

# Gathering Data. Rewarding Customers. Increasing Revenue.

## Case Study: Customer Loyalty Program

### THE CHALLENGE:

Due to their longstanding business philosophy and point-of-sale limitations, a regional supermarket chain did not offer its customers a card-based customer loyalty program. Consequently, they operated without benefit of the detailed insights provided by customer-level transaction data. They asked InterDirect to create a temporary initiative that would gather detailed customer information, help them better understand their customers and prove or disprove the value of a permanent card-based rewards program.

The chain's management did not want to be perceived as abandoning their "everyday low price" philosophy in favor of a discount card program. They did not want the program to be perceived as obligatory or as an invasive information grab. Their existing technology infrastructure and POS system were incapable of providing the detailed data capture typical of established card-based loyalty programs. And finally, the program needed to run long enough to gather an acceptable amount of data, but not so long that it created a sense of permanency among customers.

### THE SOLUTION:

InterDirect designed a turnkey program utilizing a temporary card with a unique barcode assigned to each individual customer. Cards were mailed to households in each store's primary trade area and were available in-store. The program was presented as a pre-holiday, points-based rewards promotion. Customers earned points for registering with the program online and for every dollar they spent. At the end of eight weeks, they were rewarded with store gift cards based on their spending levels.

### THE RESULTS:

Over the course of the program, the supermarket chain gathered valuable customer contact information, such as email addresses and phone numbers, where they previously had none, and they gained detailed insight into shopping frequency and buying habits. More than 22% of total transactions were associated with the card, an excellent result for a short-term, opt-in program. Card-based transactions accounted for more than 35% of sales, and the average basket size of a customer participating in the program was almost twice as large (191%) as a non-participating customer. In a post-program survey, more than 90% of customers said they would repeat their participation in a similar program, and 7 out of 10 felt they would increase their spending if the program were made permanent. Store management deemed the promotion highly successful in meeting their objectives.

**InterDirect** specializes in results-oriented marketing optimization for leading companies.

We are dedicated to providing customized products and services to meet your unique needs.



281.582.0871 • [InterDirectUSA.com](http://InterDirectUSA.com)

1001 S. Dairy Ashford St., Suite 450  
Houston, Texas 77077