

# COLLOQUY

## Loyalty Talks



JAN/FEB 2015  
WWW.COLLOQUY.COM



# Is Loyalty Dead?

*No, but the next iteration will look very different. Due to the ubiquity of loyalty programs, marketers are re-evaluating their strategies. Join COLLOQUY as we ponder the life expectancy of loyalty.*



### INSIDE COLLOQUY

05

**GROUNDS FOR ENGAGEMENT**  
Loyalty has its perks at Starbucks, Dunkin' Donuts and Caribou Coffee **INFOGRAPHIC**

06

**Q&A WITH VIGGLE**  
President Greg Consiglio on creating direct relationships with viewers

16

**DATA STRATEGIES**  
Tapping into one-to-one communications with mobile apps and personalized pricing

**SAVE THE DATE**

**October 14-16, 2015**

2015

**COLLOQUY**

**LOYALTY SUMMIT**

Landsdowne Resort  
Near Washington, D.C.

# [TABLE OF CONTENTS]

**[02] EDITOR'S LETTER**

**[04] LOYALTY LANDSCAPE**

*With Coffee Program Infographic*

**[06] Q&A**

*Viggle President Greg Consiglio on Creating Direct Relationships With Viewers*

**[09] NEWS BREAK**

*Top News Stories From the Past Few Months*

**[10] FEATURE STORY**

*Making Mobile Pay: 3 Tips for Simplicity, Safety and Savings*

**[16] TOUCH POINTS**

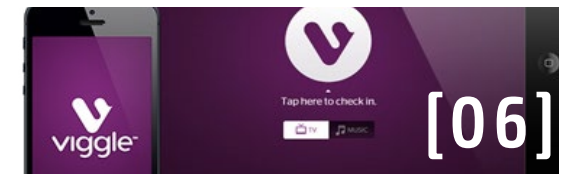
*Tapping Into One-to-One Communications, With Mobile Apps, Personalized Pricing*

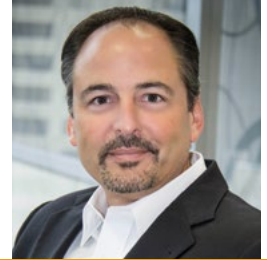
**[20] COVER STORY**

*Is Loyalty Dead?*

**[28] COLLOQUY RECOGNIZES**

*January/February Winners Announced*





DENNIS ARMBRUSTER

## [ EDITOR'S LETTER ]

# Connecting the Points: Top 10 Loyalty Musts

*Loyalty marketers like to use the term “The point of loyalty is not the points,” but I wonder how many can spell out what loyalty really is about.*

*This year marks the 25th anniversary of COLLOQUY, a milestone that has caused us to reflect on the changing relationships among consumers and their loyalty programs. Reviewing our story lineup, it also got me to thinking about the many reasons loyalty programs fail, and why they succeed. Focusing on the positive, I’ve listed 10 requirements for winning in loyalty in 2015 and the 25 years beyond:*

81% of consumers understand their personal information is an asset to marketers.

## [01]

**TOP-DOWN PLANNING:** An effective loyalty program aligns with corporate objectives and has the backing of all associates. Walgreens, for example, first enrolled its employees in its Balance Rewards program and shifted the delivery of several employee benefits to the program platform, making the strategy much more visible to team members.

## [02]

**RELEVANT MARKETING:** The good news – a recent LoyaltyOne survey reveals that 81% of consumers understand their personal information is an asset to marketers. The bad news – 67% of those consumers feel they receive no benefits at all in return for sharing their information. This represents a significant opportunity.

## [03]

**ENGAGEMENT BEYOND THE TRANSACTION:** There are times when memories outlast savings. The consumer should recognize a clear advantage in being loyal to a brand across a number of factors that go beyond price, to include engagement opportunities such as experience and service.

## [04]

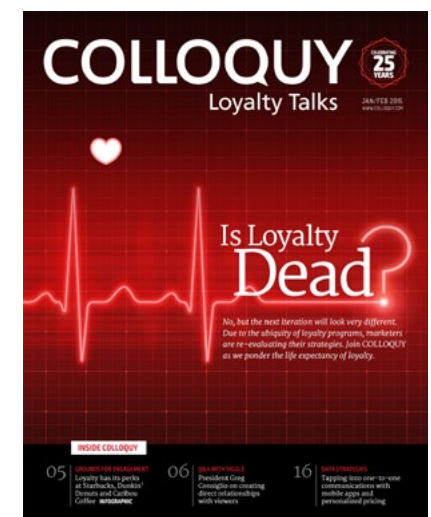
**ASPIRE HIGHER:** All perks should reflect the true nature of the brand to encourage members to increase interactions. Virgin America, for example, every quarter dispatches representatives to an airport to reimburse a chosen member’s flight, right there.



**Editor-in-Chief:** Jill Z. McBride  
**Editor-at-Large:** Dennis Armbruster  
**Senior Writer & Editor:** Lisa Blank Fasig  
**Managing Editor:** Kate Shepherd  
**Staff Writer:** Karen Bells  
**Research Director:** Jeff Berry  
**General Manager:** Kurt Allen  
**Marketing Specialist:** Joan Deno  
**Social Media:** Jeff Stoermer  
**Creative Director:** Laura Zazanis

**Contributing Editors:** Steven Dennis, Ryan Lile, Graeme McVie, Bryan Pearson, Brian Ross

313 W. Fourth Street  
Cincinnati, OH 45202  
Telephone: +1.513.248.9184  
FAX: +1.513.231.0555  
Email: [info@colloquy.com](mailto:info@colloquy.com)  
[www.colloquy.com](http://www.colloquy.com)



Celebrating its 25th year, COLLOQUY has served as a leading publishing, education and research practice, bringing together loyalty practitioners from around the world. A pioneer in the industry, COLLOQUY is the first publication dedicated expressly to the art and science of loyalty marketing and has since become the go-to resource for loyalty intelligence. Today COLLOQUY engages and educates loyalty marketers with its magazine, weekly e-newsletter and timely and comprehensive loyalty-marketing website, [colloquy.com](http://colloquy.com). In each issue of the magazine, the "COLLOQUY Recognizes" feature highlights excellence in loyalty. COLLOQUY delivers industry-leading loyalty benchmarking reports and educational workshops, webinars and speeches. The COLLOQUY Summit is the premiere annual loyalty event. Advertising, sponsorship and publishing opportunities are available via the COLLOQUY Network, a global partnership of loyalty service providers. COLLOQUY is an independently operated division of LoyaltyOne. To learn more, visit [colloquy.com](http://colloquy.com).

## Employees are a crucial part of a loyalty program's value proposition and should be encouraged to play that role.

[05]

**FORMULATE REWARDS:** Best practice calls for consistent customer experiences but rewards that vary. Devised formulas allow for a variable distribution of rewards based on a customer's current value, potential value, attrition risk and persona.

[06]

**THE RIGHT DATA:** The only good data is that which is insightful, actionable and brings incremental value to the enterprise. An initiative should collect the kinds of data that reveal consumer needs and preferences; support real-time, omni-channel conversations; and offer delivery.

[07]

**IN-HOUSE AMBASSADORS:** Employees are a crucial part of a loyalty program's value proposition and should be encouraged to play that role. Hilton's HHonors program provides individual hotels access to customer insights so employees can make the right decisions.

[08]

**MATCH THE DEMO:** A good program is always taking its customer's pulse. If the brand is geared toward millennials, then the loyalty model would offer what is relevant in terms of earning options, rewards and communications for that particular segment, while ignoring the

temptation of being everything to everyone and consequently being nothing to everyone.

[09]

**INVEST FOR PROFIT:** Successful program operators invest to motivate profitable shifts in customer behavior. By using a loyalty strategy as a broader platform for one-to-one value delivery, brands can better rationalize underperforming initiatives and direct resources to better-performing promotional strategies.

[10]

**BRAND AFFINITY:** A loyalty initiative should reflect and support the brand it serves, and this includes evolving with the brand. Team members should make innovation a stable part of their loyalty strategy to enhance the brand and stand apart.

Lastly, be humble. Accept advice, listen to customers and recognize rival successes. There is much to be learned by looking outward. ←

DENNIS ARMBRUSTER  
Editor-at-Large



## [ LOYALTY LANDSCAPE ]



### SAUSAGE, EXTRA SAUCE – AND FREE TATTOOS FOR LOYAL PIZZA CUSTOMERS

Want breadsticks with that pizza? A salad? Maybe a tasty tattoo is more your style?

Regulars at a Washington, D.C.-area pizza chain, with an unusual name, &pizza, can earn prizes for their loyalty, with the most impassioned customers qualifying for some free ink. Launched in December, the promotion comes with a rewards app for iPhone and Android, allowing members to pay in-app and earn prizes.

Loyalty comes in three levels of mischief, with rewards to match: "troublemaker" status is achieved at \$250 in annual spending; "rebel," \$750. Those who hit \$1,500 – roughly 150 pizzas, including tax – are deemed "mavericks" and earn prizes including bomber jackets, five free &pizzas on their birthdays and photo shoots.

Plus the ink – any tattoo that can be completed in one session – for those mavericks who want it. Owners Steve Salis and Michael Lastoria noticed lots of their customers are inked anyway, so the idea was a natural. They originally were going to pay only for tattoos of the company's ampersand logo but relaxed that idea.

After all, mavericks don't like to be told what to do.

### ONE WAY TO RATTLE UP POINTS

A community baby shower in Warwick, R.I., replaced the usual sugary cake and silly games with healthy foods, in-person advice from health experts and the chance to learn about a free mobile, interactive incentive program for pregnant women and new parents.

Guests at the shower entered raffles for a crib and other baby items, and 100 of them received gift bags full of wipes, diapers and other must-haves. They also learned how to earn rewards, including retail gift cards and baby items such as thermometers and teething rings, through BabyBlocks, an incentive program by Unitedhealthcare.

Users earn rewards by completing prenatal, postpartum and healthy baby appointments. They can also use the free app to track doctor visits, receive wellness tips via email and text and access a maternity nurse for support. BabyBlocks is available to those enrolled in Unitedhealthcare's employer-sponsored plans.

No icky guess-the-baby-food-flavor games required.

mybabyblocks-stg.myuhc.com



do what's best for  
you and your baby



Log In



### FOR THESE BARGES, CLEANLINESS IS NEXT TO DISCOUNTS

The Port of Amsterdam, Europe's fourth-largest port by tonnage, has long offered incentives for other sea-faring vessels. On Jan. 1 it became the first port to reward utilitarian barges for efforts to promote clean air, water and soil. Shipping companies receive discounts on inland harbor dues, granted according to ships' cleanliness ratings. Those rated "bronze" by the Green Award program through a points-award system will receive a 5% discount on dues; "silver" earns 10%; and "gold" earns a 15% discount.

The Green Award for Inland Navigation is based on the environmental quality standards of the same name for sea shipping. For scoring high on safety and quality, vessels sail under the Green Award flag worldwide. There are 541 inland barges that have been certified to date, and Amsterdam is the first to tie dues discounts to barges' ratings.





## GROUNDS FOR ENGAGEMENT LOYALTY HAS ITS PERKS



### STARBUCKS

*My Starbucks Rewards  
2010 launch  
8 million members*

Members earn Stars when using a prepaid Starbucks, Teavana or La Boulange Card or the Starbucks mobile app.

Stars are redeemable for a free drink or food reward for every 12 Stars earned.

Welcome, Green and Gold reward levels based on Stars collected.

Other benefits include free birthday drinks, birthday coupon for 15% off online purchase, free in-store refills on hot or iced brewed coffee and tea, custom offers via email, early access to new products.



### CARIBOU COFFEE

*Caribou Perks  
2014 launch*

Members earn surprise rewards via email or text alerts based on the volume and types of purchases at Caribou locations, card use and other activities, such as completing surveys.

Rewards may include a free size upgrade on a daily coffee, a selection from the bakery case or one of the member's favorite Caribou drinks.

Members also receive a free drink for completing an online profile.



### DUNKIN' DONUTS

*DD Perks Program  
2014 launch  
2 million members*

Members earn five points for every \$1 spent on qualifying purchases at Dunkin' locations when paying with a prepaid DD Card or the Dunkin' mobile app.

Points are redeemable for a free beverage for every 200 earned.

Other benefits include an enrollment bonus of 200 points for a free medium beverage, reward sharing through the mobile app and exclusive offers.

Coffee is a big business, and it represents a big opportunity for loyalty marketing. Of the \$48 billion in coffee sales in 2014, \$11.2 billion (or 23%) is estimated to have come from retail sales and \$37 billion (or 77%) from sales at food service

establishments, according to Packaged Facts. Among the leading loyalty programs are Starbucks My Starbucks Rewards, Dunkin' Donuts DD Perks Program and Caribou Coffee Caribou Perks. Let's see how they measure up for the average Joe.

Source: COLLOQUY.com manages a large database of loyalty-marketing program summaries, including My Starbucks Rewards, DD Perks Program and Caribou Perks.



**COLLOQUY**  
Loyalty Talks



GREG CONSIGLIO

## [ Q &amp; A ]

# Passion, Play: Viggle President Greg Consiglio on Creating Direct Relationships With Viewers

## Q

BY LISA BIANK FASIG

**One quality of a true performance artist** is the ability to reward viewers simply by showing up. For Greg Consiglio, president of Viggle Inc., that is not enough – he rewards members by show.

Viggle is a free app that gives users the opportunity to earn unique rewards and experiences in return for interacting with a variety of entertainment channels, including TV, video and music. Users earn points for checking in, for watching or listening to programs and music and for participating in quizzes, games or polls. In 2014 it announced a number of partnerships to expand its earning and redemption model, including one with HGTV and another with Wetpaint, a digital publisher of entertainment news.

Consiglio answered questions for COLLOQUY about Viggle's new partnerships and bridging the gap between content creators and entertainment consumers. Edited excerpts follow.

**COLLOQUY:** Viggle has recently announced some pretty important partnerships, including one with HGTV. How did the deal come together?

**CONSIGLIO:** We've been partnering with HGTV to promote its programs since 2013. After a couple of years of successful tune-in campaigns on the Viggle app, we wanted to partner in a more meaningful and long-term way across our platforms to provide greater benefits for both of our audiences. Our



Viggle members are big fans of HGTV programming, and starting early next year, they'll get rewarded for any HGTV program they watch during primetime. Further, Viggle and HGTV will award top fans with exclusive rewards like HGTV merchandise. HGTV will also promote this program on-air to its viewers and give fans the ability to earn points on HGTV.com.



**Q:** What key characteristics do you seek in a partner, particularly regarding loyalty?

**CONSIGLIO:** We look for partners who can offer something compelling and entertaining so the benefit we both bring to our collective users is integrated, meaningful and recurring.

**Q:** In what ways has your program's relationship with members changed in the past year or so?

**CONSIGLIO:** Our users are our top focus, and 2014 was about three key things for them: increasing the number of ways users get points, increasing the amount of points users get, and increasing the amount of available rewards users get to redeem their points for.

With the addition of Wetpaint and NextGuide to the Viggle Inc. family in early 2014, our users got to earn points for watching videos on Wetpaint as well as setting reminders on NextGuide. In the past couple of months, we also greatly expanded our rewards offering to include movies and TV shows. Now users have access to more than 7 million digital rewards. Lastly, in November we doubled and tripled the amount of points offered for checking into TV programs and music.

With these changes users can now easily earn a movie rental for the weekend from the TV they watch during the week.

**Q:** What challenges are specific to the entertainment industry when it comes to loyalty marketing?

**CONSIGLIO:** There is an enormous amount of consumer choice out there when it comes to entertainment content and how it is consumed. Viggle was built on the idea that people should be rewarded for entertainment consumption and for their loyalty to it.

Further, it's challenging for content creators to develop a loyalty program for their fans because they do not have a direct relationship with their viewers and their content distribution is segregated. Viggle has a direct relationship with the viewers.

**Q:** How do you meet these challenges?

**CONSIGLIO:** Our Viggle app drives live TV viewing. We give you points for ANYTHING and EVERYTHING you watch. We also encourage tuning in to specific programs by promoting them with bonus points in our 'Discover' section. This curated section highlights what shows have bonus points attached to them. In essence, Viggle helps networks direct viewers to tune in to their shows, and we help fans by promoting great programming and rewarding them for watching it.

We can also help bridge the gap between content creators and their audiences with a loyalty program. Viggle collects first-party data on the content creators' audiences and can develop a turnkey loyalty program because we are distributor-agnostic.

**Q:** In what ways has your rewards portfolio changed in the past year, and why?

**CONSIGLIO:** Our rewards portfolio has greatly expanded to include digital entertainment content – music, movies and TV shows.

We partnered with M-Go, a premium digital video-on-demand service and joint venture between Technicolor and DreamWorks Animation, to offer premium movie and television content. Now our users can choose from an extensive library of content including current and popular shows and movies, classics, as well as preorder season passes for hot new shows. In fact, new movie releases are often available two weeks before they come out on DVD, and all content can be played on Smart TVs, smartphones, tablets and computers.

**Q:** In June Viggle acquired Choose Digital, a platform that allows →

branded loyalty programs to offer digital content like movies and music. What did the integration process involve?

**CONSIGLIO:** We are so happy that Choose Digital is part of our Viggle Inc. family. This acquisition diversified redemption options beyond the app to our website, Viggle.com, with categories including music, TV shows and movies, adding millions of new rewards options.

**Q:** What advice would you offer someone just entering the loyalty space or looking to revamp a program?

**CONSIGLIO:** Look at existing loyalty programs where the model is broken and

disruption is needed to improve the overall customer experience. Or look toward creating a loyalty program for a habitual consumer behavior where one doesn't already exist. Most importantly, make your loyalty program easy to understand and make sure the rewards are worth joining the program for and are aligned with your overall brand value proposition.

**Q:** Can you provide a sneak peek into Viggle's plans for 2015?

**CONSIGLIO:** We are very excited about the launch of our Viggle Points API in early 2015. This technology will allow our users to earn Viggle Points beyond

current properties by enabling any web or mobile app publisher to reward activities with Viggle Points. We are proud to announce HitFix as our first API partner. HitFix, which offers breaking news, engaging reviews and in-depth coverage of film, television, music and comedy to millennials, will feature Viggle badges on all its video content to allow viewers to easily and quickly earn Viggle Points.

We're also always expanding our rewards catalog. Stay tuned. ←



At COLLOQUY.com, we report daily on news and trends of interest to marketers across all industries and around the globe. In case you missed them, below are links to the top news stories from the last couple of months. Click the links to read more of each story or here to visit the archive.

# [ NEWS BREAK ]

A news roundup from COLLOQUY.com



## ALASKA AIR REVEALS PROGRAM ENHANCEMENTS FOR 2015

Alaska Air has announced changes to its Mileage Plan frequent flyer program for 2015, including increased mileage bonuses. [Read more.](#)

LIVE FROM THE NRF: WALGREENS, LOYALTYONE ON MOTIVATING BEHAVIOR CHANGE [Read more.](#)



Virgin  
HOTELS

## VIRGIN HOTELS INTRODUCES THE KNOW

Virgin Hotels, the lifestyle hotel brand by Virgin Group founder Sir Richard Branson, announced the launch of The Know loyalty program. Members will receive personalized service and recognition and will be the first in the know about what is happening with Virgin Hotels and its partners. [Read more.](#)

## TESCO ANNOUNCES BUSINESS CHANGES, CONSIDERING SALE OF DUNNHUMBY

Beleaguered international retailer Tesco will make a series of dramatic business changes as it looks to recover after a period of financial turmoil. [Read more.](#)



## GOOGLE DOLES OUT \$50K 'BUG BOUNTY'



Google rewarded a team of security researchers a \$50,000 prize for uncovering holes in its App Engine cloud. [Read more.](#)



## NEW DATA IDENTIFIES CHALLENGES FACED BY MODERN RETAILERS COMPETING FOR CUSTOMERS

COLLOQUY's report, sponsored by Chase Merchant Services, finds partnerships with payment providers are a missed opportunity. [Read more.](#)





[FEATURE STORY]

# Making Mobile Pay:

## 3 Tips for Simplicity, Safety and Savings

Q

BY KAREN BELLS

**Two developments have fired a shot across the bow of “the old way of doing business.”** Starbucks’ mobile payment app keeps gaining steam, boasting more than 7 million transactions per month, and the late 2014 launch of Apple Pay has many companies considering launching brand-specific merchant wallets, using proprietary technology or Apple Pay.

More companies have taken aim, with players as diverse as Macy's Inc., Pep Boys, CVS Health and Dunkin' Donuts recently launching mobile payment programs that allow consumers to pay directly and quickly with smartphone apps. Others are getting ready to take the leap – Jersey Mike's Subs, for example, says that mobile payments are coming soon to the 1,300 restaurants it has open or in development. And many other consumer-driven companies are exploring the possibility of following suit.

For loyalty marketers, the explosion of interest in mobile payments represents an opportunity to create a more seamless shopping experience for consumers, customize loyalty offers that enjoy better redemption rates, and secure valuable data beyond the transaction about their most ardent customers. While there are several key issues to consider before making the leap, there are also big gains to be had from launching mobile payments and marrying them carefully with existing loyalty programs.

Indeed, loyalty and reward programs are key features of mobile payment adoption, according to research by global management consulting firm Kurt Salmon. Among active mobile payment users, 61% say their primary reason for using their smartphones to make payments is the discounts

and rewards they earn. And 27% of active mobile payment users told Kurt Salmon they would share as many personal details as required to get lower prices, compared with only 13% of survey respondents overall.

It's powerful stuff, and pretty convincing evidence for many.

For loyalty marketers, the explosion of interest in mobile payments represents an opportunity to create a more seamless shopping experience for consumers, customize loyalty offers that enjoy better redemption rates, and secure valuable data beyond the transaction about their most ardent customers.

"You've got to stick your neck out," said Chris Gardner, co-founder of Paydiant. "The only bad strategy is doing nothing and waiting for others to figure it out."

Auburndale, Mass.-based Paydiant offers a mobile commerce enablement platform that lets retailers build mobile payments, offers and loyalty into their own apps. Subway is a client, and MCX, a consortium of large U.S. retailers, is using Paydiant's mobile wallet.

Let's face it, smartphones seem to be everywhere: Nearly 60% of Americans have one, and they take them, well, everywhere. Implementing mobile payments is the current topic of most retail boardroom conversations, but loyalty marketers need not let the tail wag the dog.

"Mobile changes everything, but perhaps nothing more than loyalty," Gardner said. "But mobile payments is not the driver – loyalty is the driver."

Chicago-based mobile marketing company Vibes – which counts Home Depot, Sears and Old Navy among its clients – also stresses that dynamic, said Mark Tack, vice president of marketing.

"Mobile payment is just that: one-time transactions. They provide new opportunities to engage with customers," Tack said. "Our advice is use the non-payment side as a bridge to the payment side."

Here are some more pieces of advice for companies considering implementing mobile payments.

#### **NO. 1: USER EXPERIENCE IS CRUCIAL: KEEP IT SIMPLE**

Any company looking to introduce mobile payments would do well to remember the theme of "delight and simplicity," said Joe Rogness, co-founder of Jingit, whose clients include Elmer's Glue and Dr Pepper Snapple Group.

The Minneapolis-based company's platform serves brands and merchants by bringing product marketing dollars into consumer retail transactions in real time. They can, for example, redeem coupons, as well as use rewards they've earned →



by taking surveys and watching videos. It's all handled in the Jingit Wallet, which also includes follow-up interactions that can benefit the retailers and brands.

Apple Pay has set a clear example in mobile payments from which others should learn, Rogness said. "It's a one-hand process, take the phone with one hand, touch the ID, wave it, verify payment ... profoundly simple."

One potential pitfall is creating too many steps, he said. Instead, bring all the factors into the process – the payment, the loyalty piece, the coupons and special offers, etc., without the customer having to think about it.

If mobile payment isn't easy to use and easy to find at their favorite businesses, it won't be broadly adopted by consumers, research by Kurt Salmon shows. Transactions at the point of sale must be accurate and fast from the moment the customer provides a form of payment to the instant the transaction is completed.

Speed is of the essence, for both the consumer and the merchant, Rogness said. Digital couponing traditionally adds 0.3 to three seconds to a transaction, he said. But the busiest merchants, which handle millions of transactions, don't have that kind of time, which is why Jingit invested a lot of time and research into eliminating that extra delay and making processing time a "non-trivial component."

When considering the ease of use, Mark Tack of Vibes recommends that loyalty marketers "think carefully about the user experience when choosing whether to develop your own platform or go with the existing ones. Think about who controls the software on the phones."

With smartphones in so many hands, purses or pockets – a Pew Research Internet Project survey in 2014 found that 90% of Americans have cellphones and 58% have smartphones – people are also more interested in handling their loyalty on those phones instead of or in addition to carrying around plastic membership cards. Almost half of consumers polled (45.9%) have up to five loyalty card program apps on their smartphone, and 8.3% have up to 10 of the apps, according to 2015 Retail Future Trends report by NetWorld Media Group.

This presents an area where loyalty marketers can ease customers into the idea of mobile wallets and mobile payments. Companies that don't accept mobile payments yet may consider getting more loyalty members to download and use their loyalty apps.

Said Tack, of Vibes: "If you're trying to figure out what your strategy is around

**Digital couponing traditionally adds 0.3 to three seconds to a transaction. But the busiest merchants, which handle millions of transactions, don't have that kind of time.**



payments, don't wait ... start with the non-payment side right now."

Getting loyalty members comfortable in an app, he said, "is gonna help your customers start to develop a cadence. That's going to provide a bridge for when you start using, for example, Apple Pay."

Indeed, LoyaltyOne's Mobile App Transaction Study in 2013 revealed that the average app has only about a 22% chance of landing and staying on a consumer's main screen. Successful mobile apps, the study found, often are entertainment-focused and deliver games, music and other fun diversions or they are utility-based and offer services such as news, education, weather and maps.

## **NO. 2: THE VALUE PROPOSITION: WHAT'S IN IT FOR ME?**

Moving to a mobile payments system can make sense, but only if there's a worthwhile return on investment for both the consumer and the company. For the customer, it might come in the form of more loyalty offers and coupons, along with more convenience. For the company, it could mean more valuable data about consumers that can be used to enhance loyalty; and, ideally, that will result in a sales bump. It also creates "consumer stickiness" in several notable ways – they've become engaged enough to take the step to load their payment and loyalty info into the app, and they now have the brand logo embedded into their phone.

In May 2014, national auto parts retailer Pep Boys launched a mobile payment plan that integrated deeply with its loyalty program, using the Passbook platform for iPhone users and the Google Wallet platform for Android users. The launch, which was part of a mobile marketing strategy by Vibes, returned a seven-figure sales result in its first six months, said Ron Stoupa, Pep Boys chief marketing officer.

Stoupa said the auto parts retailer had to shift its thinking to mobile-first to match the shift in customer behavior. By the middle of 2015, more than half of the traffic to pepboys.com is projected to come from a mobile device.

To create and implement the mobile payment system and integrate it with its loyalty and marketing programs, Pep Boys turned to Vibes, which has run more than 400 Passbook and Google Wallet campaigns for 20 retailers.

So far, Pep Boys is having success, said Tack of Vibes: About 26% of its loyalty coupons on the mobile app are being downloaded, with 30% of those downloaded being redeemed online or in-store.

Another way that adding mobile payments in-app can add value for loyalty

marketers is through tender steering, said Gardner of Paydiant – encouraging customers to use certain payment types that are better for the company. The Subway app encourages use of reloadable Subway gift cards, for example.

"It doesn't cost you anything," said Gardner. "That's like 2% more money for you."

Apple Pay doesn't support gift card usage, at least for now. Starbucks' new mobile payment app, on the other hand, supports only its own prepaid Starbucks gift card – customers have a prepaid card associated with the app and can add value to it. This hasn't been an obstacle to customers – 15% of Starbucks transactions are now paid for with the app.



"And (Starbucks is) saving millions on credit card fees," said Gardner. "The ROI of doing it yourself is crazy-good." →

Both the customer and the company need to see the value in adding mobile payments, said Jingit's Rogness. "It might come in the form of loyalty. It might come in the form of offers."

Some loyalty marketers give extra loyalty points if customers use their gift cards instead of credit cards, creating a win-win scenario: Customers win the extra loyalty points, while the companies win the savings created by not having to process a credit card transaction.

### NO. 3: PLAYING IT SAFE

Any company looking to make the leap into mobile payments needs to keep security and fraud on its radar,

of course. But the prevailing wisdom seems to be that advances in guarding data offer new levels of comfort for consumers.

Whether they're adopting Apple Pay, creating their own proprietary system or using a third-party expert to deploy a mobile payment program, say in Passbook and Google Wallet, companies can benefit from the security offered by tokenization, encryption and chip technology (EMV). These security advances are aggressive strikes to move data protection forward in the wake of highly publicized customer data leaks (those were with traditional payment methods), as well as offer protection commensurate with the evolution of mobile payments.

"Unequivocally, almost every mobile payment system in existence is far more secure than storing all your info on the back of a stripe on a plastic card," Gardner said of the security benefit of mobile payments vs. traditional credit or debit cards.

The notion that consumers are necessarily going to be afraid of mobile payments is overblown, he said.

"Communicate to consumers that it's secure, and we won't sell your info," said Gardner. "Communicate, but don't feed into the myth. Everybody is raising the bar."

Equally as important as protecting the customer is protecting the company and guarding the highly valuable consumer data it has collected.

When using a third-party provider, it's critical to determine what happens to customer information, said Rogness at Jingit. "If you're gonna be capturing more data from me, how will you use it? I need to know."

Gardner calls it customer control – organizations want to own the relationships with their customers, own the brand perception and interactions. If using a third party to introduce mobile payments and integrate them with loyalty marketing, they should maintain that control. "You don't want a third party putting their name ahead of yours, wedging their way in there."

In short, loyalty marketers can think of mobile payment adoption as honoring the three S's: simple, savings and safe. Add to that an obvious fourth – smart – and marketers won't need a warning shot to stand apart. ←

Karen Bells is staff writer at COLLOQUY.

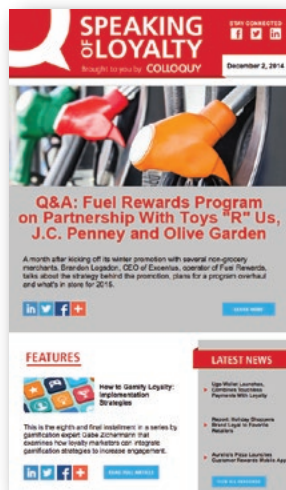


# Your Single Source for **LOYALTY MARKETING** [www.colloquy.com](http://www.colloquy.com)

Your **FREE** subscription provides:



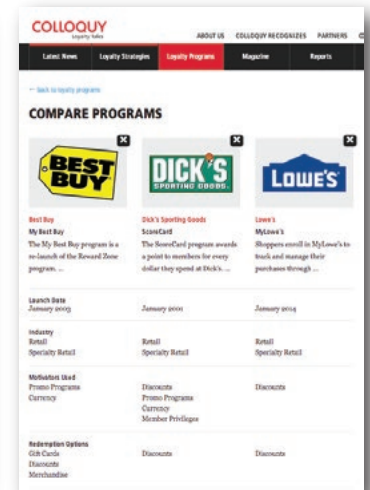
COLLOQUY magazine



Daily breaking loyalty news and weekly e-newsletter



Compilation reports of top stories



Online comparison tool for loyalty programs

Plus access to loyalty thought leaders and industry experts, events and more!

Details and FREE registration at [COLLOQUY.com](http://COLLOQUY.com)

**COLLOQUY**  
Loyalty Talks



**COMING FEB. 10: 2015 Loyalty Census**  
Sign up today and automatically receive the Census results upon release!



## [ TOUCH POINTS ]

# Tapping Into One-to-One Communications

## With Mobile Apps, Personalized Pricing

*These two key strategies use data to help companies more effectively communicate with individual customers. In this column, COLLOQUY contributing editor Brian Ross explains how each enables the other.*



Q

BY BRIAN ROSS

**It may be hard to put a price on loyalty, but thanks to mobile technology marketers can now put a price on personalization – and put personalization into price.**

In fact, among the key strategies for using data to enhance one-to-one communications, the two that stand out most to me are mobile payment apps and personalized pricing. Or, to be more specific:

- Using mobile app data to deliver real-time offers that can engage customers at every point along the path to purchase – from home to checkout.
- Using data analytics to make better pricing decisions on a customer level.

For marketers, these strategies, done well, can represent significant differences in basket size and customer frequency. Timing, however, is crucial. More than one-third of U.S. shoppers have downloaded a food or beverage app in 2013, according to the National Grocers Association. One-third may not seem like a lot of the population, but that represents a 235% increase since 2010.

Fortunately, and thanks to emerging technologies, each of these strategies can enable the other to be more effective. Let's explore how.



In addition to tracking product purchase history, which merchants can do on their own, a loyalty-based mobile app can enable retailers to collect data regarding location, user settings and in-app selections. This additional data can inform a number of one-to-one marketing initiatives.

#### APP POWER

These days, merchants do not have to wait until a purchase is made to send the customer a special promotion; offers can be made in real time right in the aisle. This means that those merchants that have not yet adopted mobile apps risk losing market share.

Forty-two percent of all mobile sales generated among the top 500 mobile-commerce merchants in 2014 took place through an app, according to the 2015 Internet Retailer Mobile 500 report, which gauges the industry. It is not surprising, then, that two-thirds of retailers planned to increase investments in mobile strategy and/or app develop-

ment by more than 5% in the fourth quarter of 2014, according to Forrester.

The investment underscores the degree to which apps engage consumers and encourage increased purchases. However, our own internal research into mobile app use among grocery chains revealed that many lack loyalty card or shopping history integration. This is a costly oversight, since the data collected through a loyalty initiative would provide a highly customer-specific understanding of preferences and needs.

In addition to tracking product purchase history, which merchants can do on their own, a loyalty-based mobile

app can enable retailers to collect data regarding location, user settings and in-app selections. This additional data can inform a number of one-to-one marketing initiatives.

For instance, through a loyalty app's unique identifier, a merchant can learn a particular shopper's in-store browsing patterns and anticipate her needs. For example, if a time-starved mom is passing the baby aisle, she can receive information on a great sale on diapers and healthy convenient meal options in the frozen aisle. Through the use of predictive data analytics, the merchant can further see that this shopper typically buys organic produce and heart-healthy →

items rather than salty snacks. Knowing that shoppers who regularly purchase both organic produce and heart-healthy items tend to spend more—and look for value, tips and ideas—the merchant can additionally send recipes with coupons for the ingredients.

These examples illustrate a key feature that sets mobile apps apart from other forms of marketing – it provides a picture of the consumer’s shopping journey in context, so merchants can communicate in a timely manner both in-store and out of the store.

The data, meanwhile, can enable the merchants to create and send one-to-one communications including offers, fliers and shopping lists that include items the shopper regularly acquires. The analytics also equip them to offer products with personalized pricing.

### PRICE, PERSONALIZED

Personalized pricing is more about making favorites than playing favorites.

It is the practice of tailoring prices according to demand, consumer behavior and competition. With the help of a mobile app, a merchant can personalize an offer in real time, sending limited-time specials on items relevant to a particular shopper.

Retailers ranging from Kroger to Amazon.com use shopper data to identify the products for which customers are most interested in receiving discounts. And consumers are responding. Almost 70% of shoppers (67%) said they most value money-saving offers in their smartphone apps, according to 2013 research by Adobe Systems Inc. Almost seven in 10 (69%) said company emails most influence their purchases.

Typically, such personalized offers are determined at the customer segment level, meaning all customers in a particular segment receive offers for the same products. But with a mobile app’s integration and the right analytics, the offers can be optimized to the individual

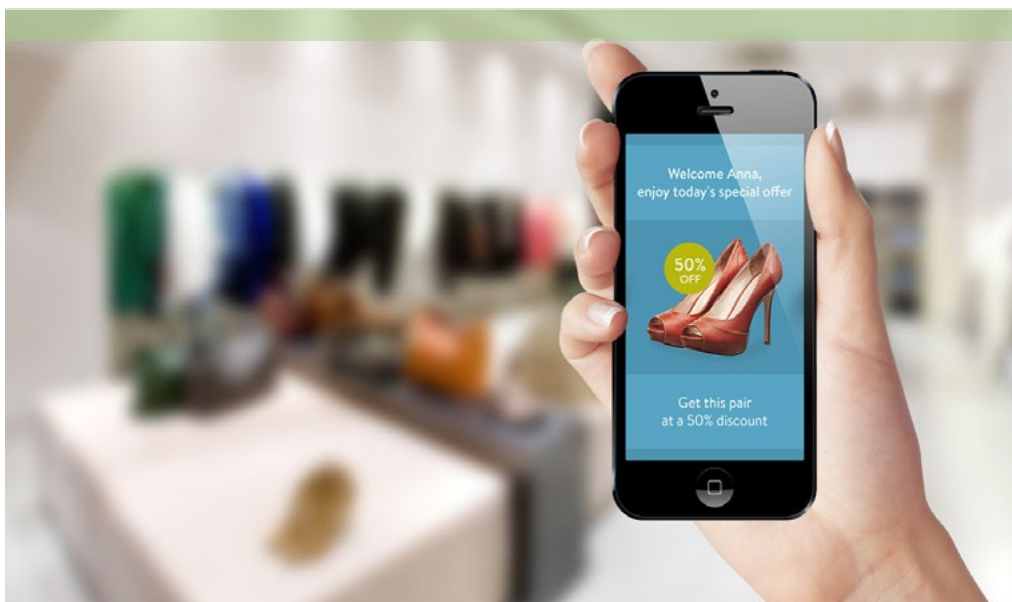
customer and update dynamically as customer preferences change. Using their loyalty program data as a guide, retailers can send electronic coupons via an app to a customer’s mobile phone, incorporating time of day or location into the delivery. (Shoppers can redeem these offers by scanning barcodes or QR codes at the register.)

Further, the customized offers can be designed to reward shoppers for brand loyalty. A program can send a customer who uses a personalized discount an invitation to a limited-time shopping event, or it can simply reward her with double points.

Let’s consider the shopper who approaches the freezer case as an example. Say the shopper is a new mother short on time but willing to make health-conscious meals. Her local grocer can identify her propensity for health, convenience and value. However, in addition to fresh fruit and low-fat dairy items, she occasionally purchases premium ice cream. In addition to offers for the foods she regularly buys, the grocery can send her a special price on ice cream via mobile app when she nears the freezer case. Additionally, because the grocer knows when this shopper last purchased diapers, it can trigger mobile offers for when she is likely to run out, along with coupons for complementary items such as wipes.

The best part of the personalized story – competitors can’t easily copy the strategy because they can’t see it. That’s game-changing. ←

Brian Ross is a COLLOQUY contributing editor and president of Precima, a LoyaltyOne analytics solution.





# Getting in Touch <sup>With</sup> Personalized Pricing

BY BRIAN ROSS

*Matching solutions and shoppers requires a few foundational tools. Following are three key steps for using mobile apps to customize pricing and communicate more effectively with individual customers:*

## USE BEST DATA, NOT BIG DATA

Predictive analytics are essential for a mobile app to effectively personalize the customer experience. An app that captures the necessary customer data involving product preferences, lifestyle indicators and context will inform the merchant of what its customers really want, and what they really want the app to do.

## THINK BIG-PICTURE

A mobile app, if expected to deliver one-to-one communications and pricing, has to be treated as more than a competitive device. It should be implemented with specific, organization-wide goals in mind and then deliver against those goals. To this end, the app should employ one method of sign-in or identification across all customer channels, contributing to a single view of the customer.

## PARTNERSHIPS

Manufacturers already produce a lot of digital coupons, so they represent a natural partnership opportunity for merchants. By overlaying their individual customer insights, retailers and manufacturers can customize their offers based on individual buying behavior, resulting in communications that are more relevant.

*The price of customer loyalty may be hard to quantify, but the tools to achieving it are increasingly accessible and affordable. Mobile apps, fortified with loyalty data, can deliver the pricing, and personalized communications, that turn quantity to quality.*





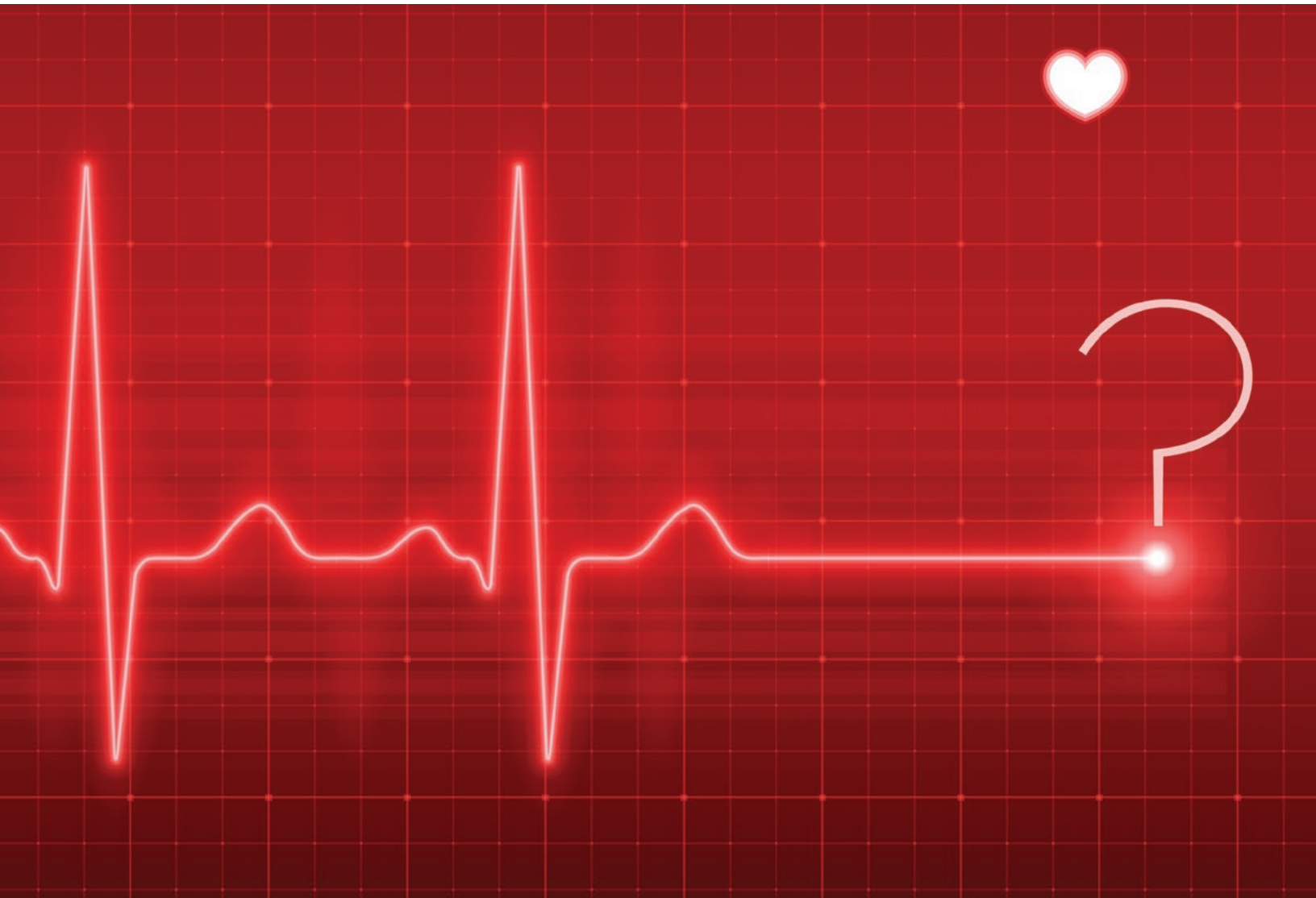
# Is Loyalty Dead?

No, but the next iteration may look very different.

Q

BY LISA BIANK FASIG

---



**If one thing has become clear in the past several years of loyalty marketing, it is that brand allegiance does not increase with numbers.**

U.S. loyalty program memberships have risen by more than 25% since 2012, to 3.32 billion from 2.65 billion, according to the soon-to-be-released 2015 COLLOQUY Loyalty Census. Yet while each U.S. household is enrolled in an average of 29 programs, it is active in only 12. That drop-off rate has grown steadily over recent years, with consumers showing a participation rate of 42% in 2014 compared with 44% in 2012, and 46% in 2010.

The decline serves as an alert to marketers to reconsider not only how loyalty marketing is delivered, but also how it is defined. It also conjures the question: Is loyalty dead, or dying? →



**“Consumers increasingly struggle to make sense of what they are getting from these types of programs. And at the same time the number of programs is expanding, the intelligence of these programs is lagging behind consumers’ expectations.”**

It certainly has changed—and not necessarily for the best. More than a century after S&H Green Stamps introduced the concept of shopper rewards to the public, the ubiquity of loyalty marketing is diluting its value among many consumers. Reward programs are becoming commodities, and decisions on how to manage their pervasiveness are taking place daily, each with the potential to alter what consumers expect from their brand interactions tomorrow.

“Comparing loyalty marketing of today with loyalty marketing of even 10 years ago is like comparing the iPhone with a Commodore 64,” said Bryan Pearson, president and CEO of LoyaltyOne. “Is it dead? No, rather it is vastly more sophisticated, faster and resourceful. As a result consumers have come to expect a lot more from it. Unfortunately, in many cases these expectations outpace the marketer’s ability to keep up.”

Put another way, more consumers are questioning whether they are getting what they expect in return for their dollars and data. Sixty-seven percent of consumers said they do not feel they receive a benefit for sharing their personal information with organizations, according to a LoyaltyOne survey of more than 1,000 American consumers, conducted in August.

All these numbers add up to one reality: Loyalty programs are running into their own success, said Owen Shapiro, market researcher and author of the book *Brand Shift: The Future of Brands and Marketing*.

“Consumers increasingly struggle to make sense of what they are getting from these types of programs,” he said. “And at the same time the number of programs is expanding, the intelligence of these programs is lagging behind consumers’ expectations.”

Following are examples of a young, a revamped and a mature loyalty initiative and how they manage these expectations and strive to maintain relevance, even as their customer relationships change.

#### **HUMANAVITALITY LAUNCHES A HEALTHY SPIN ON SIMPLICITY**

Ask Jennifer Moeller to define today’s relationship between consumers and loyalty and she’ll provide a picture of healthy engagement.

“Regardless of if you’re using punch cards or a mobile app, you need to be simple and transparent,” said Moeller, director of member engagement for the HumanaVitality wellness program. “That’s how you build trust so they want to stay engaged.”

Launched by Humana to its employees in 2011 before being offered publicly in 2012, HumanaVitality now counts 3.8 million members, including Medicare members and those who work for organizations that use different insurers. Fifth Third Bank and the Kentucky Employees’ Health Plan, for example, both pay for and offer HumanaVitality to their employees, the latter with a more than 80% participation rate.



The program rewards members for meeting health goals and for activities ranging from getting a flu shot to wearing a fitness device. Through a member's health assessment, HumanaVitality recommends personalized goals and activities. The rewards (Vitality Bucks) can then be redeemed at Humana Vitality Mall for hotel stays, digital cameras, fitness equipment and more.

HumanaVitality identified three elements on which to base program operations:

**Engage first movers:** Humana researched 18- to 64-year-olds and found mothers were most receptive to what HumanaVitality offered. From this group, it identified those most likely to activate and optimize a program early. Since women make 80% of health care decisions, these first movers helped get the word out.

**Be verifiable:** Humana made sure it could easily authenticate activities through insurance claims, easy-to-fill-out physician forms or wearable

devices, such as Fitbits, which can be synced with the program's app.

**Be easy:** The program is designed so members do not have to manually enter activities. In addition to syncing with wearable devices, the program accepts images that verify accomplishments, such as race results or doctors' forms.

Standing apart is important because even specialty initiatives like wellness programs are becoming common. Seventy-four percent of organizations with health benefits offer at least one wellness program, according to a 2014 report by the Kaiser Family Foundation.

To maintain relevance in this crowded field, Humana relies on feedback from six social media channels as well as a dedicated customer service team of 48. Moeller meets with the customer service team every two weeks to learn what members are requesting and what issues they may be having.

Further, HumanaVitality seeks feedback from member subsets monthly. Among the requests: more devices to track activities, customized challenges involving nonmembers and more ways to earn rewards.

"We have a very vocal group of members who really want to improve the program," she said.

These insights have led to program enhancements including Vitality HealthyFood, through which members earn an average of 10% off of Walmart GreatForYou branded items. Humana also added an initiative for those 64 and older and on Medicare.

Such responsiveness may be all it takes to resonate with members, according to Shapiro. "Many consumers tell us in research that they have been sharing information with marketers for years and still are getting the same old rewards – or rewards that don't fit their needs, or that are seen as random."

Under such conditions consumers are more likely to have an unhealthy view of loyalty. The onus is on marketers to improve the relationship by identifying why their customers interact with them and responding in kind.

#### **RED LION SAYS HELLO TO REINVENTION**

When Red Lion Hotels Corp. – a chain of more than 50 locations in 11 U.S. states and British Columbia, Canada – transitioned from a points-based tier program to a less restrictive recognition program in 2014, the goal was as much about saying goodbye to costs and commodity as it was saying hello to connecting.

The new program, called Hello Rewards, is designed to create unique guest experiences and opportunities through tailored →

promotions, retail services and benefits that reflect member preferences. It also addresses changing consumer perspectives regarding value, in part by simplifying the customer relationship, said Bill Linehan, chief marketing officer for Red Lion.

Among these disrupters, Linehan noted that online travel agency programs such as Orbitz and Expedia are growing faster than brand-based programs. Further, guests and regulators alike now value reward points and miles the same as they do income – some consumers sell their miles to third-party mileage brokers.

Add to this mix the generational shift to younger, more tech-nourished consumers and the result is a changing member mindset regarding loyalty – often more savvy and value-focused.

Traveling consumers have much from which to choose. Memberships in travel rewards programs (airline, hotel, cruise and rental car) rose by 9% to 690 million in 2014 from 634 million in 2012, according to the 2015 COLLOQUY Loyalty Census. Memberships in hotel programs specifically outpaced the industry, up 29% to 289 million from 223.6 million.

This prevalence emphasizes the need to offer something of greater value than generic discounts, said Richard Michalec, assistant vice president of retail strategy and strategic accounts at 1010data, a firm that specializes in data analytics.

“Generic loyalty programs are just a reminder to consumers not to overpay at checkout. These programs aren’t creating loyalty. Rather, they’ve become a way for consumers to collect cards on their keychain,” he said.

This risk of losing the customer became clear to Red Lion through direct interactions and behavioral observances,

“Today, most guests have multiple memberships, making them disloyal to these free programs,” Linehan said in an email interview. “Similarly, brands treat guests differently and have become caught up in a zero-sum game with increased costs and diminishing value, especially since new loyalty disrupters are rapidly emerging.”





Linehan said. “Our members were telling us that they welcome the benefits we provide but they won’t necessarily go out of their way for them because of the larger currency value of point systems. Guests want meaningful relationships; they want to be treated fairly, be appreciated and recognized as individuals.”

In other words, while Red Lion members welcome points, they are not the key factor influencing purchase decisions. Convenience, value and attention to personal preferences motivate purchase behaviors, he said. The fact that the recognition system is less costly than a points-based system certainly helps.

Linehan advises other program operators looking to revamp to focus on what is meaningful and relevant to the target customer, “because everyone else has a similar program,” he said.

“We recognized that loyalty programs in our industry are changing. We saw retail programs that have more meaningful relationships with a higher percentage of their members for a fraction of the cost.

“And we see more change is yet to come.”

### **AMERICAN EXPRESS’ STEADY PATH TRANSCENDS POINTS**

The year American Express launched its Membership Rewards, the first World Wide Web page was served and second-generation mobile phones were introduced.

Twenty-five years later, Membership Rewards has evolved with the times,

from a prestige points program to an inclusive brand, available to consumers of different spending levels and for redemptions ranging from taxi rides to Big Macs. Yet it still maintains prestige. The reason is straightforward, said Michael Rouse, vice president and general manager for American Express Membership Rewards and Loyalty Experiences: A successful program has to transcend points, cash back and miles, and delight the customer at every turn.

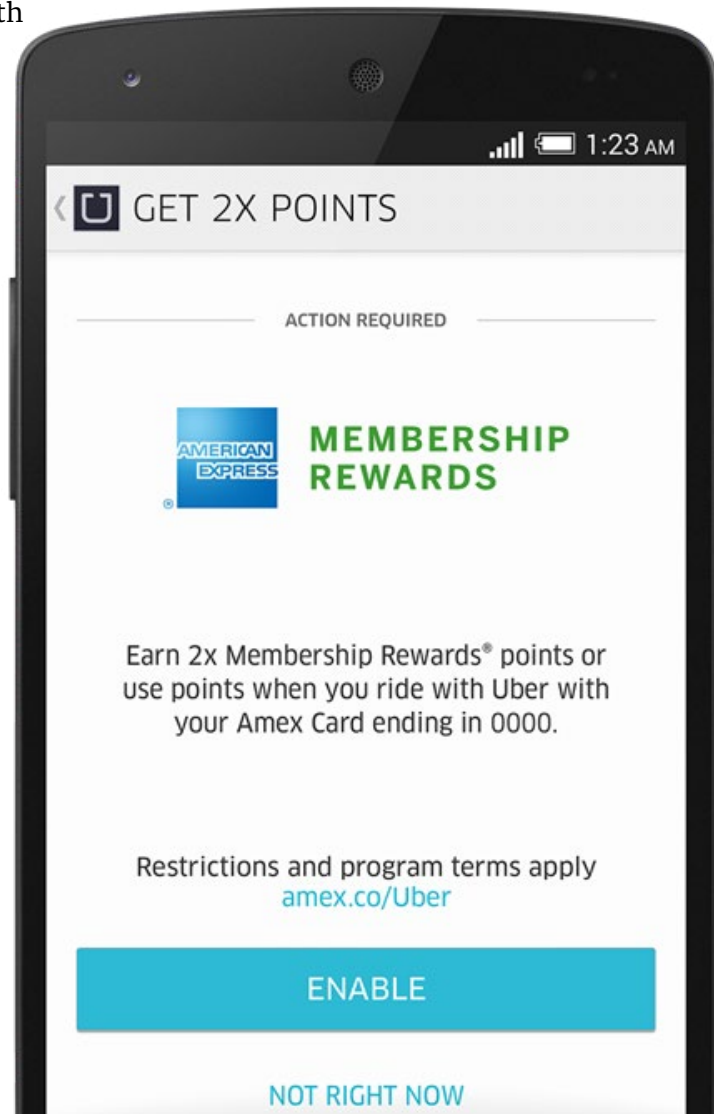
“To survive, you need to build an emotional connection with your customers, not a transactional one,” Rouse said in an email interview from overseas. “If you can make your customers feel something when they earn or use rewards—like joy, excitement or true satisfaction—you can build a long-term relationship.”

Americans are enrolled in 578 million financial services rewards programs, compared with 548 million in 2012, according to the 2015 COLLOQUY Loyalty Census. That represents 5% growth from 2012, which outpaces population growth.

But Membership Rewards does not

simply compete against other banks. In the past decade, loyalty programs have proliferated among grocery stores, drugstores and restaurants as well. To stand apart, the program has to listen to its members and deliver on what they want.

“You have to help the customer make the connection between the points they earn and the rewards they ultimately enjoy,” he said. →



“Our card members are digitally savvy and want personalized rewards that fit their lifestyle. They also want flexible rewards that are easy and convenient to use. It’s not just about having the most rewards to choose from, but the right rewards that match the customers’ interests.”

Digitalization could be one of the biggest opportunities for loyalty, but it also threatens its health, said Benton Gup, professor emeritus of finance at the University of Alabama’s Culver House College of Commerce. “Digitalization – the use of cell phones to handle many banking transactions – makes it less likely that ‘loyalty’ to a specific bank will be very strong in the future,” he said, “unless there is a continuous relationship involving lending, investing, trust services.”

To that end, Membership Rewards has streamlined its app and added ways for members to use rewards at the point of sale – at Amazon and Ticketmaster, for rides with Uber and in New York City taxis, and at McDonald’s.

Further, in 2013, it added a service so members of all spending levels could use points toward a wide range of charges on their bills, including a cup of coffee or ice cream. Other new customer perks include eGift cards, chosen for their flexibility. Most recently, Membership Rewards added Airbnb eGift cards.

Asked if loyalty, as we know it, is dead, Rouse said the industry is moving toward a “major inflection point” wherein companies will need to reinvent the entire rewards experience in order to compete.

“The loyalty programs of tomorrow will connect with the customers in a meaningful way, understanding who they are, what they like and which rewards will leave them feeling truly rewarded,” he said. ←

Lisa Biank Fasig is senior writer and editor at COLLOQUY.



# Keeping Loyalty Alive in 4 Steps

BY LISA BIANK FASIG

Whether launching, revamping or tweaking a long-standing program, marketers have much to consider before taking that next step into the future. Here are four items to assess, from loyalty experts and leading brands:

## PREPARE FOR RAPID RESPONSE

The next generation of programs will need to rely on the exponential growth of insights derived from artificial intelligence, said Owen Shapiro, the market expert and author. "(It's) a more me-oriented form of messaging," he said. "The sort of super-targeted, hyper-personalized messaging that is becoming possible with the convergence of big data, artificial intelligence and ubiquitous mobile and personal devices of all kinds."

## FIND COST-EFFECTIVE REWARD MECHANISMS

There are many effective reward options beyond the traditional incentives, such as granting 500 points to those who open an account, said Jeff Berry, research director of COLLOQUY. "Through card-linked offers, for example, merchants can partner with financial institutions and use the data to selectively send offers to consumers based on their purchase history," Berry said. While widely adopted among retailers and banks, this strategy can be expanded to other industries. MasterCard's Pay With Rewards, for instance, allows members to redeem points pretty much anywhere that accepts MasterCard around the world.

## BUILD FOR ADAPTABILITY

The fewer restrictions, the more flexible the program and the more responsive the consumer. Red Lion Hotels, for example, spotted an opportunity to move from a points-based loyalty program with published tiers to a more cost-effective guest recognition program that is less restrictive and is, as a result, more rewarding to its members. American Express, meanwhile, has made its program more inclusive to consumers of all spending levels and allows point-of-sale redemptions with McDonald's, Amazon and Uber.

## MAKE ENGAGEMENT AUTOMATIC

Brands would do well to focus on customer engagement as much as, if not more than, acquisition. One way to get members to welcome a brand into their lives is by making the consumer-loyalty interaction as automatic as possible. HumanaVitality removes requirements for members to enter any data into a website, and instead offers an app that syncs with wearable devices and accepts uploaded images as proof of activity.





# COLLOQUY

Recognizes



JAN/FEB 2015

For 25 years, COLLOQUY has served as a leading publishing, education and research practice, bringing together loyalty practitioners from around the world. From this unique vantage, the COLLOQUY editorial team chooses the programs and initiatives that exemplify the most forward-looking strategies in loyalty today. Below is our January/February set of winners. Click the logo to link to the winner's full report.



#### **COLLOQUY RECOGNIZES THANX FOR PROGRAM TO WATCH**

Many retailers don't know which customers visit only once, nor the identities of their best customers. Thanx's mission: Make it easy for merchants to identify, retain and reward their best customers. Its loyalty solution lets merchants track and reward for purchase activity without additional hardware or point-of-sale integration, and customers earn real-time rewards via mobile phones. Client merchants have grown transaction size and frequency by 30% to 50%. *Read more.*



#### **COLLOQUY RECOGNIZES UNITED COMMUNITY MISSION FOR CAUSE MARKETING**

United Community Mission's program solves problems for nonprofits, consumers and businesses at once. A secure account lets consumers donate to nonprofits any-time they make a purchase via registered credit or debit cards from a participating business. The approach takes the hassle out of donating and helps nonprofits with the difficult task of fundraising. In its first year, the program also increased awareness and sales at the member businesses. *Read more.*



#### **COLLOQUY RECOGNIZES AMERICAN AIRLINES AADVANTAGE PASSPORT CHALLENGE FOR GAMIFICATION PROMOTION**

American Airlines created a promotion that let loyalty members translate their virtual adventures into real-life travels. Hosted on Facebook, the AAdvantage Passport Challenge let participants earn bonus miles for social media activity and participation in games. By completing tasks and getting more engaged with American and its partners, members could reach a maximum of more than 10,000 bonus miles. The challenge enrolled new loyalty members and introduced existing members to its 2014 merger partner, US Airways, among other goals. *Read more.*

#### **NOW ACCEPTING NOMINATIONS FOR MARCH/APRIL COLLOQUY RECOGNIZES AWARDS**

Click here and complete the short questionnaire to nominate your company's program or initiative for a COLLOQUY Recognizes award. Winners are chosen bimonthly by the COLLOQUY editorial team and receive recognition in COLLOQUY magazine and with a personalized crystal award at the annual COLLOQUY Loyalty Summit.



# OVER-THE-MOON OR UNDERWHELMED?

**Over 50% of customers are unsatisfied with the value they get from their loyalty programs.**

In today's challenging economy, customers are exercising greater caution and discretion than ever when making purchases and product selection. And with more and more competition sharing the landscape, it is critical for your loyalty program to build meaningful relationships that turn one-time purchasers into lasting brand advocates. Only through constant evolution can it retain its edge over other programs.

Find out how **Loyalty Compass** can help you improve the performance of your loyalty program.

Call one of our consultants at 1-888-515-8515 or visit [loyalty.com/compass](http://loyalty.com/compass)





# COLLOQUY

## Loyalty Talks

313 W. Fourth Street  
Cincinnati, OH 45202  
Telephone: +1.513.248.9184  
FAX: +1.513.231.0555  
Email: [info@colloquy.com](mailto:info@colloquy.com)  
[www.colloquy.com](http://www.colloquy.com)

**Not a subscriber? Sign up now – it's FREE!**

COLLOQUY.com is your professional resource for loyalty intelligence. Subscribe now for complete benefits:

Bimonthly COLLOQUY magazine | Speaking of Loyalty weekly e-newsletter | Daily breaking news | Timely and comprehensive reports | Loyalty program summaries

Subscribe now for complete access to COLLOQUY.com.