



LOYALTYSUMMITCXM

WHERE ENGAGEMENT BEGINS

Zürich, Switzerland
15-17 March 2023



SPEAKER

Cristina Ziliani, Ph.D Professor of Marketing
and Scientific Director Loyalty Observatory, University of Parma

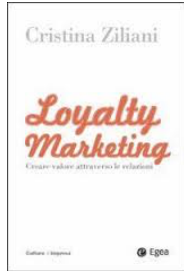
Evolution of Loyalty Strategy

*What are the leading innovations that
will transform loyalty over the next 10 years*

Prof. Cristina Ziliani, Ph.D
Loyalty Observatory – University of Parma, Italy

THE LOYALTY OBSERVATORY IN PARMA, ITALY

Osservatorio Fedeltà UniPR – The Loyalty Observatory



Founded in **1999**
70 academic papers
5 books
30 sponsors
22 conferences
4000 participants
900 companies
160 speakers
100 dissertations on loyalty

The Yearly Conference



Osservatorio Fedeltà UniPR – The Loyalty Observatory



Our yearly surveys



Italian households

NielsenIQ Consumer Panel
**representative of Italian
population**

25 million families

Sectors vary every year
Permanent focus on
supermarkets/grocery
loyalty



Brands and Retail Chains

Between 150 and 250
companies every year

11 sectors

70% B2C
35% consumer goods
40% retail
25% other services



Vendors of Loyalty, CRM and CX solutions/tools

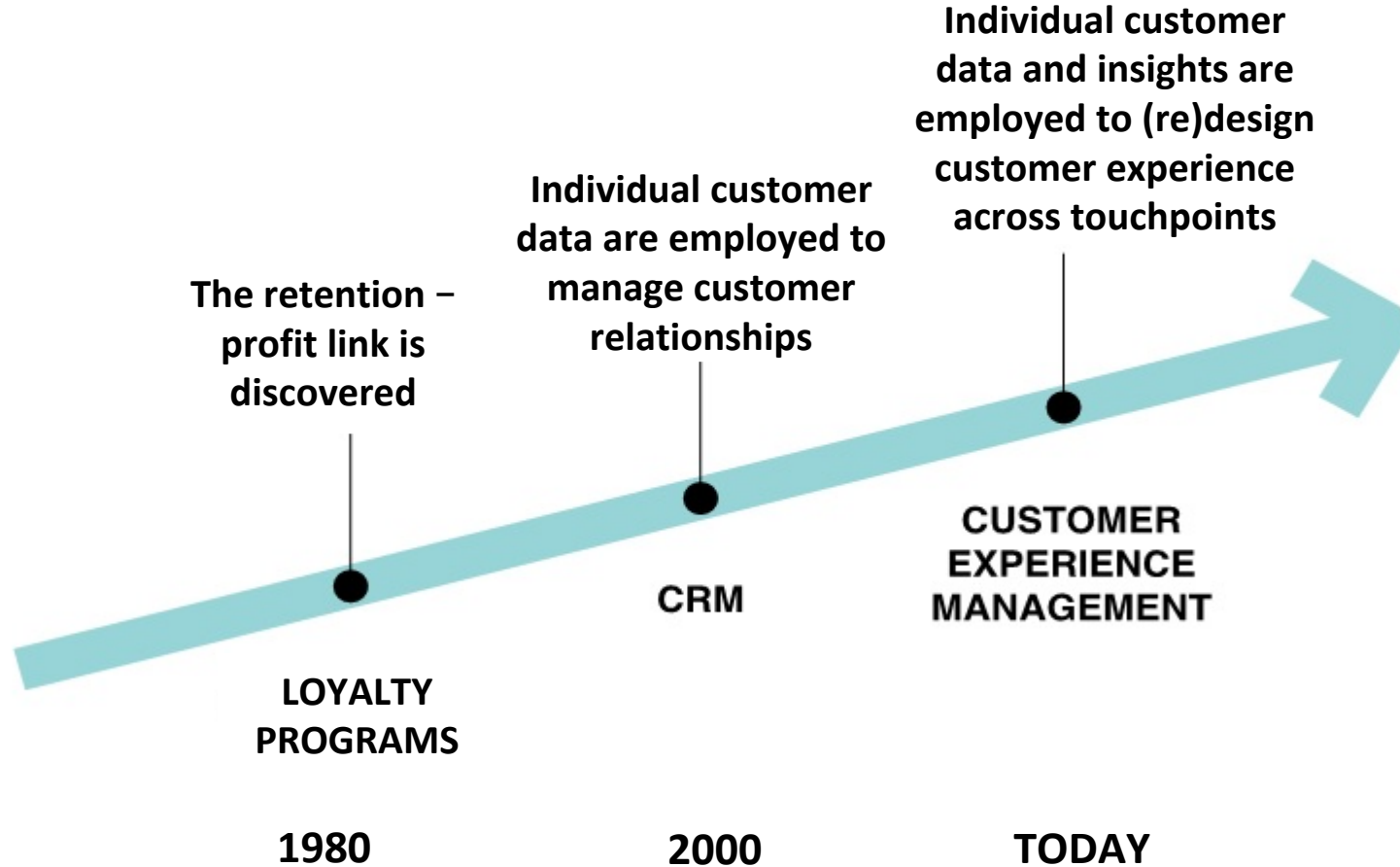
100 vendors

17 categories
in the loyalty, CRM and
CX market

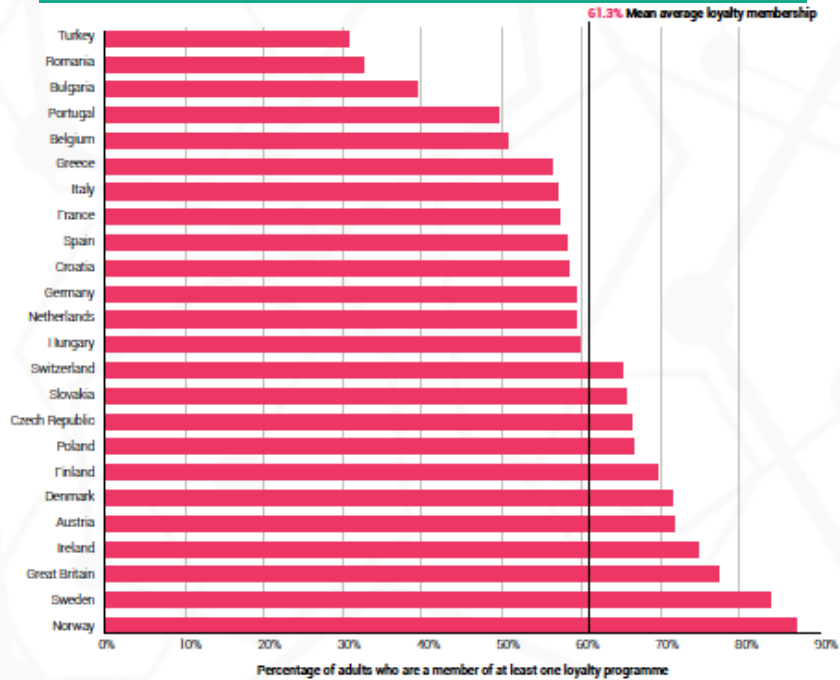


OUR VISION: THE EVOLUTION OF LOYALTY MANAGEMENT

The evolution of Loyalty Management



Loyalty membership in Europe

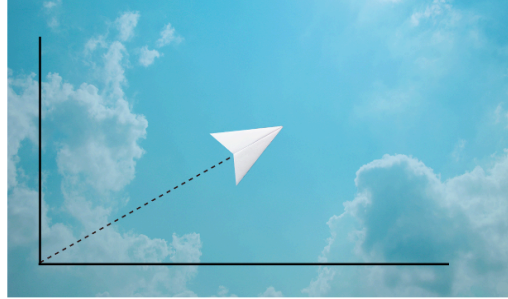


Source: Mando-Connect and YouGov, 2023

How Loyalty Programs Are Saving Airlines

by So Yeon Chun and Evert de Boer

April 02, 2021



HBR Staff/Unsplash/zakolor/Getty Images

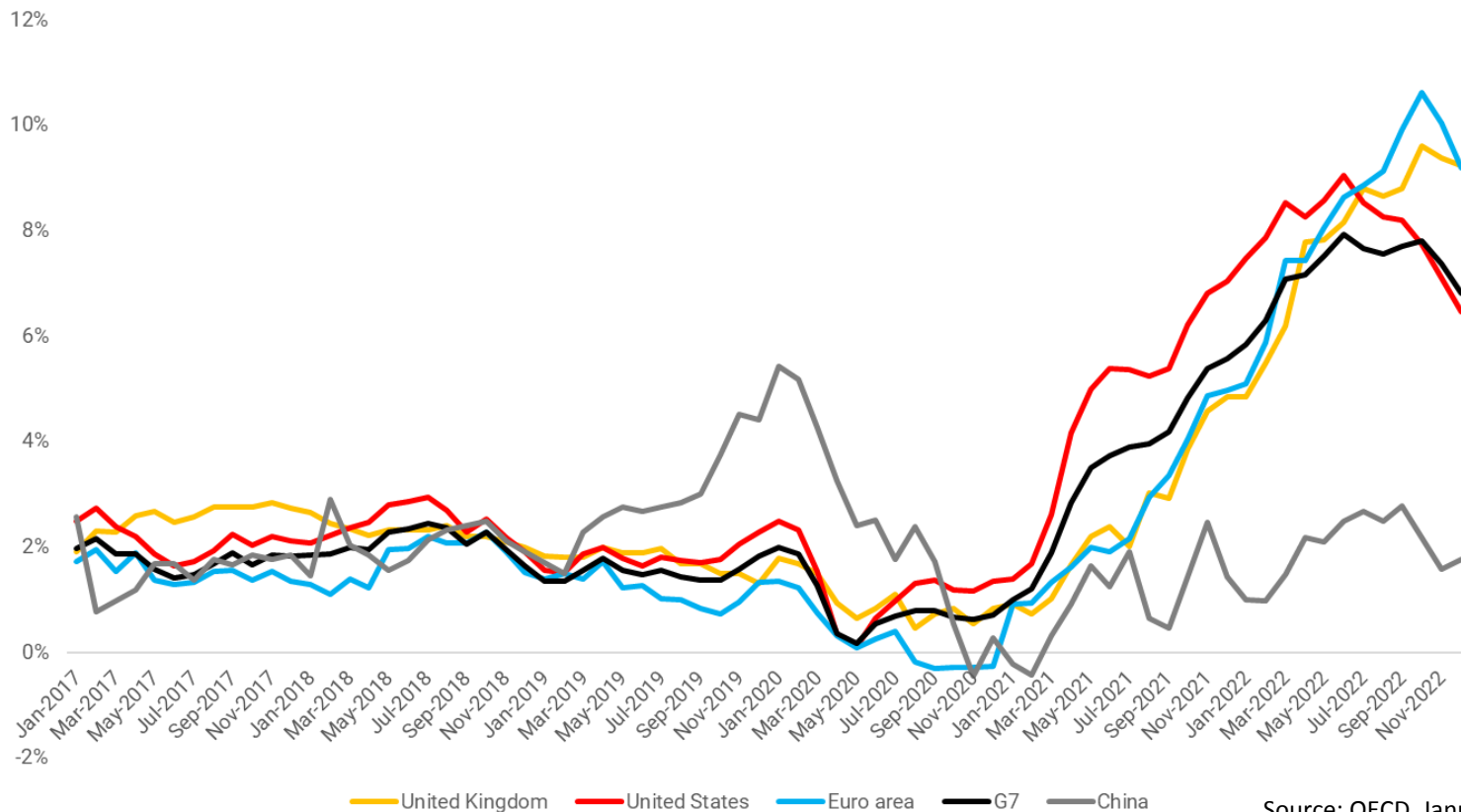


89% of respondents trust loyalty programs to help them overcome the inflation crisis and potential recession

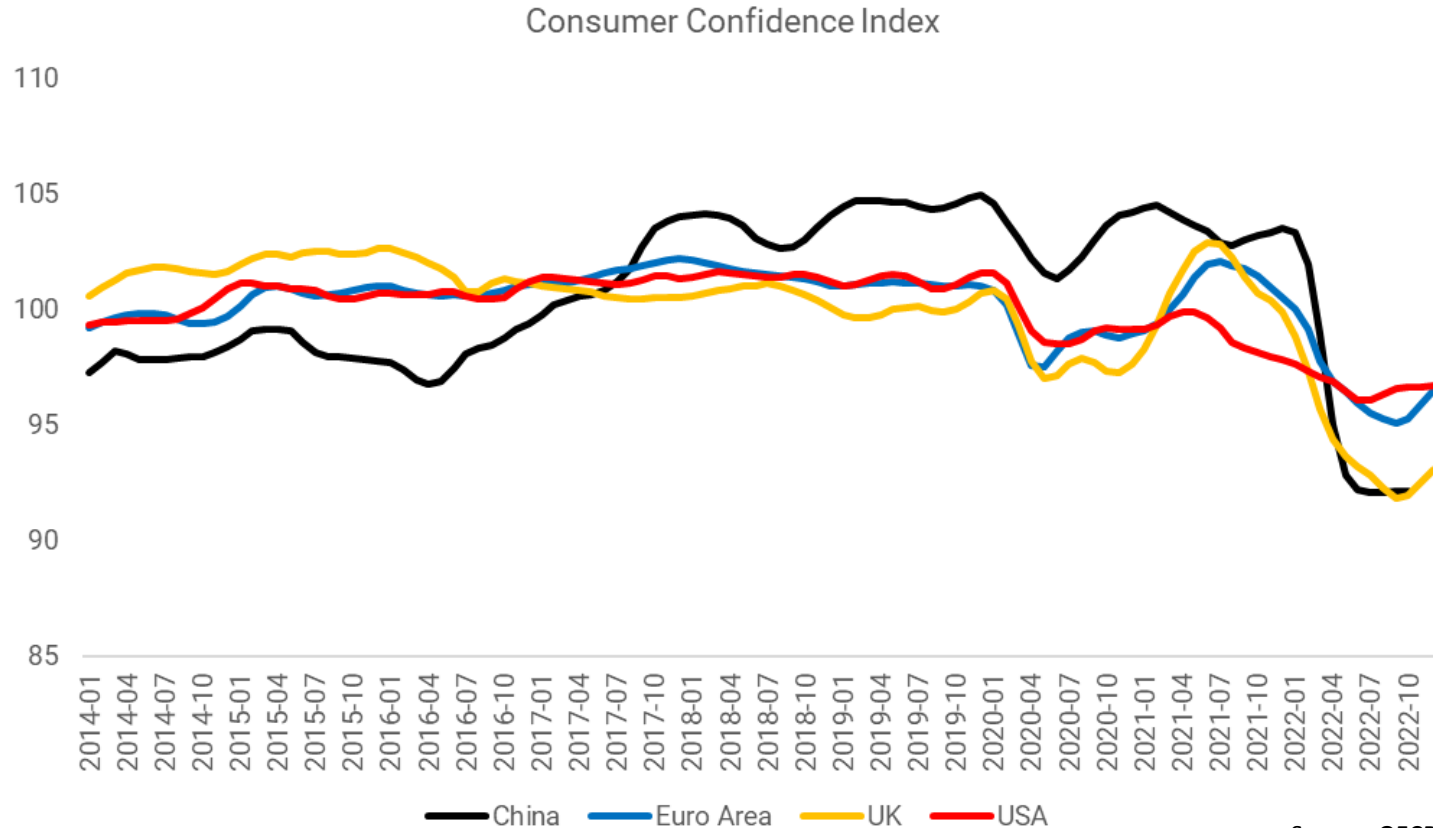
Antavo Global customer loyalty report 2023

The Inflation Challenge

Inflation (Consumer Price Index - All items, Year-on-Year)



Consumer Confidence



How loyalty programs support companies in fighting inflation and value protection for customers

Price promotion targeted to price-sensitive customers in DB

Systematic compensation in vouchers for price increases

Cheaper alternative finder button, based on AI

Increased value of subscription

Cheaper subscription options

Interest free card-based loan for households in need

Reserving the majority of offers for members only

Discount on energy bills, for members only

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Il faut savoir garder les prix sur terre. E.Leclerc lance le bouclier anti-inflation.

L'inflation s'installe et menace votre pouvoir d'achat au quotidien. Nous mettons tout en œuvre pour limiter les augmentations et rester les moins chers. Et, pour vous permettre de faire vos courses en profitant des meilleurs prix, nous lançons le « bouclier anti-inflation ». Il assurera une protection de votre pouvoir d'achat sur **une centaine de produits** que vous consommez au quotidien. Si, malgré nos efforts, les prix de ces produits venaient à augmenter, **vous serez automatiquement crédité, en Tickets E.Leclerc sur votre carte de fidélité, du montant de l'augmentation**. C'est la garantie que votre pouvoir d'achat sera préservé.



Price promotion targeted to price-sensitive customers in DB

Systematic compensation in vouchers for price increases

Cheaper alternative finder button

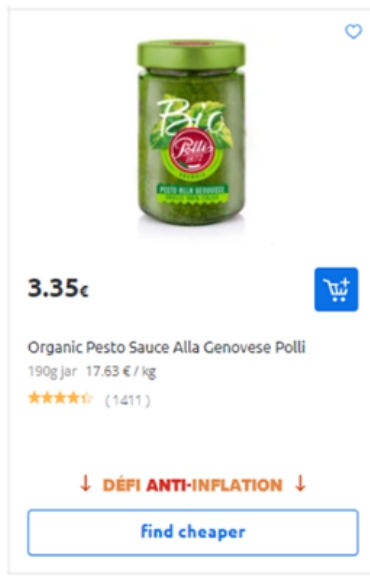
Increased value of subscription

Cheaper subscription options

Interest free card-based loan for households in need

Reserving the majority of offers for members only

Discount on energy bills, for members only



An 'anti-inflation button' has been deployed across 8,000 products on Carrefour's online platform, using algorithms to offer shoppers between two and six cheaper product alternatives

When a customer presses the anti-inflation button, in 21% of cases they add a product offered by the algorithm to their basket.

Price promotion targeted to
Price-sensitive customers in DB

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Discount on energy bills, for
members only



Kroger introduced Boost, a subscription for delivery and loyalty program:

- Double fuel points for every \$ spent and free delivery of orders above 35\$
- 59\$ year free 24 h delivery
- 99\$ year free 2 h delivery
- "Welcome pack" with products from participating brands, worth 100\$
- Retention increased +600 base points since launch

Price promotion targeted to price-sensitive customers in DB

Systematic compensation in vouchers for price increases

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Reserving the majority of offers for members only

Discount on energy bills, for members only

Amazon quietly tests even cheaper Prime membership in India

Jagmeet Singh @jagmeets13 / 1:17 PM GMT+1 • January 14, 2023

Comment



Prime Lite Membership benefits applicable for all [Prime Eligible](#) ✓prime it include:

Free Delivery to eligible addresses



- Free Two-Day Delivery, Standard Delivery.
- Free No-Rush Shipping to eligible addresses and ₹25 cashback. For more details, go to [About the No-Rush Shipping Program](#).

Discounted delivery charges to eligible addresses

%

- Morning Delivery to eligible addresses at ₹175 per item.
- **No minimum order value** required for FREE Standard Delivery.
- Refer to [Shipping Speeds and Charges](#) for more details

Amazon Pay ICICI Bank Credit Card



- Eligible Prime members earn 5% cashback on Amazon.in purchases.
- Digital and Gift Card purchases are exempt because they earn 2% back, in addition to rewards everywhere else you shop.

For more information, go to [Amazon Pay ICICI Bank Credit Card](#).

Amazon Prime Video



- Unlimited video streaming of the latest movies, award-winning Amazon originals, Live sports and TV shows from India and around the world across 2 devices in SD quality with ads.
- Amazon Prime Video content is available on Prime Video Android/iOS apps, and is subject to [Amazon Prime Video Terms and Conditions](#).
- For more details, go to [Prime Video](#).

Prime Early Access & Exclusive Deals

- Early access to Lightning Deals on Amazon.in
- Exclusive Lightning Deals and Deals of the Day for Prime members

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**Discount on energy bills, for
members only**

Coop Sweden Offers Lower Electricity Prices For Members

August 31, 2022 1:58 PM





Omnichannel customers are worth more



Customers who also shop through the app spend from 2 to 4 times more than store only ones



Omnichannel customers have grown 34% and spend 3 times more than store only ones



Customers who buy both online and in store spend 3 times more than store only ones



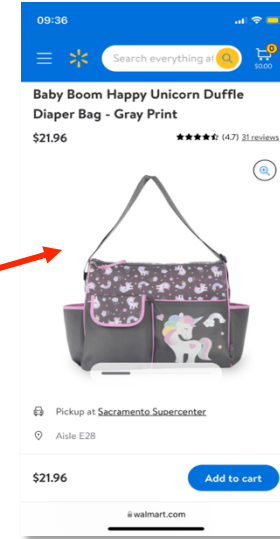
Customers who use both the website and the app make **2,5 times more reservations per customer**; gross margin per customer and repeat reservations than website only customers



Customers who become omnichannel buy on average 27% more than other customers two years after their first ecommerce purchase and have a higher retention rate (97%) than store only ones



Customers who add a digital channel display a retention rate of **98%**



25% of Walmart customers visited the retailer's website shortly before entering the store

Panera's drive thru voice assistant

- Speed of service **+20%**
- Order accuracy **100%**
- Drink sales **+150%**

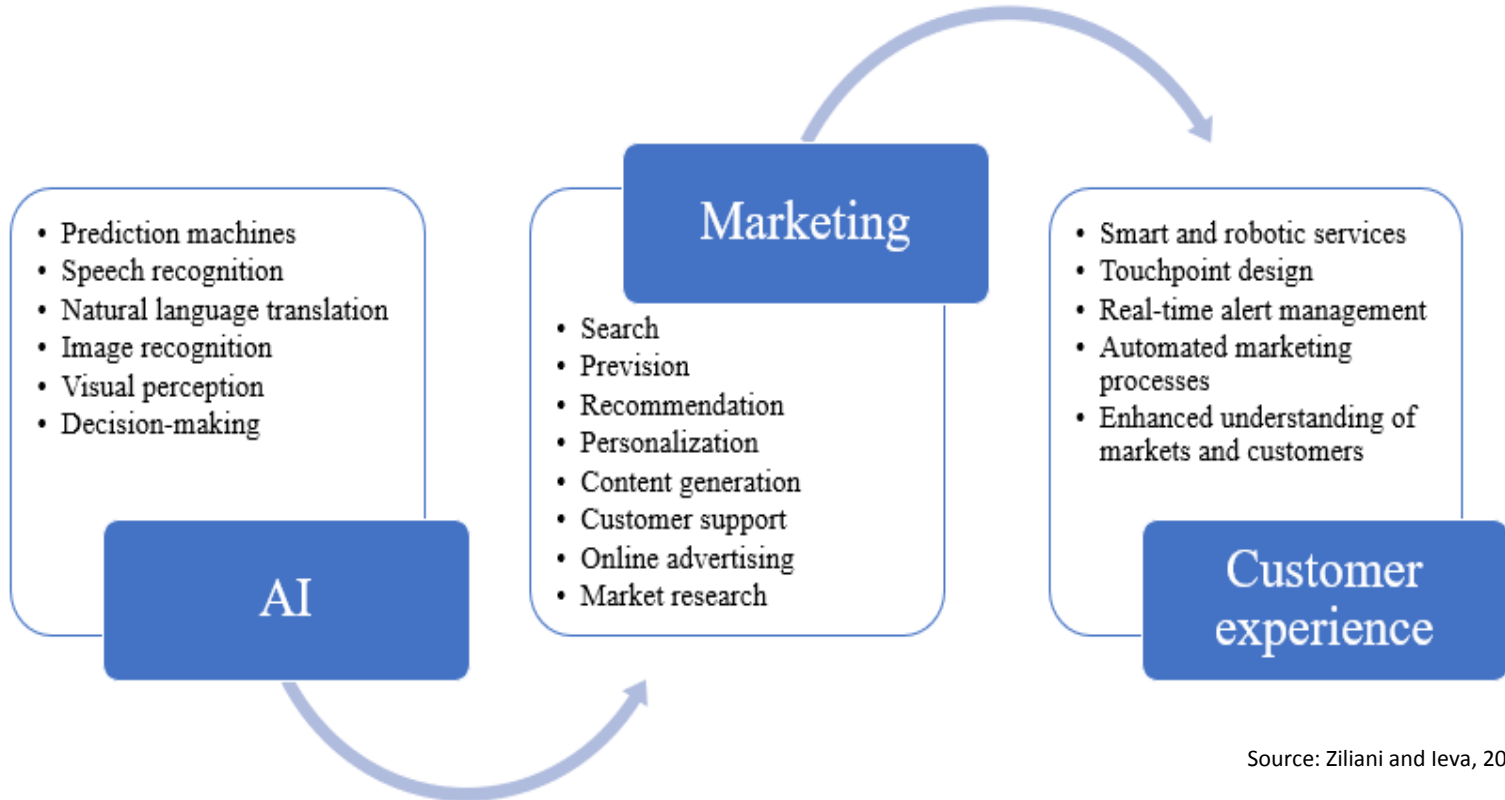
This food tech startup is helping brands like Panera Bread and Popeyes boost drive-thru sales with a voice bot named **Tori**

■ NANCY LUNA | SEP 6, 2022, 21:48 IST



Hi, I'm **Tori**.
Here to quickly
get your order right.

Artificial Intelligence impact on Marketing and Customer Experience Management



Source: Ziliani and Ieva, 2019©

The rise of Retailer Media Network



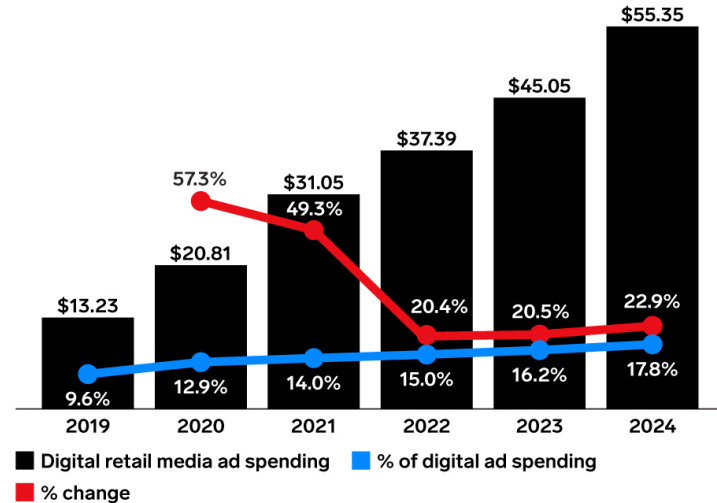
Source: adapted from dunnhumby 2022

OMNICHANNEL/ TOUCHPOINTS / PAYMENTS/ BLOCKCHAIN / NFT / RETAIL MEDIA NETWORK /
INFLATION/ INCREASED LP VALUE/ SUSTAINABILITY/

In the USA, retail media advertising spent is:

- **37.4 billion \$**
- or **twice** TV advertising spent
- and **15%** of overall digital advertising spent

US Digital Retail Media Ad Spending, 2019-2024
billions, % change, and % of digital ad spending



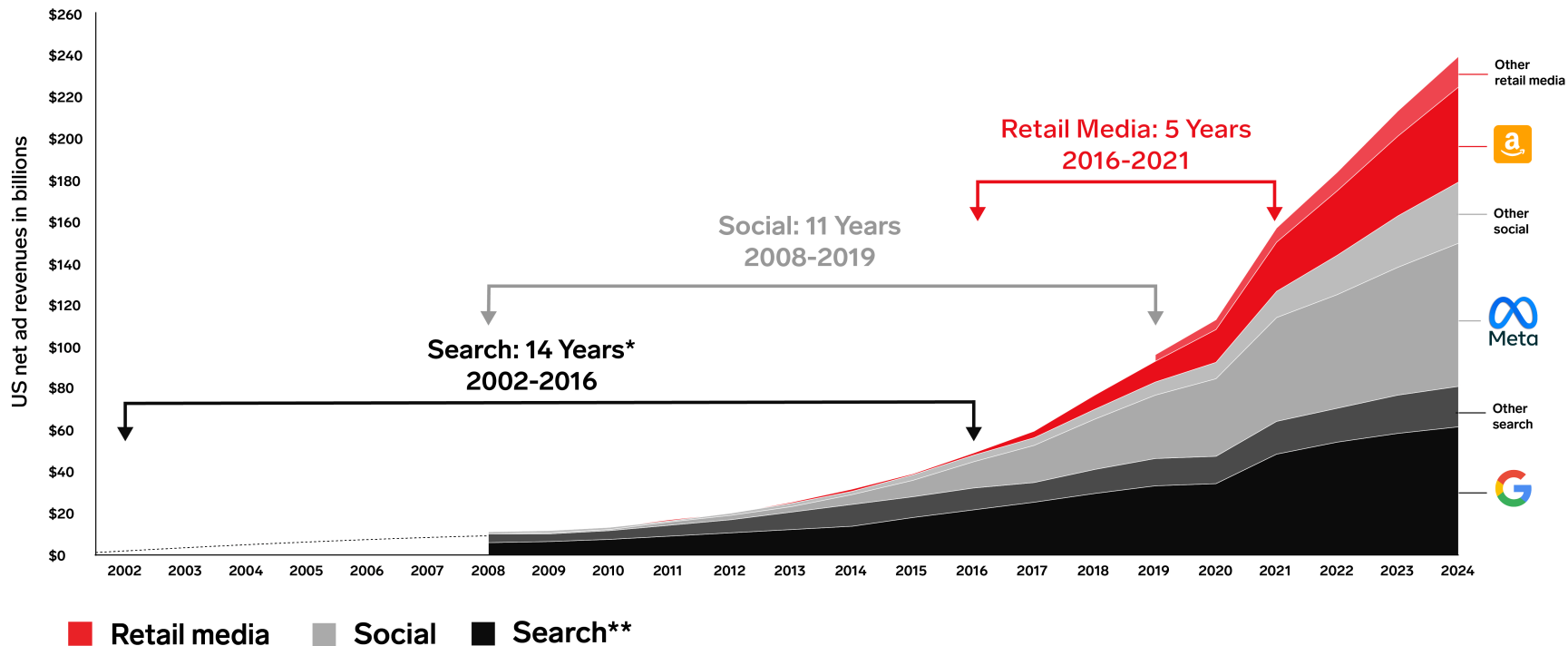
Note: digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce or is bought through a retailer's media network or demand-side platform (DSP); examples of websites or apps primarily engaged in retail ecommerce include advertising on Amazon, Walmart, and eBay; examples of retail media networks include Amazon's DSP and Etsy's Offsite Ads; includes ads purchased through retail media networks that may not appear on ecommerce sites or apps

Source: eMarketer, Oct 2022

280126

eMarketer | InsiderIntelligence.com

Years For Search, Social, and Retail Media Advertising Markets to Grow From \$1 Billion to Over \$30 Billion



WALLET

**BUY NOW
PAY LATER**

**PAYMENTS
+
LOYALTY**

**PAY WITH
POINTS**

CRYPTOCURRENCIES

- BNPL market will grow from 22.8 billion \$ in 2022 to 90 billion \$ in 2029, at a CAGR of 21.7%
- BNPL operators have launched loyalty programs
- Klarna's Rewards Club di Klarna credits your points when you repay on time
- Points can be redeemed at a variety of partners such as Amazon, H&M, Walmart and Starbucks
- Members access exclusive content, offers and experiences
- Has launched a wallet to hold digital cards of store based retailers



Klarna.
Smooth shopping

Source: Fortunebusinessinsight 2022

Ethereum Merge: what it means for the crypto-currency industry

Sep 14, 2022



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INFLATION/ INCREASED LP VALUE/ SUSTAINABILITY/

Source: World Economic Forum [weforum.org](https://www.weforum.org)



- Budweiser
- Luis Vuitton
- Marriott
- Taco Bell
- Clinique
- NFL football league
- Burger King
- Sony
- AMC
- Burberry





STARBUCKS[®]
ODYSSEY
BETA

Your Journey Starts Here.


We're happy you're embarking on this journey with us. Here's what you can expect in the Starbucks Odyssey Beta experience.

Earning Points

✓

>

>



784

Complete activities like games and challenges within each Journey to earn

Once you complete a Journey, you'll be awarded with a collectible

Watch for opportunities to purchase limited edition Stamps featuring

FOREVER ∞

MOVE & EARN

MOVE & EARN

Earn one step at a time



Earn points a whole bunch of ways, from signing up and completing your profile to buying an item through the app or online and logging your workout in the Adidas training app.

Earn app points through the adiClub Give Back program by sending in your old items, which Adidas can resole, reuse or recycle. It's a win for your closet and for the environment.

How will loyalty programs evolve in the next 1-2 years?

Italy	% in Retail	Total B2C	
More rewards related to purchase behaviour	61	53	Higher than international benchmarks
Offers and rewards related to "values"	46	47	
More experiential rewards	42	40	
More gamification	42	39	
Launch/improve program app	37	31	
More digital rewards. E.g. giftcards	35	30	
Reorient program towards environmental and social sustainability	26	30	
Improve redemption experience	16	24	
Add theme based clubs	19	17	
Extend program to other brands in portfolio	9	13	
Launch new program	11	11	Lower than International benchmarks
Social community for members	7	10	
Add levels	5	7	
Reduce levels	5	5	
Add "buy now, pay later"	0	4	
Add "early access offers"	4	2	
Add crypto and/or NFT	2	2	
Add subscription level	4	2	

ESG actions rewarded in loyalty programs

The adoption of responsible behavior - Total of 66.1%

15.3%

50.8%

The purchase of ethical products - Total of 64.5%

12.9%

51.6%

Charitable contributions - Total of 70.2%

21.8%

48.4%

Healthy lifestyle choices - Total of 54.0%

15.3%

38.7%

Shares in the company - Total of 17.0%

5.7%

11.3%



Currently offer



Plan to offer in the next three years

HOW ARE YOU CURRENTLY INTEGRATING SUSTAINABILITY INTO YOUR LOYALTY PROGRAM?

We offer sustainability-related redemption options

32%

We offer bonuses or incentives for booking sustainable options

45%

We partner with suppliers that prioritize sustainability

38%

We contribute a portion of revenue to sustainability causes or organizations

37%

We have a statement reflecting our commitment to sustainability

30%

We do not integrate sustainability into our loyalty program

15%



Source: iSeatz, 2023



30%

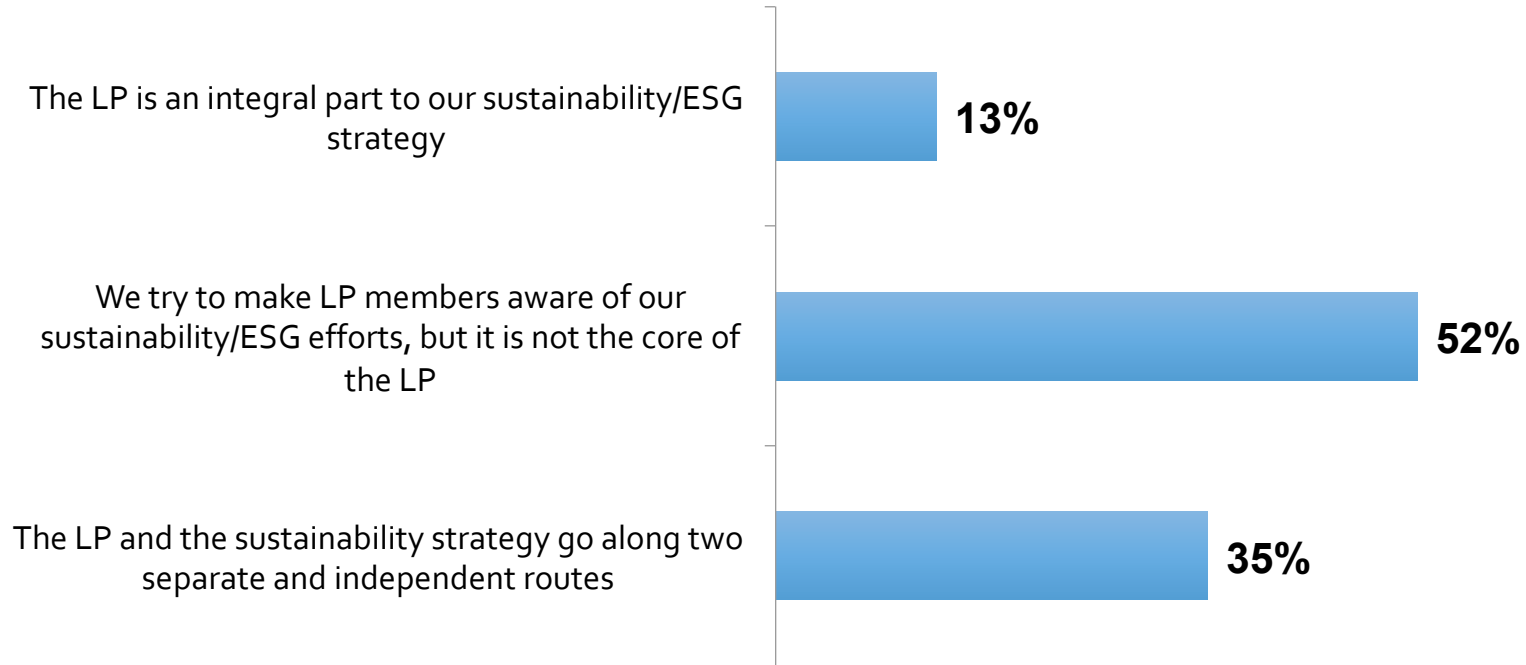
Companies that will reorganise the LP entirely around sustainability

47%

Companies that will introduce offers and rewards related to “values” such as sustainability

Source: Osservatorio Fedeltà survey, 2022

What is the relationship between your sustainability strategy and the LP?



Source: Osservatorio Fedeltà survey, 2022

62
cases

16
industries

12 countries

- Adidas
- Air Canada
- Alibaba
- Amazonsmile
- Beer Hawk
- Best Western
- Binee
- Body Shop
- Boots
- Brewdog
- Cogo
- Coop Denmark
- Coop Uk
- Costa Coffee
- Credo Beauty
- Cuyana
- Decathlon
- EB Games
- Epic impact
- Etihad
- Fiat
- Four State
- General Mills
- Girlfriend collective
- Good Vibes
- H&M
- IHG hotels
- Ikea
- Jet Blue
- JohnLewis
- Jules
- Kiabi
- Kiel's
- Kroger
- L'Occitane
- Leroy Merlin
- Lufthansa
- Lush
- Maakola
- Madewell
- Makeup Eraser
- Mango
- Marks&Spencer
- McDonalds
- Nature et Decouverte
- Plae
- Points for Good
- Quantas
- REI
- REM
- SAM's club
- Sephora US
- Tentree
- The Body Shop
- The Gap
- The North Face
- Vans
- Veja
- Yves Rocher
- Zooplus

LP involvement with sustainability

Donate your
points/credit

Earn points/credit

Support a sustainable lifestyle



OMNICHANNEL/ TOUCHPOINTS / PAYMENTS/ BLOCKCHAIN / NFT / RETAIL MEDIA NETWORK /
INFLATION/ INCREASED LP VALUE/ SUSTAINABILITY/

Earn points/credit when:

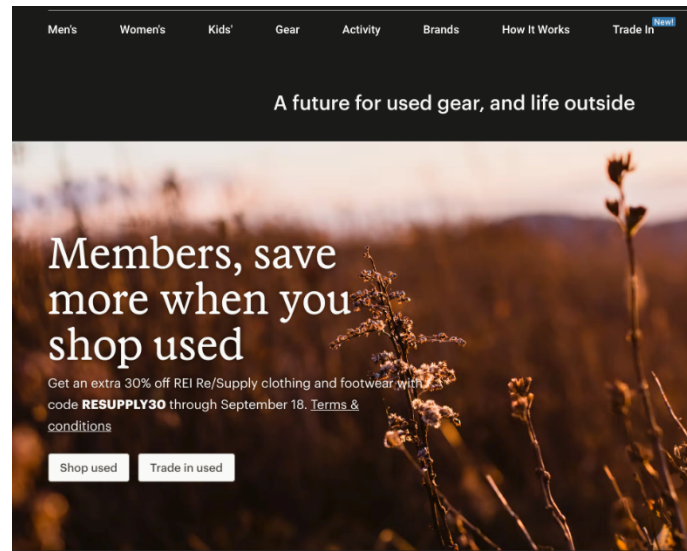
- Ask the hotel not to make up your room (IHG hotels)
- Stay at an eco - friendly lodge (Quantas)
- Have your shoes repaired (Veja)
- Post pics of your self involved in ecofriendly activites (Girlfriend collective) or use the hashtag #nomorewipes (Make up Eraser)
- Use the recycled paper cup, not the plastic one (Costa Coffee)
- Choose store pick up instead of home delivery
- Take the ecological footprint test (L'Occitane)
- Set off the CO₂ emissions of your flight, or car, or home (Etihad)
- Travel with less luggage (Etihad)
- Recycle plastic bottles or cosmetics' packaging (Credo Beauty, Boots, John Lewis)
- Recycle garments (Mango)
- Buy used (REI) or eco-designed products (Decathlon)

Decathlon



- +10 points when you buy second-hand gear
- +10 points when you buy “ecodesign” products
- +100 points when you take part in eco-activity

REI



Members can purchase used sportswear or trade it for store credit in dedicated online shop

Ikea

- Launched buyback program for used Ikea furniture
- Program members returning Ikea pieces get a credit to spend in store (from 50% to 30% of original product price, based on item state)
- Used furniture is put on display for re-sale in a special in-store corner

IKEA Family Sell-Back Program

At IKEA, we believe the value of an IKEA product is a beautiful thing not to be wasted. We know that sometimes you need to part with a piece of furniture because it no longer suits your needs, and we want to give those products another life. **IKEA Canada's "Sell-Back" program** is a smarter way to look at the value of your unwanted furnishings. When it's time to say goodbye to the things that are outdated, unwanted or cluttering your home, we'll buy them back from you in the form of an IKEA in-store credit. It really is that simple and easy!

We'll do our best to give another life to the items we buy back, so that you benefit, the community benefits, and so does the planet. Together, we're making a more beautiful world.



L'Occitane

- Points for taking plastic containers to store to recycle
- Points for taking the ecological footprint test
- When customers buy purpose designed ecofriendly fair trade products, all revenues go to charity
- Employees can regularly donate to charity from their salary
- New fully sustainable store



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Alibaba Launches Carbon Ledger to Drive Eco-friendly Consumer Behavior

By Ivy Yu | Published on Aug. 8, 2022



Alibaba Group has rolled out a carbon-tracking mini program that monitors shopper behavior across the Alibaba ecosystem, rewarding consumers for making eco-friendly choices.

Consumers can collect points through 70 'low-carbon behaviors' such as taking public transport, purchasing energy-efficient appliances and selling unused items on its second-hand digital marketplace.

Loyalty Program: earn green coins
Measure your footprint
My shop: green products catalog

-40% churn
30% program penetration on customer base
70% program registration are app based
650.000 meals donated
300 beehives adopted and 50.000 square meters of forest



COMMUNITY

Il viaggio verso la sostenibilità è molto personale ma **condividerlo** rende l'esperienza più semplice e divertente.



I Greeners possono partecipare ad **eventi esclusivi** ed accedere in anteprima a contenuti Sorgenia.



GAMIFICATION

Ogni mese, una nuova sfida: più **Missioni** si portano a termine, più si cresce di **livello**.

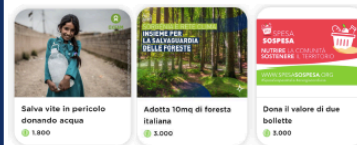
Con le missioni i Greeners si **mettono alla prova**, imparano divertendosi e progrediscono nel proprio percorso verso la sostenibilità.



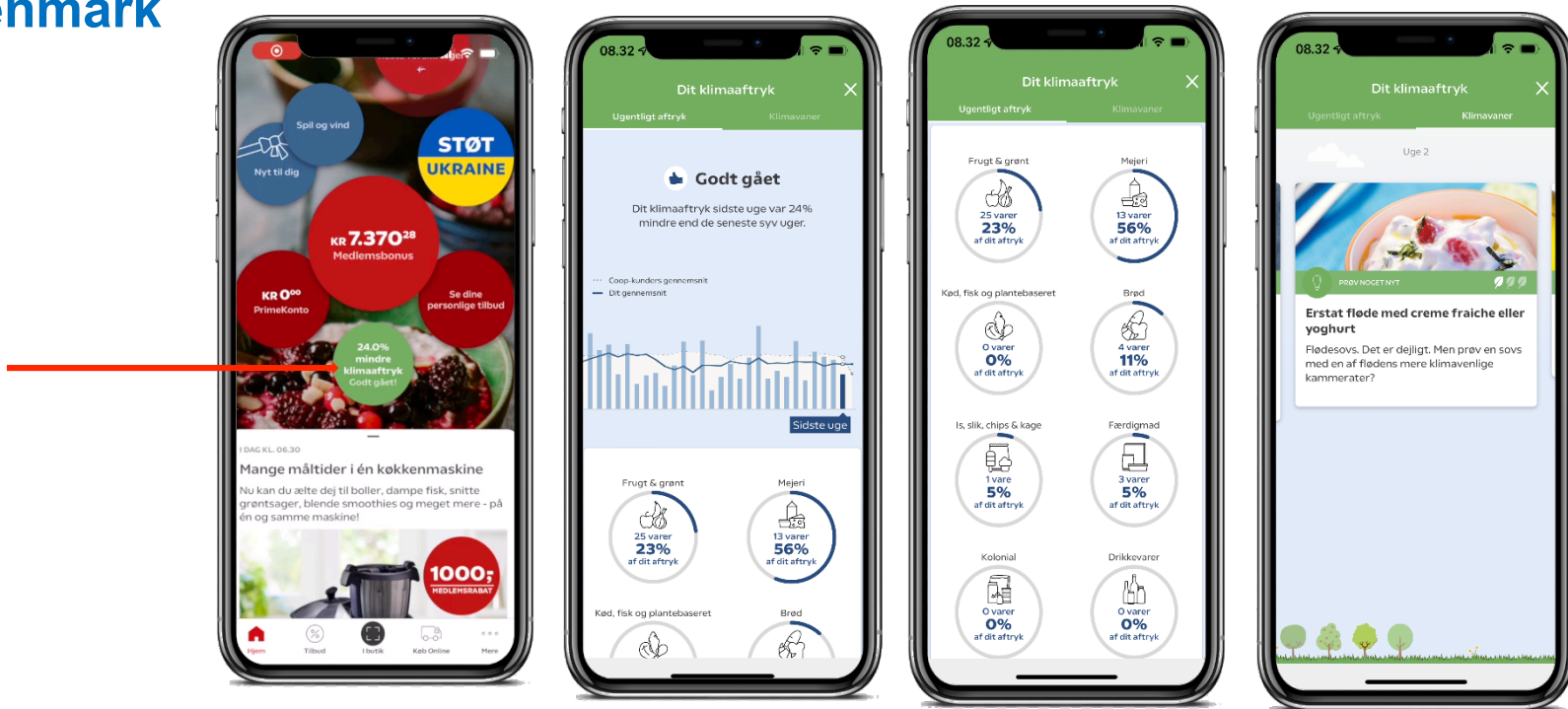
REWARDS

Partecipando alle Missioni i Greeners accumulano **Green Coins** per premiare la loro energia positiva.

Il Catalogo comprende esperienze sostenibili ed azioni di solidarietà per raggiungere insieme **obiettivi concreti**.



Coop Denmark



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Jetblue - AirFrance KLM – Lufthansa

All have introduced programs that support corporate clients offset their emissions in order to meet their ESG goals

Member companies can purchase Sustainable Fuels, and earn credits to compensate emissions of corporate travel

They can also purchase green surcharges for corporate airfares, that are reinvested in reforestation or community programs

When member companies' employees travel and earn miles, these are also credited to the company, that can use them for offsetting emissions

JetBlue launches sustainability program for corporate customers

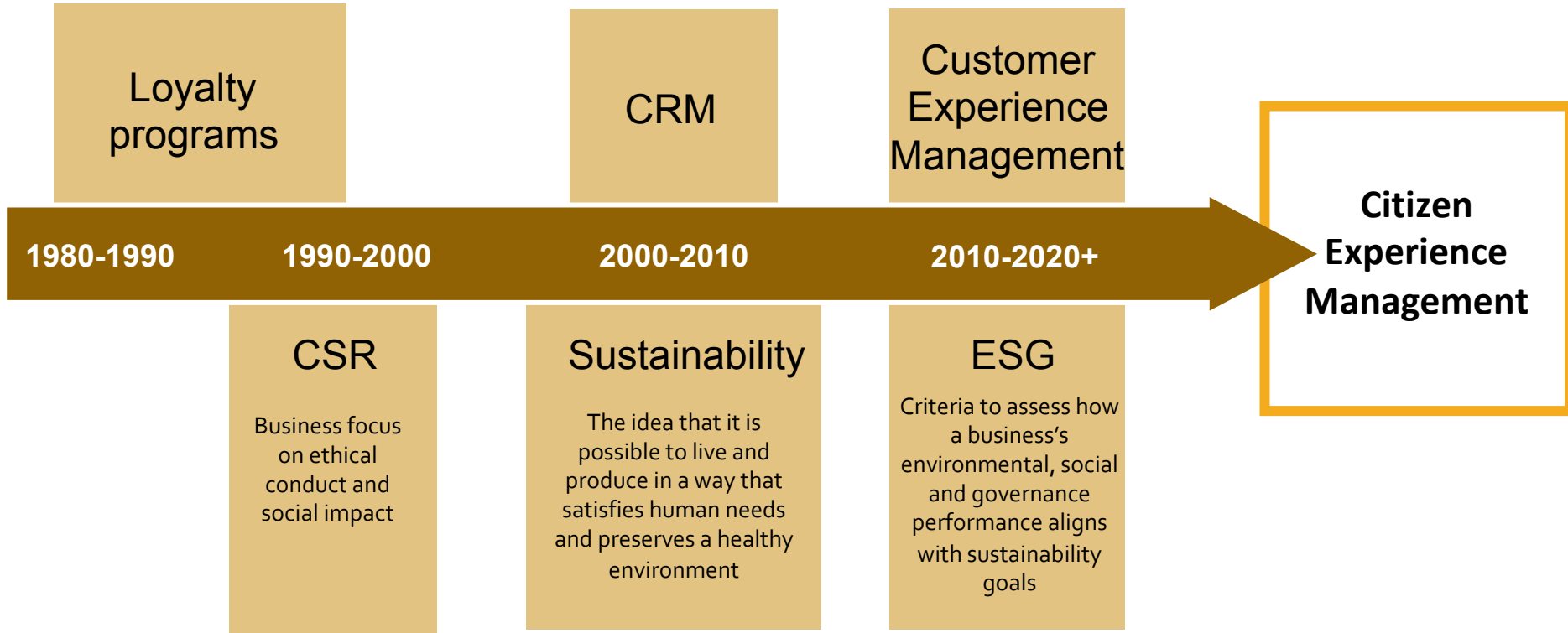
By Donna M. Airoidi, Business Travel News | Jan 09, 2022



Wear Me 30 Times

- Sustainable fashion brand Maakola has partnered with blockchain technology company Genuine Way to create WearMe30Times, a new tool that helps consumers reduce their fashion footprint by encouraging them to get more wear out of their clothing.
- Every piece of clothing includes a garment label with a dedicated QR code. By scanning that QR code consumers can keep track of how often they wear the garment, building up to a goal of wearing everything at least 30 times and sharing their achievement on social media.





Thank you!

Follow us on LinkedIn

Our website: www.osservatoriofedelta.unipr.it