affluent Households (incomes over \$125,000).

Retail rewards surpassed two other major industry categories studied by COLLOQUY in the “more important” rankings. Approximately 19.8% of General Population respondents rated Financial Services rewards program participation more important in the recession. In the Travel category, the number was 16.2%. Additionally, 25.8% of the General Population said their participation in coalition loyalty programs is more important to stretch their budgets further.

“The Retail category demonstrates the highest positive impact in rewards program attitudes among the major industry categories,” said COLLOQUY Editorial Director Rick Ferguson. “Over a quarter of the Young Adult demographic segment in Canada views Retail programs favorably. We see these circumstances providing Canadian marketers a valuable chance to gain traction with this pivotal consumer group,” he said.

Loyalty marketing programs recognize and reward the best customers of a business. COLLOQUY's

April 2009 study of loyalty perceptions examined trends in six consumer segments: General Population representing a statistically distributed sample of Canada 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 French Quebec (those residing in French Quebec). COLLOQUY last measured Canadian attitudes about loyalty programs prior to the recession in 2007.



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COLLOQUY's research showed a 9% growth rate (to 93.6% from 84.6%) in loyalty program participation by Canada's General Population since 2007. For Women, loyalty program participation was virtually unchanged, holding steady at 95%.

COLLOQUY Partner Kelly Hlavinka found the steady rate of loyalty participation by Women generally, and the heightened interest Women displayed in Retail programs in the recession (22.5%), to be revealing.

"The high importance that the Women's segment places in Retail sector programs provides a teaching moment for loyalty marketers," Hlavinka said. "Program operators who are best able to leverage shopper data to deliver communications and offer relevance will be best equipped to steal valuable market share from discounters within this key segment," she said.

"Savvy retailers can analyze shopper data by gender and lifestage in order to understand motivation and behavior within specific categories," said Nicolle Scavuzzo, client services director at Precima, a retail advanced analytics firm that also is a LoyaltyOne company.

Scavuzzo cited an example taken from U.S. shopper data. "In the entertainment category for example, males dominate purchases of electronic games from couples and young singles, but females dominate the purchases that come from families," she said.

Additionally, the knowledge of what's important to women can help in the design of in-store messages and displays, according to Scavuzzo. "Retailers use this information to refine category adjacencies and create more relevant promotions that can grow a woman's shopping basket. Creating a display of items frequently purchased together like mint, lime and beverages will drive greater cross-category sales," Scavuzzo said. "Understanding whether women in the store are looking for time-saving solutions or healthy meals can direct what types of recipes to include in the display," she added.

About COLLOQUY

COLLOQUY* comprises a collection of publishing, education and research resources devoted to the global loyalty-marketing industry. Owned by LoyaltyOne, COLLOQUY has served the loyalty-marketing industry since 1990 with over 30,000 global subscribers to its magazine and www.colloquy.com the most comprehensive loyalty web site in the world. COLLOQUY's research division develops 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 and a content provider to the American Marketing Association. COLLOQUY also operates the COLLOQUY Network, a global consortium of practitioners. 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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