



The last word

On Pointers to Customer Loyalty

The somewhat surprising news from a recent YouGov report is that just 17% of shoppers choose where to shop based on their allegiance to a particular loyalty scheme, clearly calling into question the point of the retail loyalty card.

Although the 'SixthSense' research confirms that, at 86%, a substantial percentage of people regularly use a loyalty card, half of these shoppers do not consider the collection of 'points' to be worthwhile – indicating that the key to much sought customer loyalty might lie elsewhere. Many participants have in fact remarked that they would prefer retailers to offer more promotional deals instead of intangible points-based schemes. Indeed, a thrifty 52% of those in possession of a loyalty card prefer to convert their customer credits into monetary discounts, while a further 19% save up their points over a long period of time and 10% rarely redeem them at all.

A possible explanation of this lies in the simple fact that, in the bustle of city life where in recent years supermarkets have popped up on every corner, people often have various different 'loyalty' cards – which reward them for their custom, thus undermining the very point of a point-based system.

Against popular opinion perhaps, subscription to one or other retailer's card does not necessarily guarantee its customer the advantage it promises – often considerably cheaper deals can be found in a competitor, points notwithstanding.

Perhaps then, rather than attempting to seduce shoppers with the promise of potential rewards, the direct service benefits provided by field marketing

have an edge in achieving widespread customer loyalty and maintaining it for the future. **Tracey Bagshaw**

Managing Director UK

SERVICE INNOVATION GROUP



The last word

On Loyalty study

"Participation is highest amongst the better off, indicating that because they spend more, they accumulate points faster and get more rewards, making participation worthwhile. Retailers need to do more to ensure loyalty schemes engage with all types of customer."

James McCoy,

Yougov SixthSense

The last word

On the new Grocery Ombudsman

The client feedback that we are getting - from both retailers and brand-owners - is that neither the new Supermarket Ombudsman nor the Grocery Supply Code of Practice will have a substantial impact on the way we do business. Whereas the existence of say, the Banking Ombudsman, makes judgements on customers and organisations whose relationship is already soured beyond recovery, the reality in our industry is that retailers and brands need each other, and a dispute that results in external intervention could only damage long-term business relationships.

We also sense that until there is a landmark case that defines new boundaries or restrictions, it's likely to be a matter of 'business as usual' between brands and retailers.

Martin Ryan

CPM (UK)

The UK grocery market is worth £130bn a year. If threats of involving an ombudsman allow big food companies to squeeze even 0.1% more out of supermarkets, that's £130m extra on customers' bills."

Stephen Robertson,

British Retail Consortium

The last word

On Queen's Speech alcohol penalty plans

"Supermarkets have the best record of any type of outlet in preventing under-age sales. That's not driven by the scale of the penalties. Persistent offenders already face tough sanctions with the threat of losing their licence being the ultimate price to pay. We don't need even more legislation. What we need is effective enforcement of the current laws, including those aimed at under-18s trying to buy alcohol.

Charging more for late-night licences sends the wrong message – it says individuals need not take any personal responsibility for their actions. That's because retailers and responsible customers will be made to pay for the irresponsible behaviour caused by a small minority.

Below cost selling is simply not the widespread practice portrayed and defining it is a complex issue. If the Government is determined to pursue legislation we would want to ensure it applies sensibly and bears in mind the impact on the vast majority of consumers who buy and drink alcohol responsibly.

Competition law prevents retailers discussing their pricing and promotions with each other. Should the Government want to pursue changes to the pricing of alcohol, we're happy to discuss this with politicians, but they must provide a safe environment in which this can happen."

Stephen Robertson,

British Retail Consortium

The last word

On virtual events winning the Ex-Award

(see Technofield, this issue)

"The growth trend is towards the further adoption of web-based communication such as virtual events, either as a complement to existing physical live event activities such as meetings, conferences and trade shows or in some cases, as a standalone asset."

Michael Doyle,

Virtual Edge Institute.

The Fast word

On Climate Change Act implications

"With the UK food sector accounting for 25% of all HGV vehicle kilometres in the UK, the industry will need to be prepared to deliver on lower carbon HGV's, eco-driving and carbon management and reporting."

Toby Pickard,

IGD

Stop Press: Cricket runs with RPM

The England and Wales Cricket Board has appointed RPM as its experiential partner following a competitive pitch involving 5 agencies.

RPM is tasked with developing fully interactive, engaging cricketing events, in order to enhance spectator experience and broaden the appeal of the sport.

The agency will also be responsible for increasing following of the game, including showcasing and developing the TwelfthMan Community benefits through a travelling 'Fan Hub' roadshow.

Tom Johnson at the ECB said of the appointment: "We wanted an agency that understood our industry and how to enhance the sporting experience, specifically through emphasis on spectator involvement and exclusive content from the ECB, as well as establishing interest in the TwelfthMan Community."

Targeting both existing and new fans of the sport, RPM will deliver engaging experiences across the different formats of the game with the activity, including the Clydesdale Bank 40 Friends Provident t20, NatWest International T20, NatWest One Day Internationals and all npower Test Matches.

Dom Robertson, managing director, RPM added: "Across all of the ECB events we're aiming to create powerful experiences that truly engage with the audience and take them beyond the game; it's what we do best at RPM. Ultimately, we want to create further excitement for the game, and widen its appeal to a whole new audience."