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Maximizing Consumer Loyalty in Supermarkets

Trends and strategies to increase your
supermarket chain sales in 2024



Summary

1. Loyalty: the new frontier of marketing.....	3
2. What is customer loyalty management?.....	4
3. Global loyalty market growth.....	5
4. Key numbers.....	6
5. Loyalty vs Gamification.....	7
6. Types of rewards.....	8
7. Plan your program.....	10
8. Examples of programs to inspire yours.....	13
9. Conclusion.....	17



Loyalty: the new frontier of retail marketing

The U.S. supermarket industry has a fascinating history that spans over a century. In the early 20th century, independent grocers were the leading players in the market, but they faced increasing competition from chain stores in the 1920s and 1930s.

The industry started consolidating after the 1960s as large chains acquired smaller stores, increasing efficiency, lowering prices and raising concerns about the impact on small businesses. Today, a few large chains dominate the U.S. supermarket industry, but there is still room for independent stores and speciality markets.

It is in this dynamic context that we see the introduction of loyalty programs in these companies.

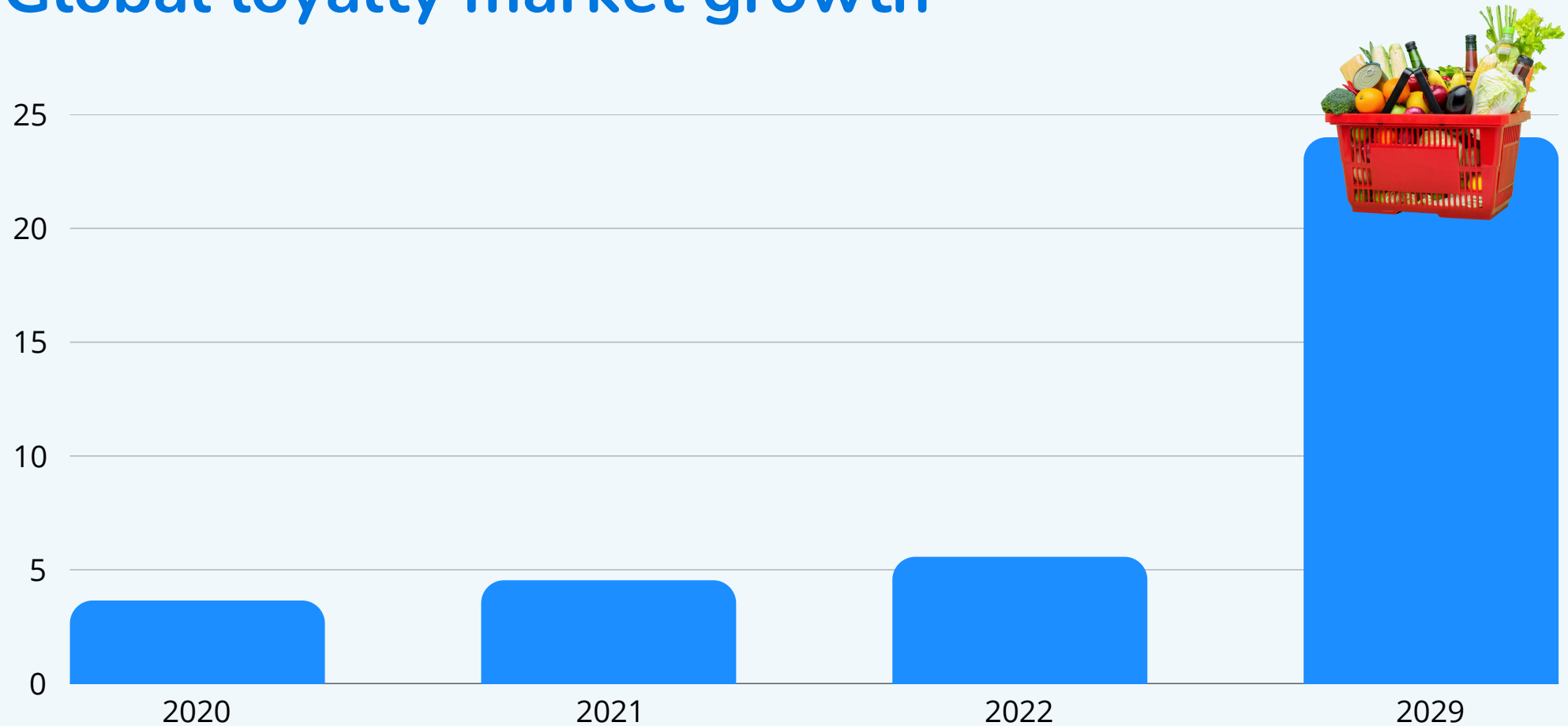
These programs are part of retail retention strategies and operate through rewards systems. The result is an increase in customer store-visit frequency, an increase in spending volume, and consequently an increase in revenue for the business.

In this ebook, we will explore valuable insights into loyalty programs, proven successful strategies, and the steps to implement a program in your supermarket chain.

Customer loyalty management...

is the set of strategies adopted by a company to strengthen its relationship with customers, encouraging them to consume more and remain loyal. This involves the development of loyalty programs, such as loyalty cards, exclusive discounts, rewards for frequent purchases, among others.

Global loyalty market growth



The global loyalty management market was valued at US\$5.57 billion in 2022.

Estimates predict that the ecosystem size will exceed US\$24 billion by the end of 2029, growing at a compound annual growth rate (CAGR) of 23.5% over the period.

<https://www.statista.com/statistics/1295852/loyalty-management-market-size-world/>

Key Numbers

83%

of consumers state that belonging to a loyalty program influences their purchasing decision

12%-18%

is the incremental revenue from members of loyalty programs

14%

higher are retention rates when companies applying loyalty strategies

60%

of loyalty program members say they have better experiences with a brand because their connection transcends the transactional

Check the sources in end of this slide deck

Loyalty x Gamification

Loyalty

- Target existing customers
- Rewards for each transaction or activity
- The main objective is to maintain a base of loyal customers and drive sales
- Loyalty engages and retains customers

- **Customer loyalty management** focuses on increasing retention rates and improving sales.

Gamification

- Existing customers, new customers
- Rewards for completing levels, challenges, missions
- The objective is to engage and motivate people to achieve a goal
- Used to boost engagement
- Often uses as part of a loyalty program

- **Gamification** focuses on motivating customers to achieve a goal, which results in more sales.

Types of customer loyalty programs for supermarket chains



1. Points

Customers earn points based on their purchases, which they can later redeem for gifts, discounts on future purchases, or other rewards.

2. Cashback

Clients receive back a percentage of the amount spent on their purchases, usually in the form of credit to be used on future purchases or as cashback.

3. Discounts

Customers receive special discounts on certain products or their entire purchase, encouraging loyalty and promoting increased sales.

4. Coupons

Customers receive special coupons that can be used to get discounts or additional benefits on their purchases, whether online or in physical stores.

5. Advantage club

Customers participate in an advantage club where they have access to exclusive benefits, such as special offers, early access to promotions, exclusive events, etc.

6. Gamification

Customers participate in activities and challenges within the loyalty program, earning points, levels, or badges as they achieve certain objectives.

“A rising trend in recent loyalty programs is the incorporation of gamification, which integrates points systems, levels, challenges, surprise rewards, personalization, social engagement, and much more.



Plan your program:

Clear Objectives: Clearly define the objectives of your program, such as increasing customer retention, boosting recurring sales, and improving brand perception.

Attractive Rewards: Partner with your suppliers to generate your rewards and discounts catalog. Add premium brands for exclusive rewards.

Technology and Infrastructure: Choose and implement the appropriate technology to manage the program, including CRM, loyalty solution, website/app/card, etc.

Effective Communication: Create communication strategies to promote your program, including email campaigns, mobile notifications, in-store advertisements, and social media

Assertive Campaigns: Offer coupons based on the customer's recent purchases, supplier promotions, and look-a-like recommendations.

Monitoring and Analysis: Establish processes to monitor the program's performance, including customer adoption rates, purchase frequency, average value, and ROI.

Team Training: Ensure that the team is trained to promote and manage your program, as well as being able to answer customer questions about it. A good loyalty program will only succeed with the engagement of its participants.

“A good loyalty program will only succeed with the engagement of its participants. Conduct quantitative and qualitative analyses of your program frequently to identify areas for improvement.



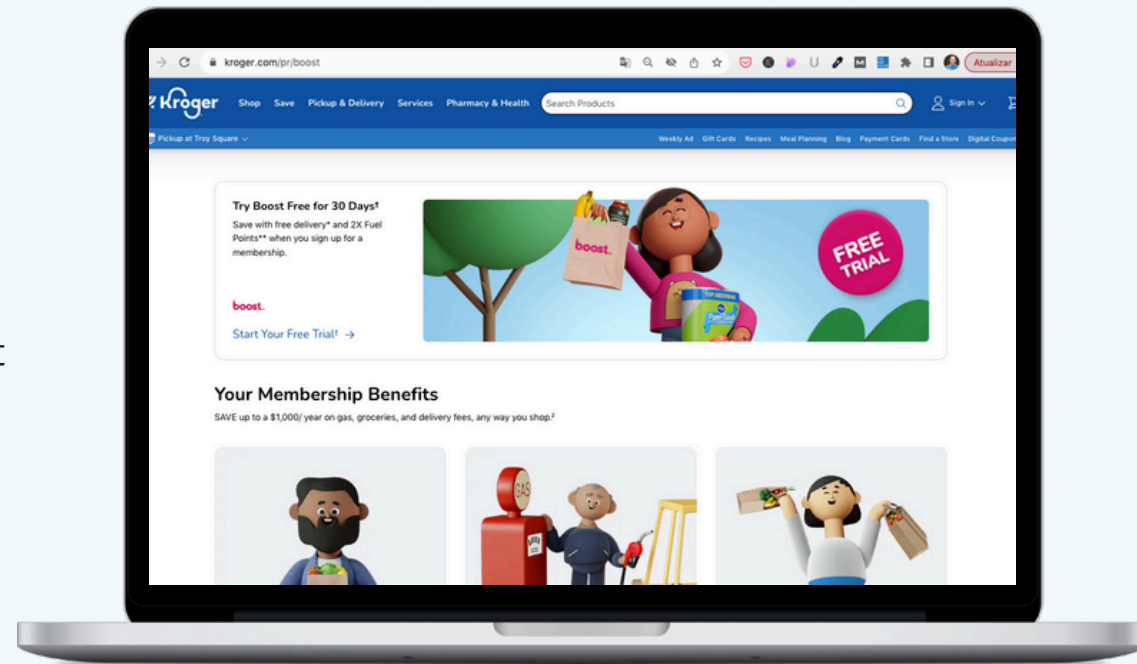
Examples of
programs to
inspire yours



Kroger Boost (US)

Kroger has built an ecosystem around its loyalty program, which has both free and subscription versions. In addition to offering points, discounts, and free and express delivery, the program allows members to exchange their points for fuel at network gas stations. It also offers gift cards that can be used at partner retailers.

www.kroger.com/pr/boost

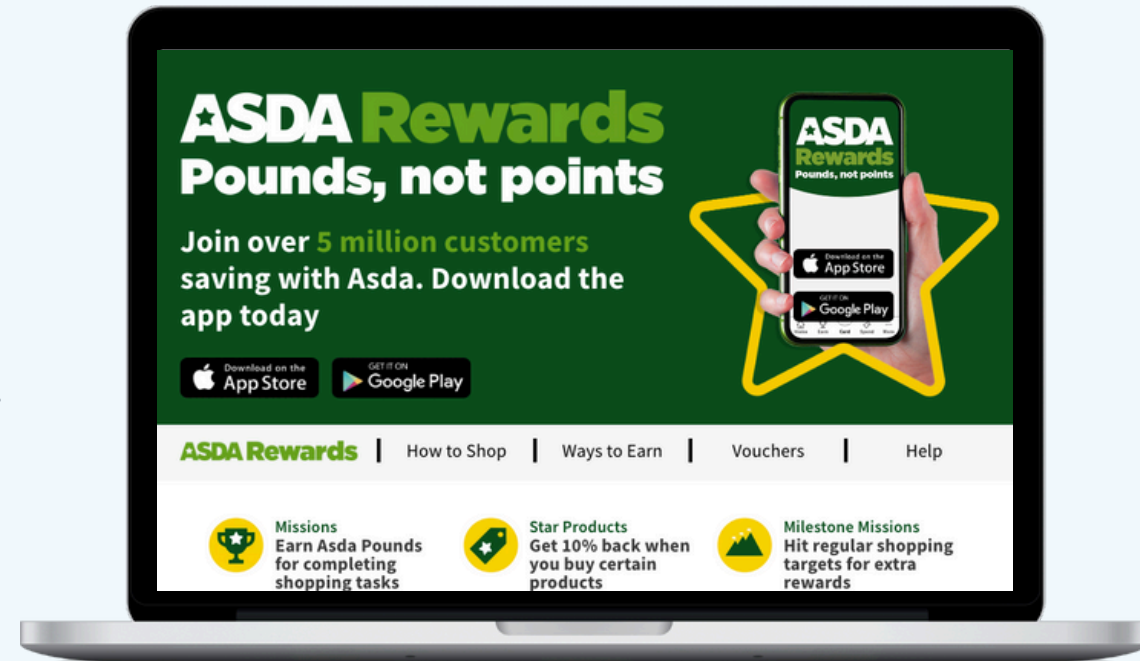


Asda Rewards (UK)

Asda Rewards offers a 'Pounds, Not Points' approach where members earn money back on 'Star Products' via an in-app Cashpot. Any money accumulated in this Cashpot can then be redeemed against their shopping.

Other ways to earn include completing 'missions', which offer rewards of between £1 and £5 for buying from certain categories. This is an example of a program exploring gamification successfully.

<https://rewards.asda.com/>

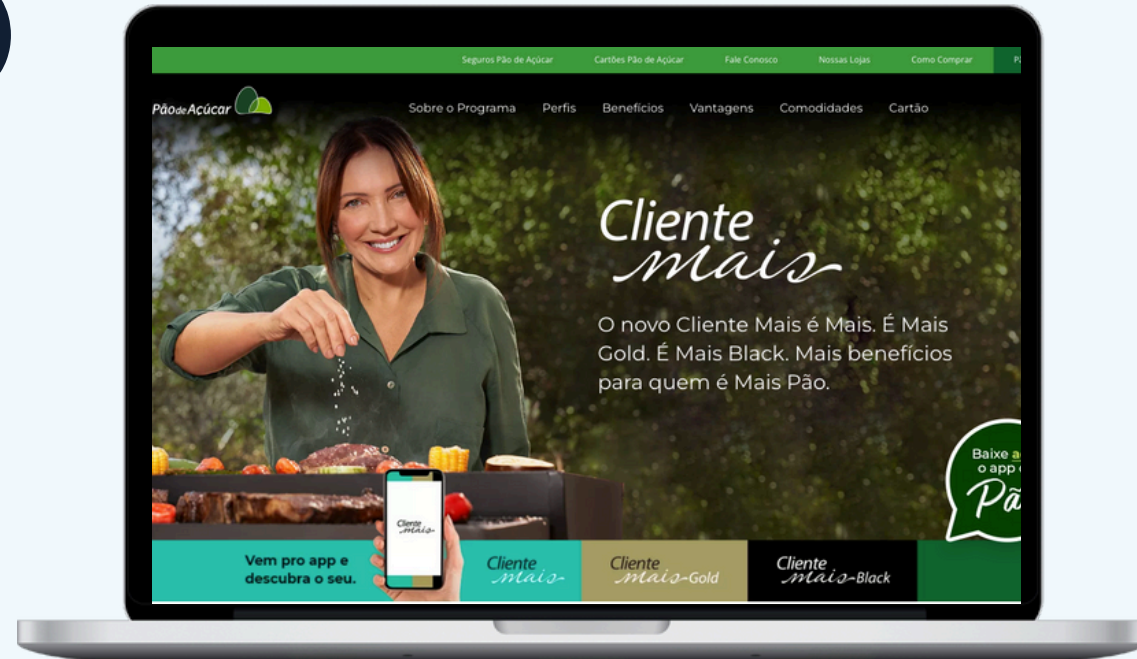


Pão de Açúcar Plus (BR)

The program categorizes members into three levels: Plus, Plus Gold, and Plus Black, where a customer's progression is determined by the volume and frequency of their purchases.

Exclusive discounts, such as 20% off on special wines, cheeses, and beers, plus cashback and birthday treats are some of the benefits offered.

<https://www.paodeacucar.com/mais/>



Conclusion

Supermarket loyalty programs represent a significant shift in how retailers engage and retain their customers.

By mastering effective reward systems and integrating innovative technologies, networks can encourage customers to spend more, thereby increasing their revenues.

At Fielo, we offer cutting-edge technology and a team of experts ready to assist you in designing your program, ensuring that your customers are delighted and that your program always yields a positive return on investment.

Contact us to learn more!

[Learn More](#)



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About Fielo:

With our loyalty and incentives platform, we help organizations of all sizes modernize their loyalty programs, turning their program into a competitive advantage.

With over a decade of focus on innovation, we've built a plug-and-play platform that integrates directly with your business's CRM, eliminating the need for code or developers.

The expertise included in our product enables our customers to create their programs in just a few clicks, making management easy and uncomplicated. *Fielo is loyalty made simple!*

Learn more:

