

# Retailer Loyalty Programs - US - July 2014

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“While loyalty programs likely do not lead to complete loyalty to a specific retailer, many consumers are likely to change their shopping habits in order to earn incentives. However, there is also a significant demand for more meaningful rewards and easier ways of earning them, suggesting that consumers see a lot of room for improvement in existing loyalty initiatives.”  
– Bryant Harland, Technology Analyst

This report looks at the following areas:

- Does loyalty program participation translate to customer loyalty?
- Central frustrations with loyalty programs
- Should retailers emphasize personalization or privacy?

The share of consumers who reported participating in customer loyalty programs rose between 2013 and 2014 for every retail sector, with electronics supply stores, mass merchandisers, and online-only retailers making considerable gains. As overall loyalty program participation rises, however, it will be more difficult for retailers to differentiate their initiatives from the programs offered by the competition.

This report finds that monetary incentives are the most important for consumers when they think about loyalty programs. This report explores the types of promotions that loyalty participants are most receptive to and how loyalty programs fit in with other shopping motivations.

Other themes in this report include overall receptiveness to promotional communication, which communication mediums consumers prefer, and the core frustrations that consumers have with the loyalty programs they participate in.

This report builds on the analysis presented in Mintel's *Retailer Loyalty Programs – US, August 2013*, *Loyalty Marketing – US, September 2010*, *Customer Satisfaction and Loyalty Programs – US, January 2010*, and *Loyalty Program Consumer – US, July 2003*.

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DID YOU KNOW?

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