



Customers Are More Incentivized with Retailers That Offer More

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Offering everyday earning opportunities that are easy to attain will incentivize customers to shop with certain brands and retailers more often, according to a new report from Points, a global leader in loyalty currency management.

The Points report, “From Everyday to Extraordinary: How Retailers Can Woo Shoppers with Points and Miles,” includes responses from more than 1,500 loyalty program members from across North America to find out where they like to earn loyalty rewards (including points and miles) and how they work toward achieving their loyalty goals.

Identified as “Everyday Earners,” these shoppers will go out of their way to earn rewards even if that means changing brands and stores to do so. Points’ research found that in order for consumers to reach their award goals:

- 83% of shoppers earn points and miles on everyday purchases;
- 79% agree that a store offering points/miles would make them more likely to return;
- 48% would switch stores to earn points/miles.

The reality is, for many consumers who do not travel for business, airline tickets and hotel stays are infrequent expenses, the report says. As a result, these consumers may be less likely to rack up significant quantities of points/miles through bigger-ticket, travel-related purchases. However, travel-related rewards such as airline tickets or hotel stays remain highly desirable and provide a powerful incentive to earn, along with other large rewards such as big screen TVs and valuable gift cards.

The flexibility of today’s loyalty programs means that shoppers can earn these types of extraordinary rewards by buying ordinary, everyday items at their supermarket, pharmacy, clothing store or service station.

“We discovered that although the amounts per transaction may be small, consumers do in fact value the opportunity to earn rewards for everyday shopping (the orange juice, toothpaste and gasoline type of purchases) as a way to reach a more exotic, exciting goal that is often far from ordinary (say, a trip to Las Vegas or Hawaii),” the report says “This combination of everyday and extraordinary provides inherent possibilities for the retailer who participates in a high-frequency, flexible program that taps into the power of frequent flyer programs to capture the consumer’s imagination and aspirations.”

The survey revealed that the overwhelming majority of respondents (81%) have redemption goals in at least some of their loyalty programs. And nearly half (45%) say they have a goal in all or most of their programs.

They are most likely to set their sights on an award flight—68% said they have a target in an airline frequent flyer program—but retail loyalty program goals come in a close second, with 48% setting goals in these programs.

“It’s also important to remember that, thanks to the flexibility of today’s loyalty industry, a consumer can set a goal in one program and work toward it by accumulating points/miles in their other loyalty programs,” the report says. “So a reward goal of free travel could lead to increased spending in retail stores.”

“Everyday Earners” say, according to the report, that earning even small amounts is important. For example, a solid 66% of respondents agreed or strongly agreed with the statement: ““Earning points/miles in my favorite programs is important to me, even if I am only earning a small number of points/miles.”

Nearly two-thirds of respondents (60%) said they actively look for promotions that will help them earn more points/miles. And more than half (56%) said they never miss a chance to earn points and miles in their favorite loyalty programs—even when the amounts given are small. Extrapolated to the general population, that means that as many as 100 million Americans could share this dedication to collecting small rewards points/miles.

What’s more, brand loyalty goes by the wayside where earning is concerned. Nearly 70% of respondents stated that they would break habit and choose a different brand at least sometimes to earn more points/miles. Slightly more than half (54%) admitted they buy more from companies when they are being rewarded for purchases.

“The message to retailers is clear: The way to win consumers is to be there for them, day after day,” the report concludes. “Shoppers want to earn points/miles, and they value even small amounts that add up to meaningful rewards when presented frequently and in the programs they collect. When these conditions are met, shoppers will go out of their way to earn, changing brands and even switching stores to do so.”

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