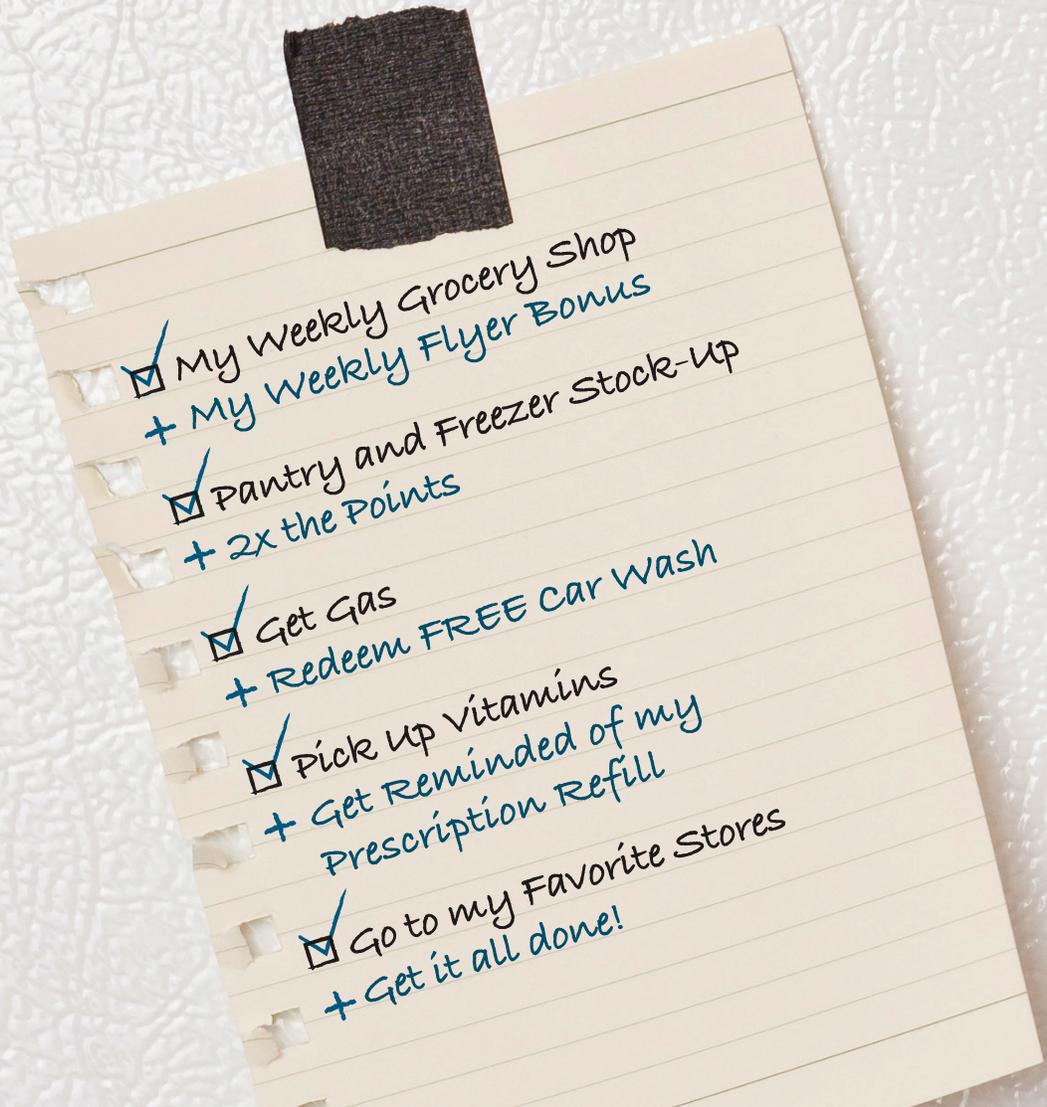


CONSUMER LOYALTY

Building Consistent Engagement in Everyday Retail



Everyday expenses in gas, grocery and pharmacy retail are at the heart of all household budgets. Products found at these everyday retailers are truly a commodity and can be found at multiple brands and outlets. Many brands have storefronts within steps of one another in most communities. So how do you keep consumers loyal to yours?



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2019 Wise Marketer Loyalty Landscape Report

According to the 2019 Wise Marketer Loyalty Landscape Report, 70% of all Consumer Loyalty is continually up for grabs. The report showcases that top drivers for consumer loyalty in Gas, Grocery and Pharmacy Retail are **low prices, high quality products/services and a way to earn rewards**, according to consumers surveyed by The Global Voice of Customer Loyalty group.

Retailers have typically prioritized standard tactics for engagement that ladder up to these consumer loyalty drivers with coupon programs, reward points, high discount mass offers, and expensive personalization tactics to which consumer loyalty and business profitability cannot be easily attributed. The returns may be low or difficult to measure on personalization tactics such as VIP experiences, product recommendation technology, chatbots, free shipping, concierge and personal shopping services to name a few.



At Exchange Solutions, we believe Everyday Spend retailers can work to guarantee that they become their consumers' first choice everyday and that their consumer loyalty investments are profitable. It starts with getting the basics right, having a solid foundation for engaging the customer and consistently building on the experience they offer in order to win lasting consumer loyalty.

In this exercise, retailers can expect to reflect on practical advice and in-market examples to learn how they can earn consumer loyalty by building consistent engagement in everyday retail.



1/ Engage with the right and relevant consumer experience

Your consumers' total experience must be built with ALL their needs in mind, to make things as seamless and as convenient as possible. It should fit your business offering as well as be relevant, in the sense that it evolves with the times and what becomes most important to your consumers as their needs and values change.

Rexall™, a national retail pharmacy chain, launched the Be Well™ loyalty program in 2020. Focused on their strategic vision to make healthcare easier and more rewarding, Rexall™ created an engaging and relevant digital program experience, which incorporates core features that allow their consumers to manage their overall health and wellness alongside being rewarded with convenience and monetary value. Their attention to relevant program features resulted in a 94% employee enrollment rate at public launch that helped skyrocket consumer adoption in the first few months after program launch.

REFLECT AND RESPOND: What base experiences do you need to create for your consumers to achieve high enrollment and program penetration rates?





2/ Offer value that is core to your brand

Your products, service offering, program rewards, strategic partnerships and all extras and experiences you deliver must reflect what is core to your business and brand identity.

For Rexall™, this meant integrating pharmacy, health and retail rewards opportunities across all desired consumer behaviors. This is also true in the case of another leader in the Everyday Retail category. Esso™, a national fuels retailer, built up their Esso Extra™ program foundation by strategically partnering with national grocer Loblaw's Inc. and their PC Optimum™ program. Esso's Exxon™ and Mobil™ consumers are offered a choice of which program they prefer to earn rewards, across qualifying purchases at each retailer. With this strategic partnership, Esso™ has achieved an everyday spend trifecta across gas, grocery and pharmacy, as Loblaw's Inc. also operates national pharmacy brands *Shoppers Drug Mart* and *Pharmaprix*.

REFLECT AND RESPOND: *Is your organization clear on the value your consumers can expect from your brand and your partners? Are you creating opportunities for you and your partners to get the maximum benefits from your shared and complementary consumer bases?*





3/ Balance the economics

The relationship between retailer and consumer is one of value exchange. As a brand, you value transactional and non-transactional behaviors that can be measured as consumer loyalty. In turn, consumers value your products, services and all the benefits of transacting with you – points, discounts, status, access and more.

Lowe's®, a retailer in another commodity industry, balances the economics by driving the right consumer behaviors profitably. As part of a broader consumer loyalty and engagement strategy, Lowe's® successfully optimizes the value exchange between themselves and all their consumers. Lowe's® VIP PRO loyalty program provides high perceived value to their Contractor consumer base. With it, Lowe's® has been successful at delivering value to their PROs with dedicated parking spots, early-bird hours, extended return windows, contractor-only entrances and service desks. Further, to optimize value for their other consumers, Lowe's® uses ES Engage Personalized Offers on their eCommerce site to be able to personally target consumers who show need for an incentive. Using real time consumer actions and inputs, Lowe's® is able to understand if the consumer is at risk of abandoning cart, has a higher predicted spend threshold and if they need a personalized incentive with a discount that won't cut deeply into the product or cart margins.

REFLECT AND RESPOND: *Are you offering your consumers rewards that they perceive to be of high value? Are you offering rewards that your sales can support? How do you measure if consumers are engaged with your program?*





4/ Calibrate your measurements

It's important to not only have program metrics that are agreed to across your organization, it's also important to constantly evaluate whether the metrics align to core business KPIs. Align with your team to make sure expectations are understood. Adjust as necessary to ensure that metrics consistently align with where you are at in your loyalty optimization journey.

REFLECT AND RESPOND: Do you have access to the measurements and performance data for your loyalty and consumer engagement tactics? Is your team aligned on these measurements and why they matter?





5/ Decide with data

We cannot stress enough the importance of using all the data that is available to collect, to analyze and to inform how you engage with every one of your consumers in a personalized way. Be led by your data to understand your consumers' individual preferences, behavior patterns and tendencies to truly understand what they want. Listening to the voice of the consumer is more important now than ever before.

REFLECT AND RESPOND: Who do you need on your team to understand and align on all the data you are accessing? How quickly can you act on the data to be able to respond and adjust your business' performance?

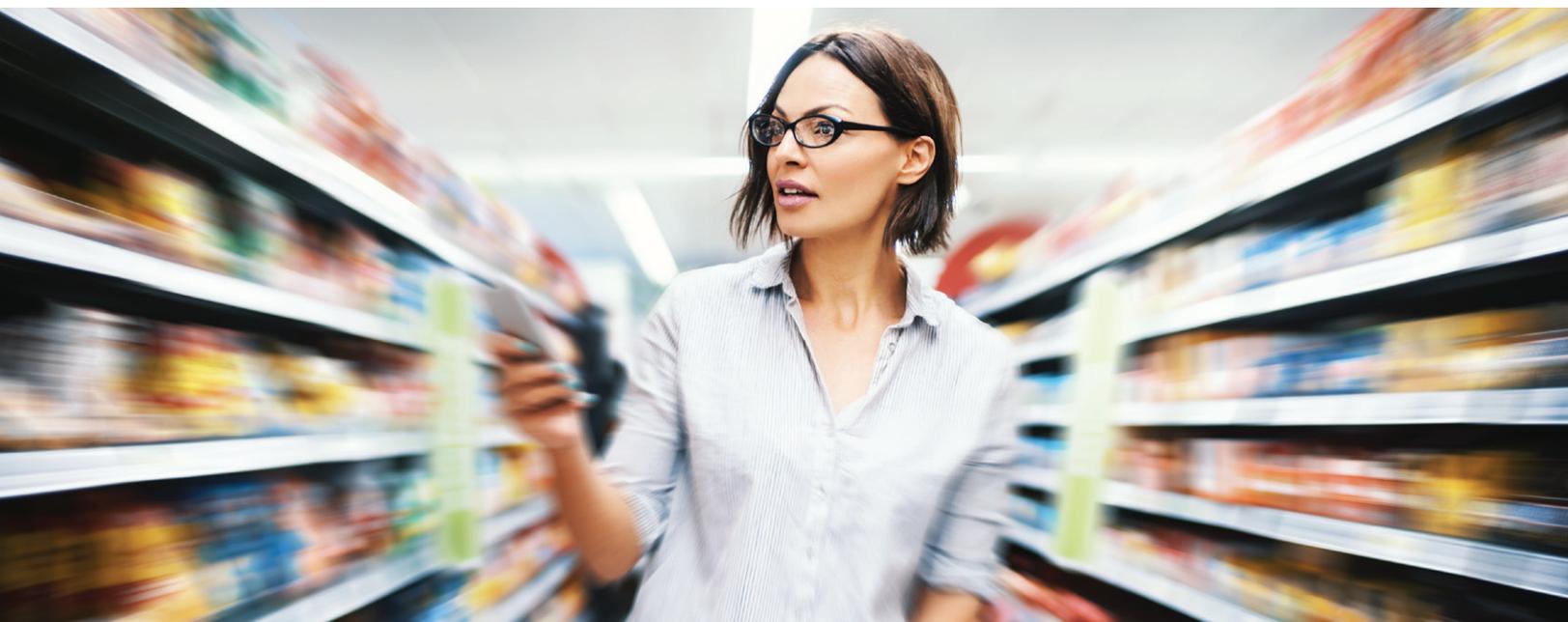


As you reflect on this information, think about what your team needs in order to build the right foundation for your loyalty and consumer engagement strategy. Are you finding you have more questions than answers?

For additional guidance, play back the highlights of a webinar we hosted on the subject of building consistent consumer engagement in everyday retail to earn consumer loyalty



We're also available for a no-obligation workshop or conversation, if you'd like to access our team of consumer loyalty and engagement experts



About Exchange Solutions

Exchange Solutions is a cloud-based marketing technology company that delivers personalized loyalty solutions to retailers enabling them to build deeper and more profitable engagement with their consumers. With more than 20 years of experience in the industry, Exchange Solutions transforms loyalty programs and promotions from being costly applications to productive and profitable capabilities for clients across various verticals in the US and Canada. Current clients include Esso™ and Mobil™, Rexall™, Sobeys Inc., Lowe's®, Safeway Inc., Today's Shopping Choice™, and Harry Rosen Inc.