

LOYALTY IN ITALY

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Director, Osservatorio Fedeltà UniPR
December, 2021

Our Partners:



dunnhumby

PROMOTION



AGENDA

WHO WE ARE

OUR VISION

LOYALTY IN ITALY

BEST IN CLASS LOYALTY PROGRAMS

STATE OF LOYALTY MANAGEMENT

LOYALTY, CRM AND CX MARKET PLAYERS

CONTACTS

WHO WE ARE

The Osservatorio Fedeltà (Loyalty Observatory) was created in 1999 at the University of Parma, Italy, with the goal of studying the adoption of loyalty management and the use of customer data in European retailing and overseas.

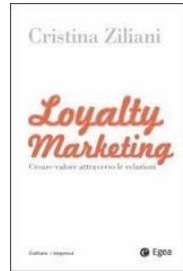
Tracking of the loyalty practices of over 130 national and international food retail groups began in 1999 and provided the foundation for our understanding of the loyalty management phenomenon until 2000, when we expanded the monitoring to loyalty activities in other industries.

From the beginning, our goal has been to contribute to the development of a customer loyalty culture among Italian managers across all industries and support companies, researchers and students interested in developing research projects, training or simply knowing more about loyalty management, customer relationship management (CRM) and customer experience management.

Our annual Conference is the yearly appointment for over 500 managers involved in loyalty, CRM, CX and digital from 20 different industries, from FMCG to retail, ecommerce, banks, utilities, petrol, travel, health and wellness and many more.

WHO WE ARE – OUR NUMBERS

70 academic papers
5 books
30 sponsors
21 conferences
4000 participants
900 companies
160 speakers
100 dissertations on loyalty



The Yearly Conference



brandloyalty
 Redefining Relationships

CATALINA

COMARCH

 **DoveConviene**


amilon
 DIGITAL REWARDS AND GIFTING

nielsen

CF


epipoli group
 INNOVATION MARKETING

FOOD

Promotion
 scenari • engagement • loyalty • management • soluzioni

symphony

EYC

ti

frutta


Valassis
 powering coupons

dunnhumby


Advice
 PROGRESS MARKETING THINKING



Italian households

NielsenIQ Consumer
Panel

**representative of
Italian population**

25 million families

Sectors vary every year
Permanent focus on
supermarkets/grocery
loyalty



Italian Brands and Retail Chains

Between 150 and 250
companies every year

11 sectors

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



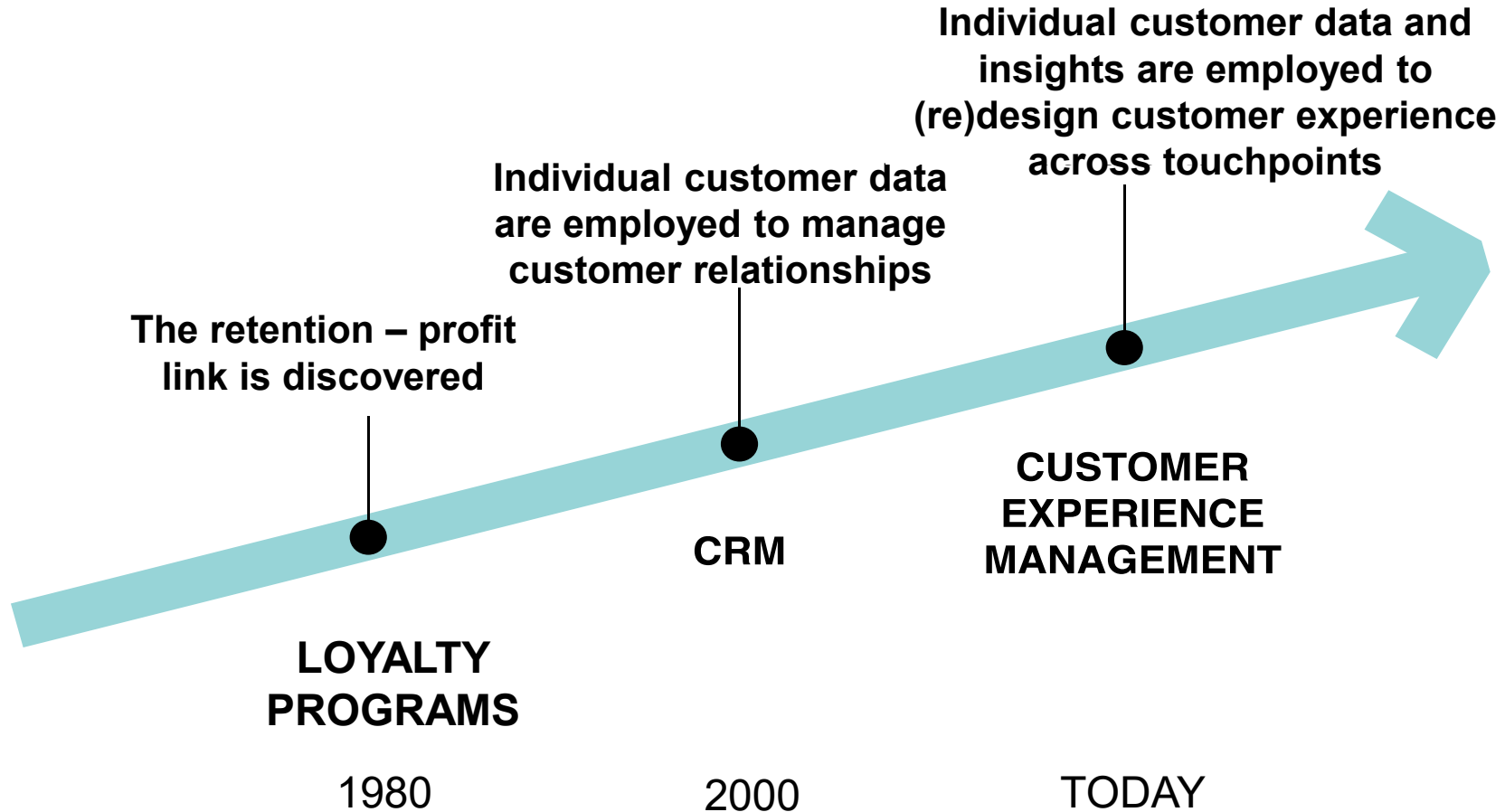
Vendors of Loyalty, CRM and CX solutions/tools

100 vendors

17 categories
in the loyalty, CRM
and CX market

OUR YEARLY SURVEYS

OUR VISION – THE EVOLUTION OF LOYALTY MANAGEMENT



OUR VISION – THE LOYALTY & DIGITAL REVOLUTION TIMELINES

LOYALTY	LOYALTY PROGRAMS	1984 American Airlines	1995 Tesco	2000 Payback	2002 Nectar	2005 Amazon Prime	2007 Sephora beautyinsider app	2009 Starbucks	2018 Alibaba88vip
	CRM	1980 Database marketing	1995 Nasce parola "CRM"	2004 Open source CRM	2007 Cloud based CRM	2008 Social CRM	2015 Transizione al CX management		



DIGITAL REVOLUTON	AI	1997 Deep blue		2008 Google voice recognition			2011 Siri	2014 Alexa		
	Platforms	1995 MSN, Amazon	1997 Ebay, Google	1998 PayPal	2003 iTunes, Skype, Taobao	2004 Facebook	2009 Whatsapp	2011 WeChat	2017 TikTok	
	Mobile	1991 2G		1998 3G		2008 4G		2019 5G		
	WEB	1990-2000 Web 1.0				2000-2010 Web 2.0		2010-2020 Web 3.0		
	Interfaces	1980 Desktop e graphic UI						2014 Touch	2018 Conversational	2020 Virtual & AR
	Processors	1985 386	1993 Pentium	1999 Pentium III			2012 3°-gen Intel Core		2015 Xeon Phi	2020 AMD EPYC

Fonte: Osservatorio Fedeltà UniPR 2021

OUR VISION – DRIVING LOYALTY WITH OMNICHANNEL EXPERIENCES

Fase del Search & Discover

Local SEO
Virtual catalogue and product pairings
Stock availability
Click & reserve
Mobile couponing based on geolocalisation

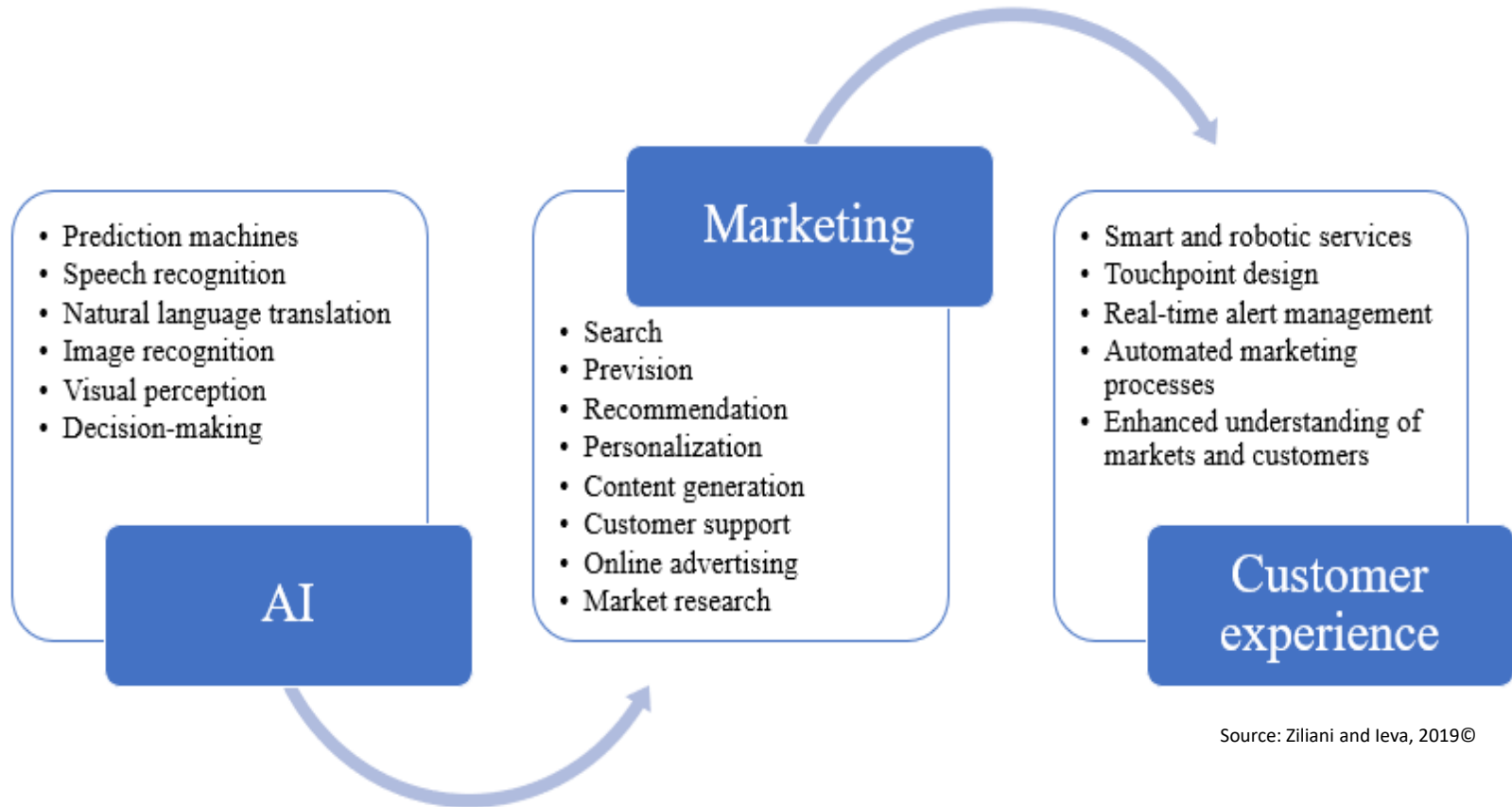
Fase del Path to Purchase & Fulfillment

Product tracking / ordering (endless aisle)
Shopping cart available through channels
Persistent shopping basket
In store return of digital purchase
Click & collect
Mobile payments instore

Fase del Personalization & Engagement

Digital loyalty card or customer ID
Wish list
Online appointment scheduling
Order history
Offer associated to instore purchase redeemable only online
Offer associated to online purchase redeemable only instore

OUR VISION – Artificial Intelligence impact on Marketing and Customer Experience



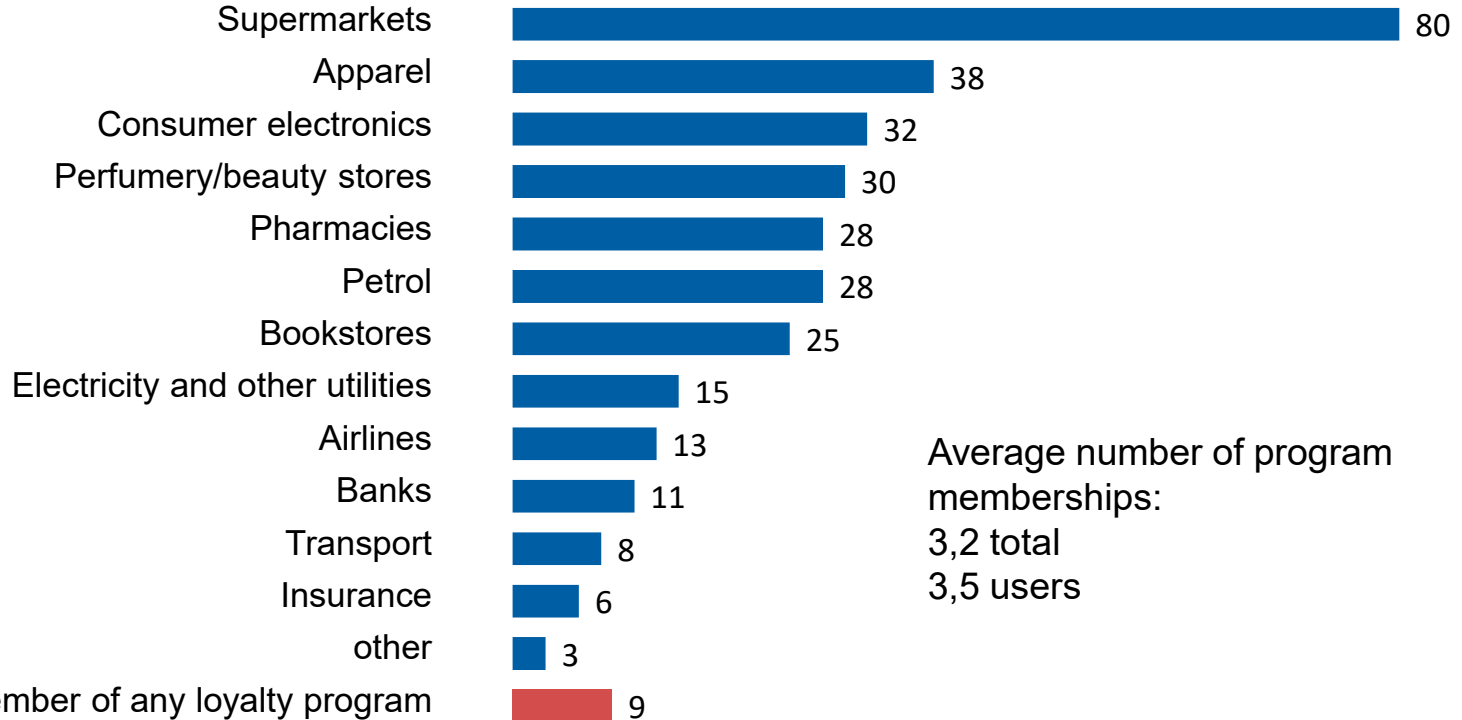
Source: Ziliani and Ieva, 2019©

A group of eight business professionals are seated around a large, dark wooden conference table in a modern office setting. The room has large windows in the background, letting in natural light. The participants, consisting of four men and four women, are dressed in business attire. They are engaged in a meeting, with some looking at laptops, others at documents, and one man smiling towards the camera. The overall atmosphere is professional and collaborative. The text "LOYALTY IN ITALY" is overlaid in the center of the image in a white, bold, sans-serif font.

LOYALTY IN ITALY

LOYALTY PROGRAM MEMBERSHIP in ITALY BY INDUSTRY (2021)

Are you a member of at least one loyalty program (plastic card or digital) in the following industries?



Average number of program memberships:
3,2 total
3,5 users



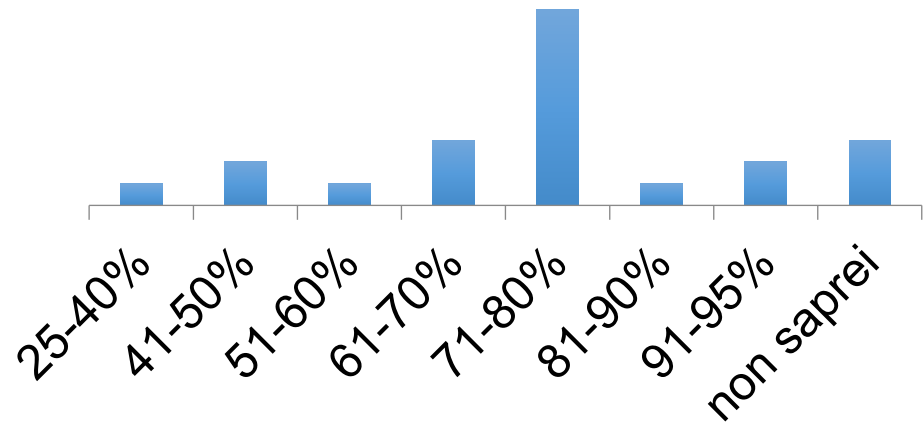
**LOYALTY IN THE SUPERMARKET RETAIL
INDUSTRY**

LOYALTY PROGRAMS IN SUPERMARKET RETAIL

75% of sales go
“through card” (% of
turnover), on average

98% at best in class
supermarket chain

Italian retail chains by loyalty
program members' activity rate



TOUCHPOINT REACH IN THE SUPERMARKET SECTOR

96% Physical store
80% Promotional flyer (print)
67% Promotional flyer (online)
66% Store associates
65% Loyalty program
53% TV, radio, print and outdoors advertising
52% Offline word of mouth
49% website

In bold, touchpoints with higher variability of reach across retailers

41% Print coupons
38% Mobile app
37% Retailer own magazine
37% Direct mail (print)
37% Google searches or online adv
37% Email/newsletters
33% Online word of mouth
32% Digital coupons
30% fb, Instagram and other social media platforms

THE TOUCHPOINTS OF LOYALTY PROGRAMS IN SUPERMARKET RETAIL

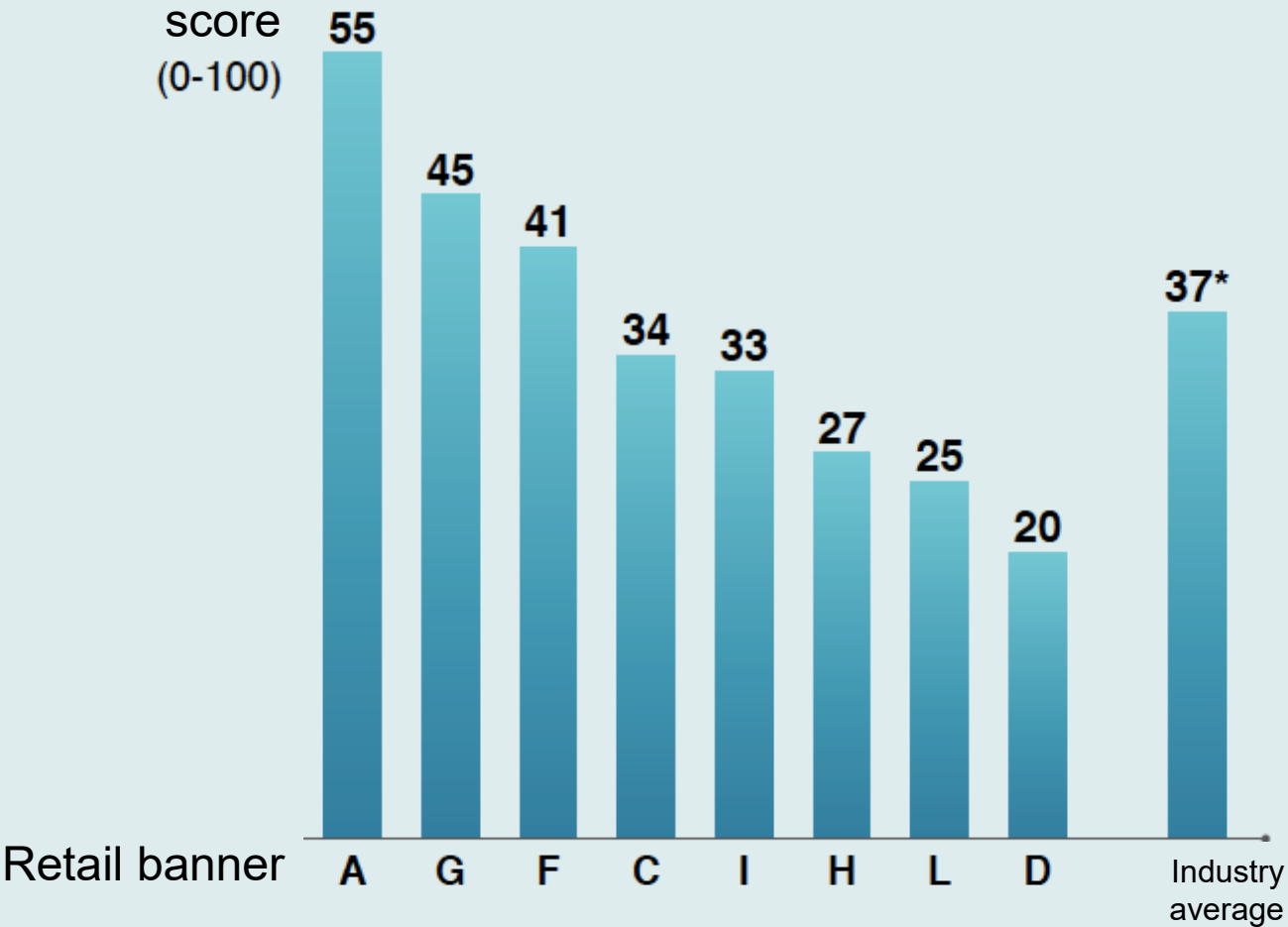
44% Point collection for physical rewards
40% Members' only discounts
38% Point collection to convert in discounts
24% Items that allow for extra points collection
22% Short collections with "paper" stamps
17% Members' only digital coupons
16% Point collection for digital rewards

10% Loyalty program app
9% Comembers' only print coupons
9% Instant win
9% Short collections with "digital" stamps
8% Loyalty program payment card/tool
5% Loyalty program website
5% Members' only emails
4% None of the above

% of Italian families members of their supermarket loyalty program that have used/come into contact with the specific touchpoint over the past 6 months (March – August 2021)

Customer
evaluation of
loyalty
programs in
supermarket
industry

Score computed
Based on members' agreement
with statements on
Evanshitzky et al. (2012) Scale





LOYALTY IN THE FASHION RETAIL INDUSTRY

TOUCHPOINT REACH IN FASHION RETAIL

88% Physical store
59% Store associates
59% Offline word of mouth
56% retailer's website
50% Email/newsletter
48% Clothes or shopper seen on other people
46% Google searches or internet adv
45% Loyalty program
41% Fb, instagram, other social platforms
41% Mobile app
41% TV, radio, print, outdoors advertising

39% Online word of mouth
38% Video online/on apps
36% Text messages
35% Promotional flyer (digital)
32% Live streaming sales event
32% Digital coupons
32% Gift card
31% Promotional flyer (online)
31% Customer service
29% BOPIS personnel
29% Bloggers/influences on social media

% of Italian families that have made a purchase in the category over past 6 months (Base: 18,2 mln).

THE TOUCHPOINTS OF LOYALTY PROGRAMS IN FASHION RETAIL

- 36% Members' discounts
- 28% Points collection to convert in discounts/rebates
- 24% Email/text communication
- 14% Members' only digital coupons
- 14% Point collection for digital reward
- 13% Raccoltpoint collection for physical reward
- 12% None of the above**
- 9% Loyalty program app

% of Italian families members of fashion loyalty program that have used/come into contact with the specific touchpoint over the past 6 months (March – August 2021)



ITALIAN LOYALTY PROGRAMS

Italy is home to many excellent loyalty programs.
The following have been selected as examples to cover a variety of industries, media choices, program models.



Costa Club

▲ **LUISAVIAROMA.COM**
Luxury Shopping Worldwide Shipping



MILLEMIGLIA 

horeca street club


CF—

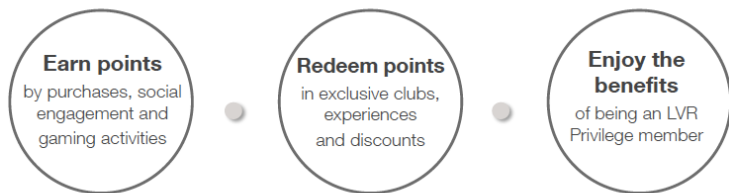


LUISAVIAROMA

PRIVILEGE PROGRAM

LVR PRIVILEGE - How it works

The Privilege program is the easiest and most effective way to reward our customers and incentivize loyalty through exclusive benefits, discounts and amazing experiences sponsored by our partners.



When you first sign in, you enter the program as a bronze user. The more you purchase and you engage with our program, the more points and rewards you can get.

Platinum users represent only 1% of our member base.

Levels

- Bronze → 1-699 points
- Silver → 700-2499 points
- Gold → 2500-4999 points
- Platinum → 5000+ points

Rewards

- LVR Credits
- Privilege Cards
- Free shipping
- Luxury Experience
- Sneakers Club

LVR | PRIVILEGE - Key Performance Indicators

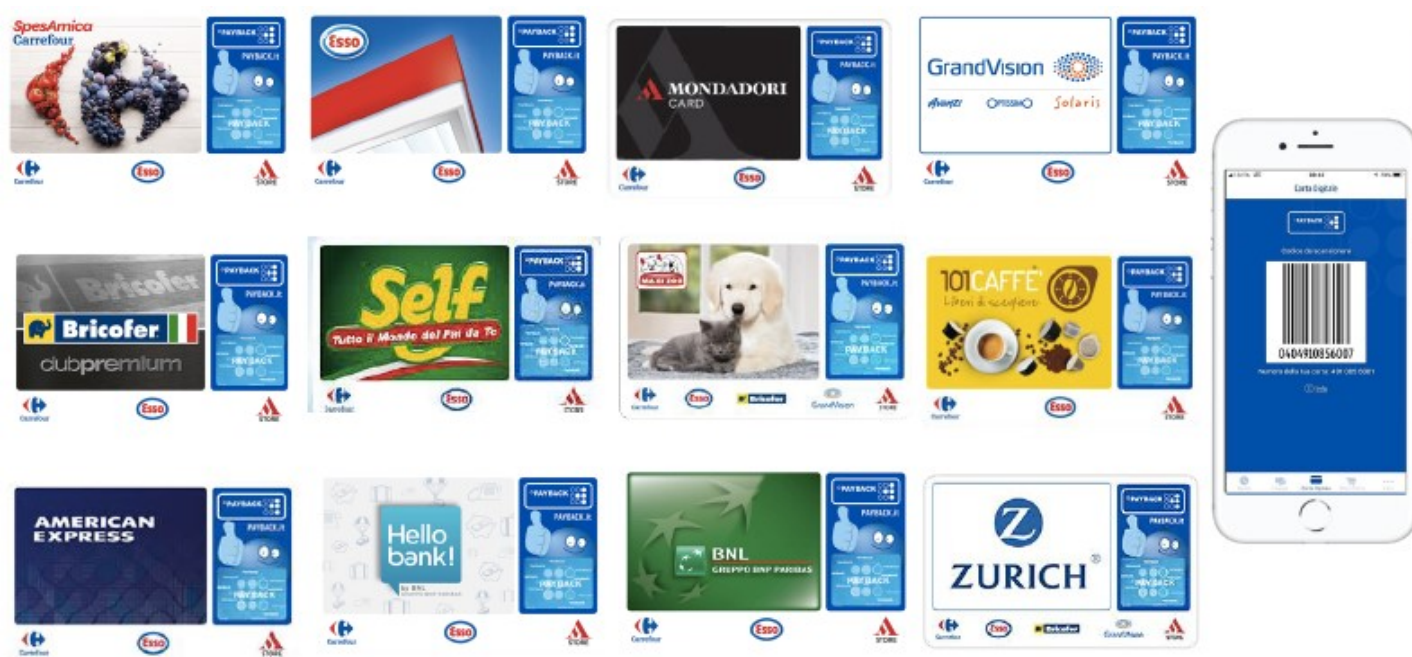
- 65% of LVR customers are **loyalty members**
- Their **AOV is 47% higher** than non loyalty members
- Their average **number of orders per customer is 96% higher** than non members
- Their retention rate in terms of sales it is 65%

If we consider only **redeemers**, the numbers are even more surprising:

- Their **AOV is 71% higher** than non loyalty members
- Their average **number of orders per customer is 388% higher** than non members
- Their retention rate in terms of sales it is 67%



8 million active customers
7400 stores (physical)
300 ecommerce partners



Coalition loyalty program

5.5 million members

Two reward catalogues a year printed in 1.5 million copies

150 million rewards distributed over 25 years

ESSELUNGA
supermarkets

Fidaty is a simple point-based loyalty program, that allows customers to accumulate "**Strawberry**" points and receive benefits.



Standard card

- 1 point per euro spent, above a €5 minimum threshold
- Discounts on hundreds of products
Reduced cinema tickets on Tuesday



Contactless credit card

- Faster point accumulation rule (1 point per €0,90)
- Payment using Esselunga app



Partnership with Deutsche Bank

- Free insurance policy covering health and thefts
- Valid worldwide in the Mastercard circuit



OVSFriends

Point based, four tiers loyalty program
by OVS - 1,200 apparel stores in Italy and abroad

5€ Welcome voucher
Additional points for completing challenges or bringing in new members.
Hearts can be exchanged for a experiences, OVS vouchers or gifts from a digital catalog

PER NOI SEI UN AMICO SPECIALE

Scopri come collezionare i cuori, raggiungi i livelli crescenti e scegli i regali che esaudiscono i tuoi desideri

Come funziona in 4 semplici passi

01.



Diventa OVS Friend e divertiti a fare shopping. Subito per te **5 euro di benvenuto.**

02.



Colleziona i Cuori con il tuo shopping. **1 euro = 1 Cuore**

03.



Ottieni Cuori extra completando le **sfide**

04.



Scegli i **Regali** che preferisci dal **catalogo** oppure un **buono sconto OVS**



VIVI DI PIÙ

Entra nel mondo Carta Più e MultiPiù

Se ancora non possiedi una Carta Più o MultiPiù, scopri tutti i vantaggi.
Puoi acquistarla anche on-line.

CON CARTA MULTIPIÙ
- CONSEGNA GRATIS PER UN ANNO -
per tutti gli acquisti effettuati su www.lafeltrinelli.it



SOLO
10€

Acquista Ora >>

 - Possiedi già una Carta Più? Richiedila a soli 5 euro! -

CONVENIENZA PIÙ



In libreria, hai il 5% di sconto sul tuo primo acquisto alla sottoscrizione della Carta. Inoltre vivi i tuoi interessi con più convenienza: hai sempre il 5% di sconto su tutte le novità libri e con Carta MultiPiù hai ancora più vantaggi!

SCOPRI DI PIÙ

CONVENZIONI PIÙ



Il meglio dell'offerta culturale della tua città, a condizioni privilegiate. Tantissime convenzioni in tutta Italia con cinema, teatri, musei, gallerie e tanto altro

SCOPRI DI PIÙ

ESPERIENZE PIÙ



Un mondo irresistibile solo per i Titolari Carta Più e Carta MultiPiù. Viaggi fantastici, anteprime prestigiose, inviti riservati, incontri a tu per tu con i tuoi autori e artisti preferiti.

SCOPRI DI PIÙ

Feltrinelli is an Italian publisher and bookstore chain founded in 1954

Subscription loyalty program

[CartaPiu membership costs 5€](#)

[MultiPiù membership costs 10€.](#)

[CartaPiu is an entry tier with limited benefits](#)

MultiPiu level offers a 10€ discount coupon for every 200€ spent, free delivery and a birthday present



Alitalia Millemiglia

1992

Program was launched

+4
percentage
points yoy

revenues
from members
after lockdown
(June-December
2020)
compared to non
members

+60 partners

13 million

transactions per year

6.2 million

members:

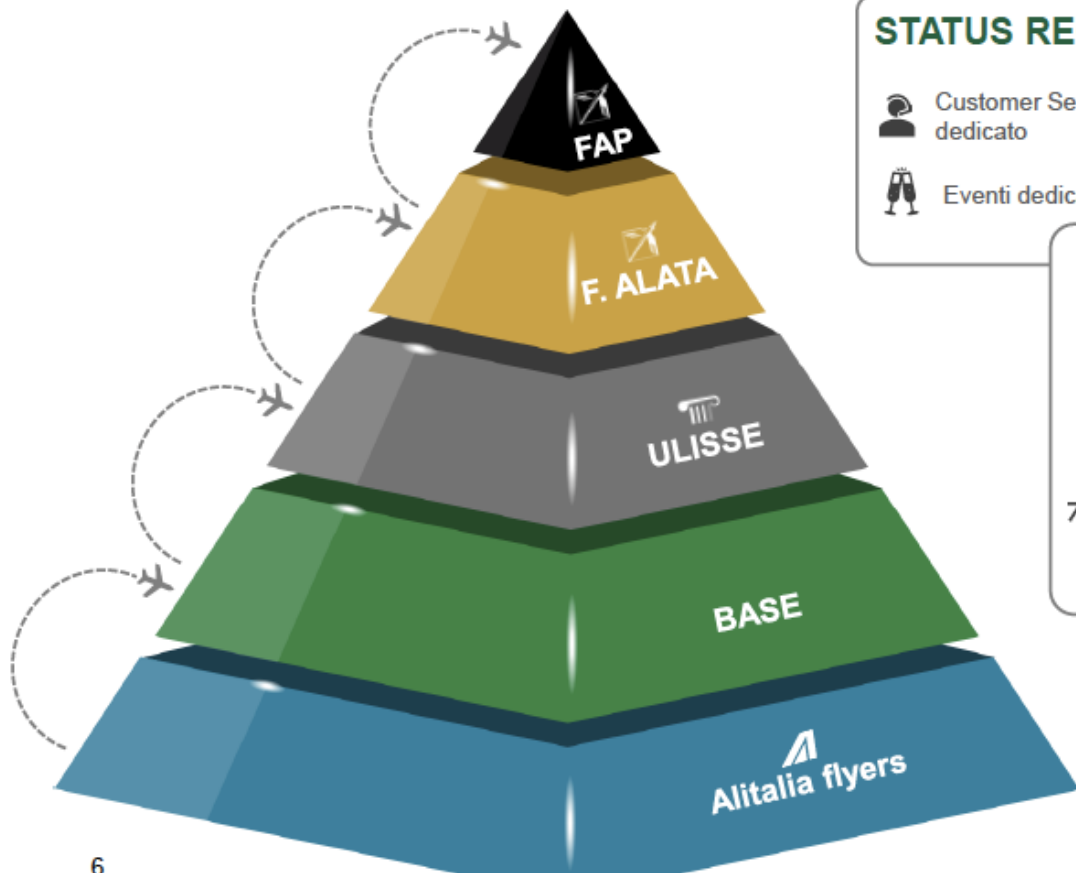
3.9 million Italians, 2,3 million
foreign.

Top foreign countries: USA,
Japan, Brasil, argentina and UK

+130 million

DirectEmails sent per
year





STATUS RECOGNITION



Customer Service
dedicato



Acceleratori Miglia
Bonus



Eventi dedicati

FACILITIES DI VIAGGIO



Check-in dedicato



Boarding prioritario



Baggage drop-
off e fast-track



Comfort seat



Lounge
aeroportuali



Free upgrade di cabina



Transfer desk





MY SORGENIA APP

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



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 Sorigenia.



GAMIFICATION

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

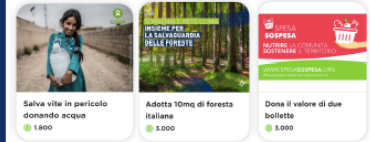
Con le missioni i Greeners si **mettono alla prova**, imparano divertendosi e progrediscono nel proprio percorso verso la sostenibilità.



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**.





Circa **30%** Program penetration on
residential customer base



70% Program registrations
are mobile based



- 40% Decrease in churn rate



650.000 Meals donated to charity

50.000 Square meters of forest adopted

300 Beehives adopted

SORGENIA Greeners Loyalty Program Results

Loyalty strategy for CONSUMERS



- Convenience in the booking and boarding processes
- Supplementary services on-board
- Discounts and non price-based benefits
- Dedicated section in the **Costa App**



Club Ambra

0 punti



Club Acquamarina

1 - 2.000



Club Corallo

2.001 - 5.000



Club Perla

5.001 - 13.000



Club Perla Oro

13.001 - 26.000



Club Perla Diamante

26.001 +



Point accumulation is based on:

- Number of nights spent on board
- Type of cabin (inside, outside, balcony, suite)
- Advance in booking
- On-board purchases

Loyalty strategy for TRADE

CostaNext

Partner travel agencies

- All agencies
20 services
(e.g. Virtual Assistant)
- Best performing agencies



Costa coins
(credits)

24 additional services

100% customized set of
services
(e.g. Geointelligence)

CostaNextjoy

Individual Employees of Travel agencies

- Earn points for each
cruise sold
- Choose rewards from a
catalogue of over 100
products



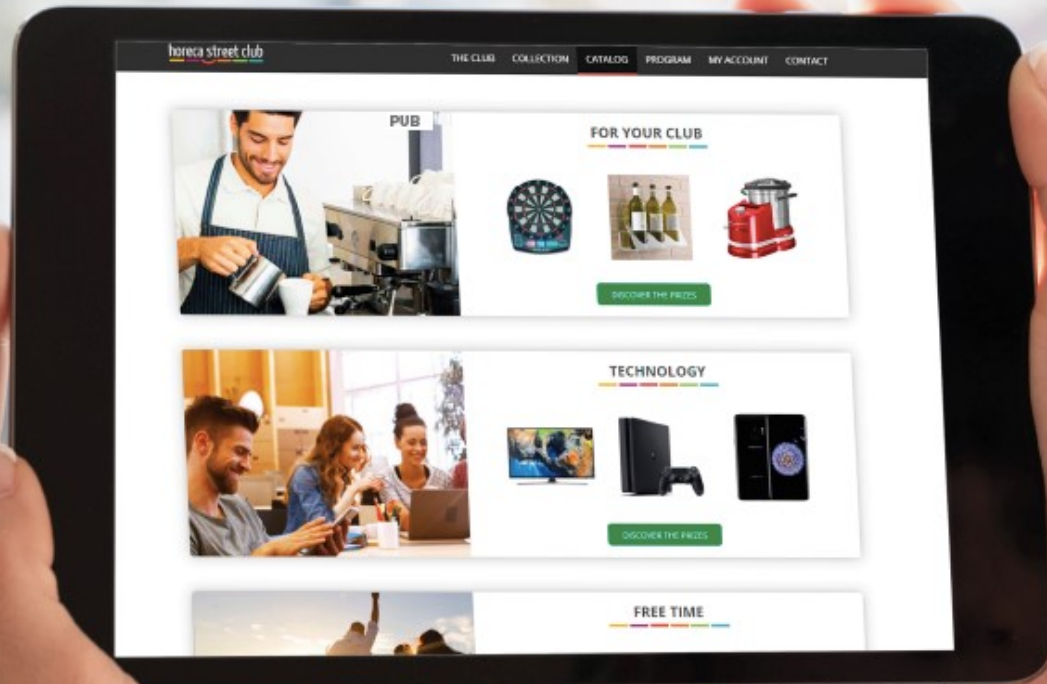
horeca street club

is a point-based loyalty scheme, aimed at managers of bars, restaurants, pubs and hotels.

Members accumulate points each time they buy products from Partesa.

Members get:

- Information on industry news and trends
- Access to contests
- Admission to special events
- Rewards from a catalogue divided into 3 sections: for your club, technology, free time



B2B: beverages for bars & restaurants



STATE OF LOYALTY MANAGEMENT IN ITALY

51% of Italian companies run some form of loyalty program /customer club

This reaches 70% in B2C while it is 30% in B2B

MAIN CHALLENGES FOR RETENTION STRATEGIES

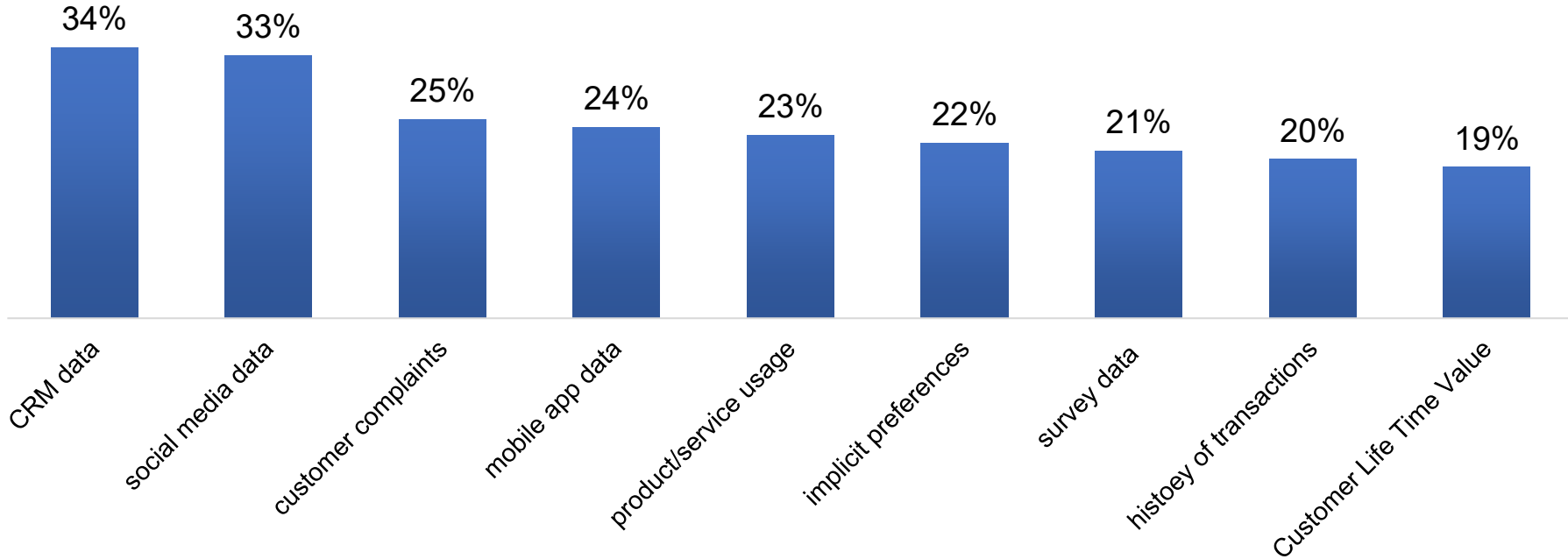
Companies that have a Loyalty program

- Customer engagement
- Creating omnichannel, seamless experience
- Personalisation

Companies that do not have one

- Customer engagement
- Brand reputation
- Competitors

Data companies still DO NOT have in database, seek to integrate



MARTECH in Italy

Social media tools = social media management tools, social media monitoring tools, influencer marketing platforms

Content marketing tools = CMS, SEO tools, landing pages & A/B testing, content curation, CMP, DAM, lead magnets

Marketing automation platforms & tools = email marketing, mobile marketing, marketing automation

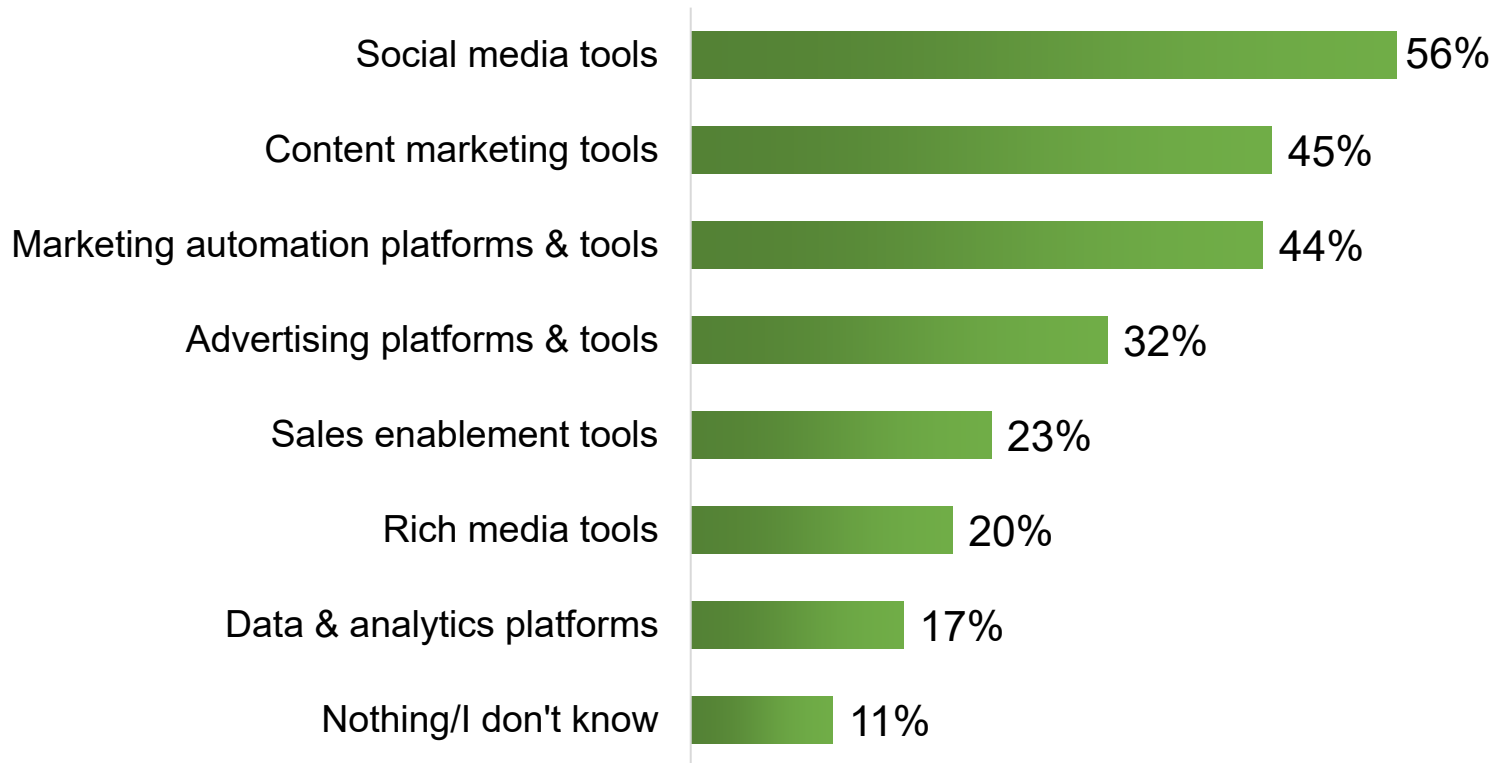
Advertising platforms & tools = SEM, social media advertising, native advertising, programmatic advertising

Data & analytics platforms = DMP, CDP, Web analytics, tag management, predictive analytics

Sales enablement tools = CRM, customer support, sales automation

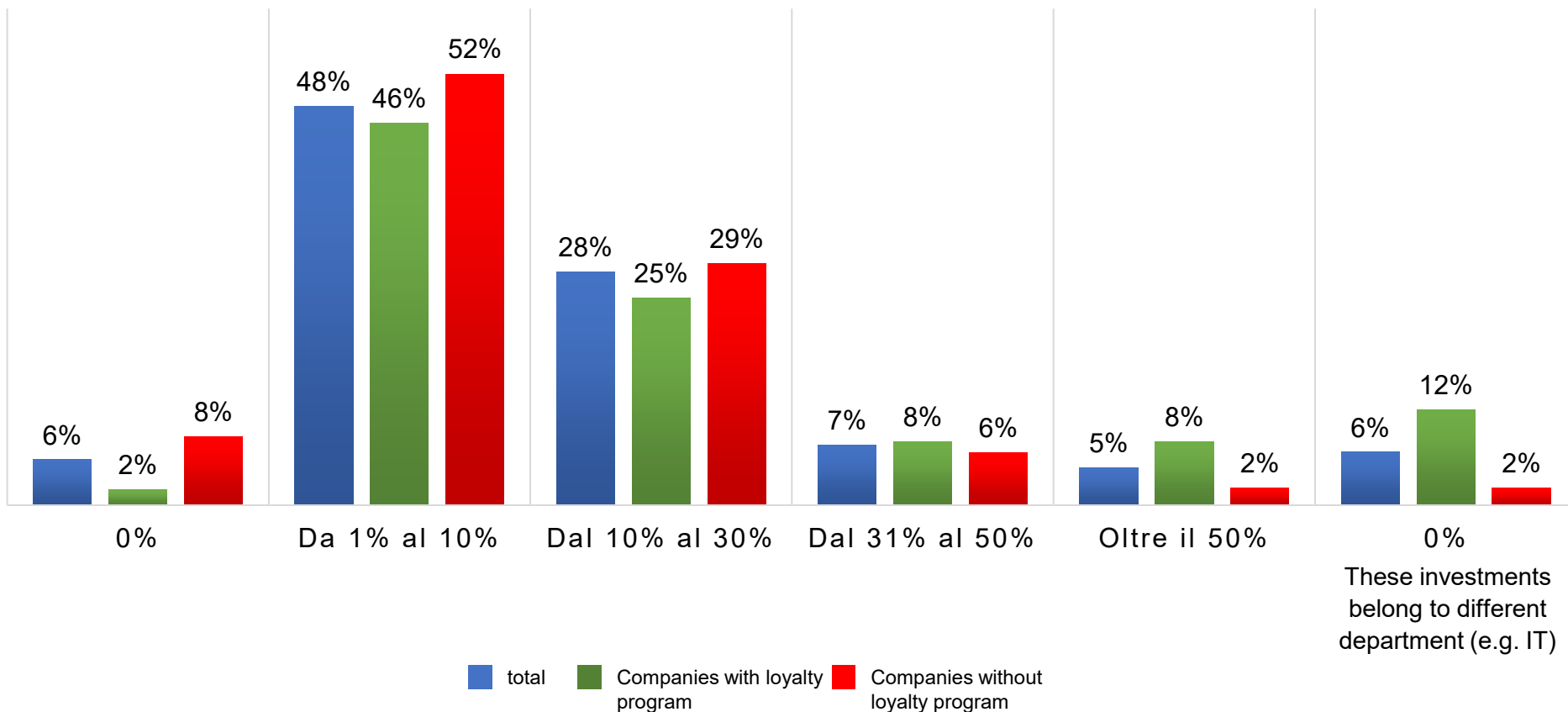
Rich media tools = video making, video marketing, podcasting, graphic design, interactive content

WHAT MARKETING TECHNOLOGY (MARTECH) IS YOUR COMPANY EMPLOYING?



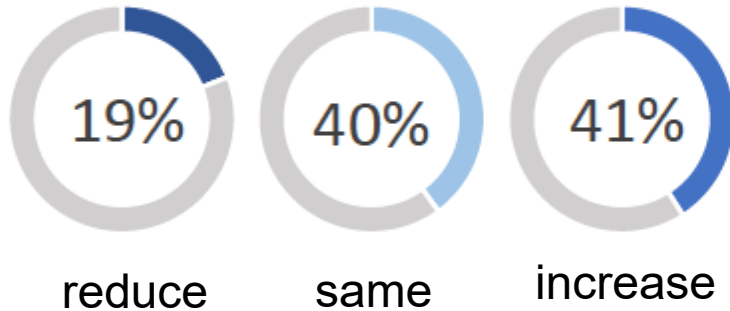
La % supera il 100% perché sono possibili più risposte

Percentage of marketing budget allocated to "Martech"

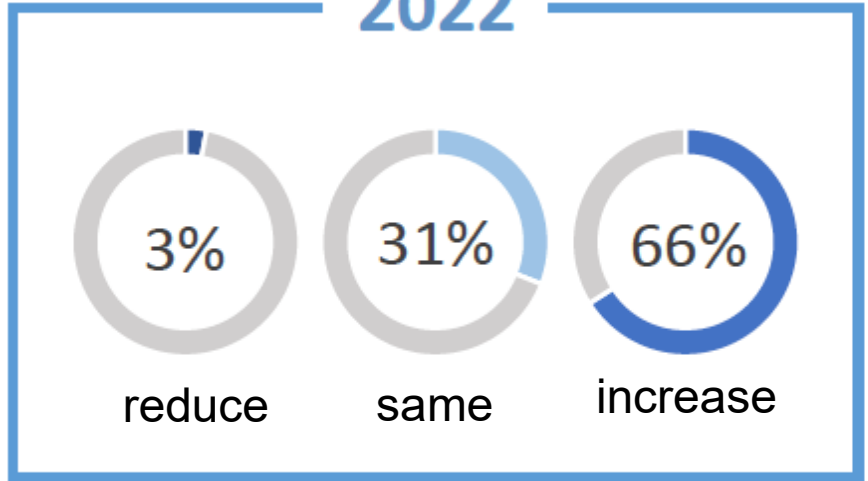


Investment in LOYALTY and CRM by Italian companies

2021



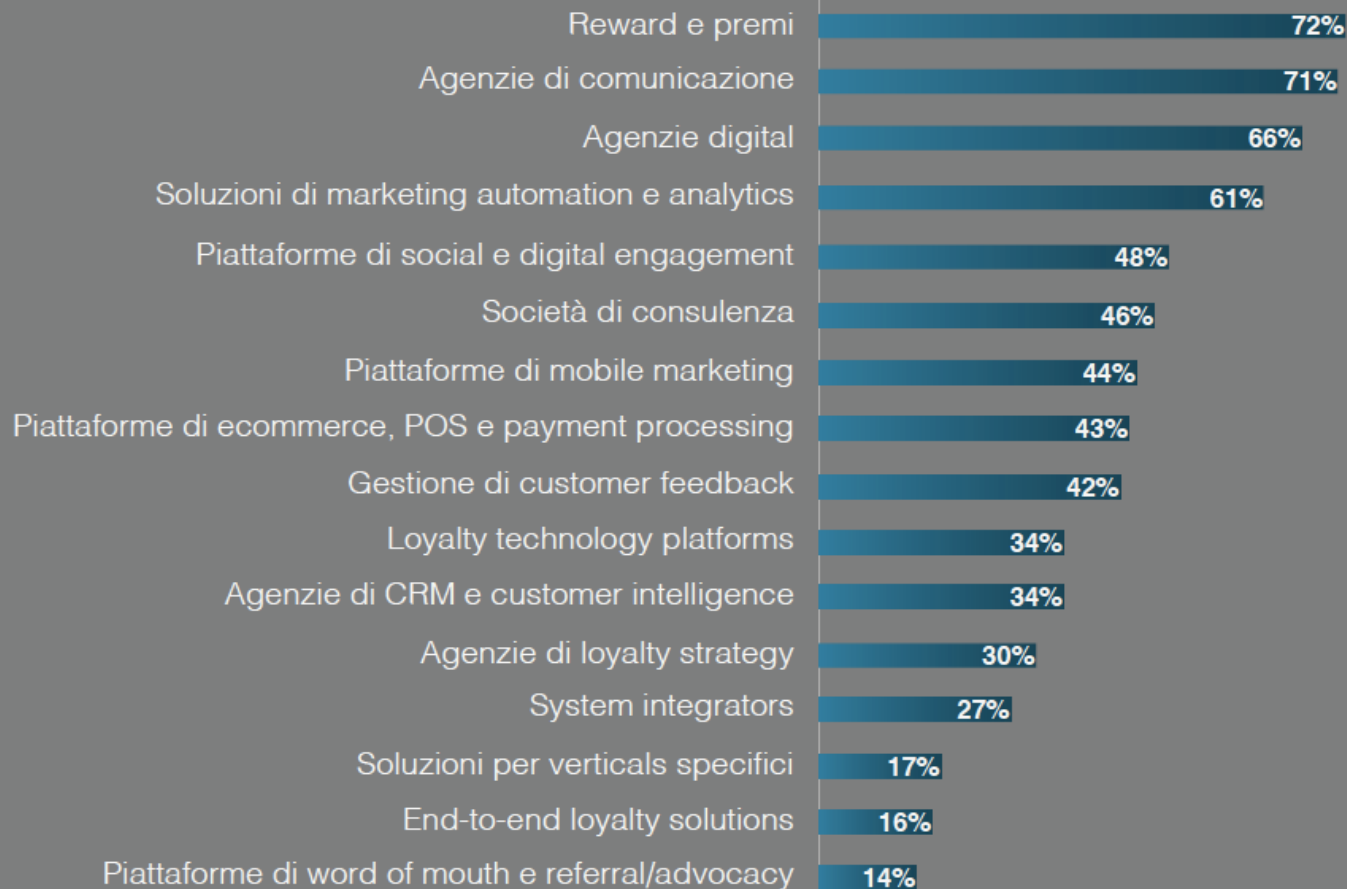
2022



A group of eight business professionals are seated around a large, dark conference table in a modern office setting. They are engaged in a meeting, with some looking at laptops and others at documents. The room has large windows in the background, letting in natural light. The overall tone of the image is professional and collaborative.

THE MARKET FOR LOYALTY, CRM AND CX SERVICES AND TOOLS IN ITALY

Loyalty, CRM and CX Vendors used by Italian brands and retailers



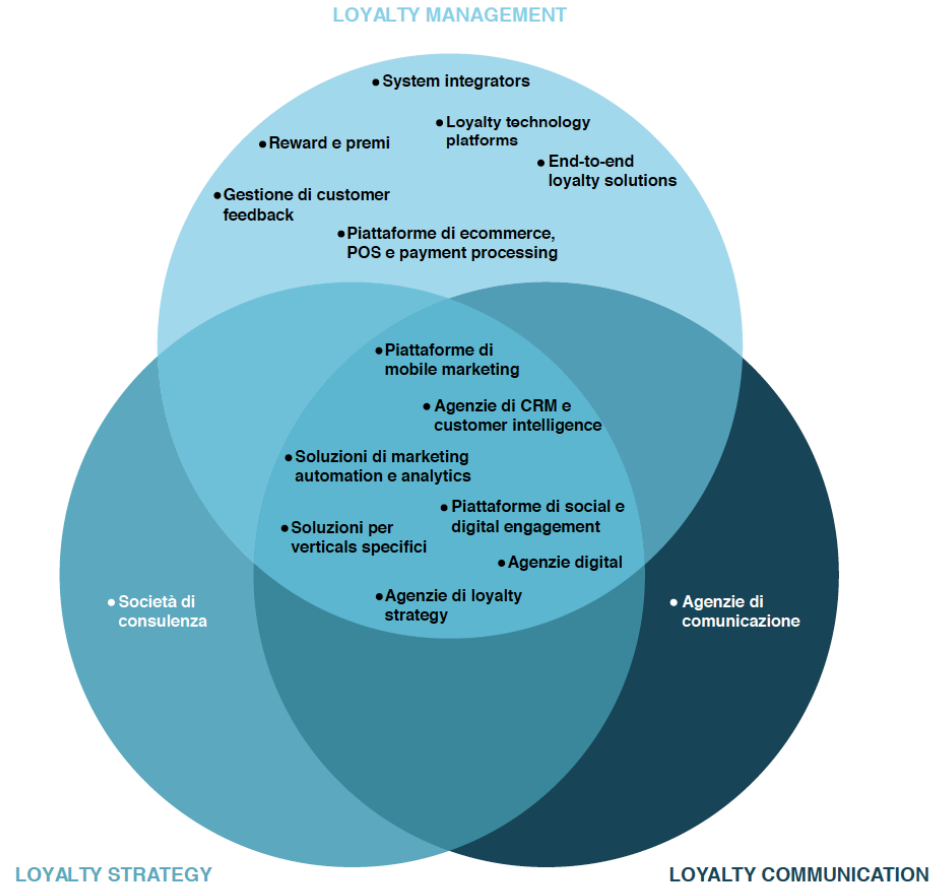
COMPETITION

Among Vendor types

In the Loyalty, CRM and CX

Market

In Italy



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Interested in sponsoring our work?

Get in touch with us:
info@osservatoriofedelta.it

Our Partners:



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PROMOTION



UNIVERSITÀ
DI PARMA

