

A happy customer is a loyal customer

Keeping customers loyal, satisfied and coming back for more is not only good business practice, but in these times of economic uncertainty and abundant consumer choice, it is critical for sustainable growth. One-in-four global respondents indicate that retailer loyalty programs have a major impact on shopping considerations. In North America (24%) and Europe (22%) retailer loyalty programs ranked fifth in major importance of 16 factors measured. While retailer loyalty programs in Asia-Pacific and Middle East / Africa (25%) hold slightly more significance by percentage, they rank tenth on the list of 16. Loyalty programs in developing markets are newer and can be an important differentiator, in comparison to developed markets where retailer loyalty programs have become normalized over time. Asian markets have been quick to embrace loyalty. Their cultures emphasize attention to value and collection schemes/stamp programs have been very popular. Loyalty cards are an extension of that. The attraction of special prices is cited as the top benefit of loyalty cards by more than half (52%) of respondents in the Global Shopper Trends Survey. Asia-Pacific respondents are most responsive to special prices with 53 percent ranking this as the top benefit of loyalty cards, compared to 23 percent of North Americans. The opportunity to accumulate points and redeem gifts is the preferred benefit among 31 percent of global respondents and most valuable to North Americans (36%). Cash rewards based on amounts spent in-store over time is the preference for 33 percent of global respondents and most favored in the Asia-Pacific region. Given the vast cultural differences among shoppers across regions, a loyalty program that accounts for the diverse preferences of local shoppers will achieve maximum results. The availability of new stores in the area and the opportunity to shop for groceries online is of major importance to one-in-four global respondents. Keeping the store up-to-date with new and convenient options to improve the shopping experience is important too. The availability of self-service check-out significantly impacts 20 percent of global respondents. And while the availability of hand-held scanners used in-store is relatively new and not yet available everywhere, 17 percent of global respondents say it is a major consideration for grocery purchasing choice. While it is a natural step forward for retailers to introduce new technology into the daily shopping experience, they could do more to encourage shoppers to actively engage with these services by offering incentives to use them. Shoppers get the time-saving benefits and retailers are rewarded with loyal and satisfied repeat customers.

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