



Loyalty Programs

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Presented by:

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- 32 years of community relations, marketing, and public affairs experience — 25 in transportation.
- PRR is a full-service communications firm offering marketing, research, public involvement, PR/media, graphics/branding, video, social media, and partnerships.
- Clients include TriMet, Portland Metro, ODOT, Sound Transit, King County Metro, WSDOT, GRTA, Capital Metro.

Sallie Burnett

President, Customer Insight Group, Inc.

- Internationally recognized expert in the field of customer loyalty with over 25 years experience.
- Customer Insight Group is a leading strategic marketing firm offering data analysis, program strategy and design, branded creative execution, customer communication, digital marketing, loyalty database solutions, program management and, social media.
- Diverse mix of clients: Branson Tourism Center, Country Door, Dick's Sporting Goods, Einstein Bros. Bagels, Edwin Watts Golf, GE Consumer Finance, Golf Galaxy, HSBC, Kohl's, La-z-boy, PGA, Pier 1 Imports, Proflowers.com, Tommy Hilfiger, ULTA.

Agenda

- 1 Objectives
- 2 Analysis & Research
- 3 Proposed Loyalty Program
- 4 Measurement & Implementation
- 5 Next Steps

Objectives

Retention

Grow and maintain the number Hop Fastpass riders. Reduce churn.

Frequency

Increase the number of Hop Fastpass taps across the region and transportation solutions.

Brand Awareness

Enhance the perceived value of the Hop Fastpass and keep it top of mind to create incremental rides.

Brand Loyalty

Engage high-value, profitable, loyal customers and foster brand advocacy.

Analysis and Research

Benchmark Transit Agency Programs

Transit Agency Reward Programs & Vendors

Transit Agencies & Programs

1. BART
2. CDTA Navigator
3. ConnDOT/Connecticut Transit
4. GRTC
5. Houston Metro
6. LA Metro
7. Metro Transit (Minn/St. Paul)
8. Nashville Public Transportation
9. SEPTA
10. STM (Societe de transport de Montreal)

Private Orgs & Service Providers

Atlanta Regional Commission
Commute Seattle
Biketown
Hytch/WeGo Loyalty
SAP Precision Marketing
Validated

Assessment of Transit Loyalty Programs

What did they do right?

- ✔ Simple program structure outlining how customers enroll, how to earn and redeem rewards.
- ✔ Incorporated personalization into program messages, discounts and offers.
- ✔ Used mobile apps and mobile messaging to connect, interact and engage members.
- ✔ Programs offered a mix of benefits, i.e. variety of partners and choices for rewards redemption.
- ✔ Social media is used to engage members and expand reach.
- ✔ Leveraged geomarketing to deliver in the moment perks and transit information.

Assessment of Transit Loyalty Programs

Where did they go wrong?

- ❌ Lack of clearly defined and measurable business objectives.
- ❌ Partners or the coalition own the data. There is limited or no access to key data to effectively grow customer loyalty.
- ❌ Failure to use the knowledge about customers to tailor product offerings, promotions and target customer segments.
- ❌ No dedicated resources to proactively analyze data and manage communications.
- ❌ Programs not integrated into the companies overall marketing plans.
- ❌ Data is not leveraged to communicate to customers.
- ❌ No customer lifecycle management process: retention, migration, and customer development.

Analysis and Research

Loyalty Program Best Practices



What Consumers Expect from Loyalty Programs



REWARDS

60%

TIERED PROGRAMS WITH EXCLUSIVE REWARDS PER LEVEL OR STATUS

67%

POINTS OR REWARDS FOR REFERRALS

76%

OPPORTUNITIES TO EARN BONUSES FOR SPECIFIED ACTIVITY



DIGITAL HARMONY

60%

LOYALTY PROGRAM MOBILE APP

62%

62%

POINTS OR REWARDS FOR SOCIAL SHARING

67%

INTEGRATION WITH MOBILE PAYMENT SYSTEM

Source: The Nielsen Global Retail Loyalty-Sentiment Survey, Q1 2016

What Consumers Expect from Loyalty Programs



FLEXIBILITY

79%

THE ABILITY TO CHOOSE
AMONG SEVERAL TYPES
OF REWARDS

81%

POINTS OR REWARDS FOR
PURCHASES MADE IN
STORE, ONLINE OR ON A
MOBILE DEVICE



PERSONALIZATION

62%

PERSONALIZED
PRODUCT OR SERVICE
RECOMMENDATIONS

77%

PERSONALIZED
DISCOUNTS OR
PROMOTIONAL
OFFERINGS

Source: The Nielsen Global Retail Loyalty-Sentiment Survey, Q1 2016



Loyalty Marketing Best Practices

Garner Support

- ✓ Make sure everyone is on board with the need to build customer relationships, increase customer retention and loyalty.

Customer Insight

- ✓ Know who are your best and “growable” customers are and develop strategies to proactively manage the customer relationships.

Digital Harmony

- ✓ Leverage technology to reduce friction and optimize the customer’s experience.

Omni-Channel

- ✓ Provide a seamless experience across all mediums possible, engaging consumers with the right message at the right time on the right channel.



Brand Experience

Inspire a meaningful and memorable connection with customers by having your loyalty program be an extension of the brand experience.



Financial Rigor

Take a long-term approach and evaluate program performance on how it achieves business objectives.



Innovate

Continually evaluate your program strategy and communications for differentiation, value to members, and utility.



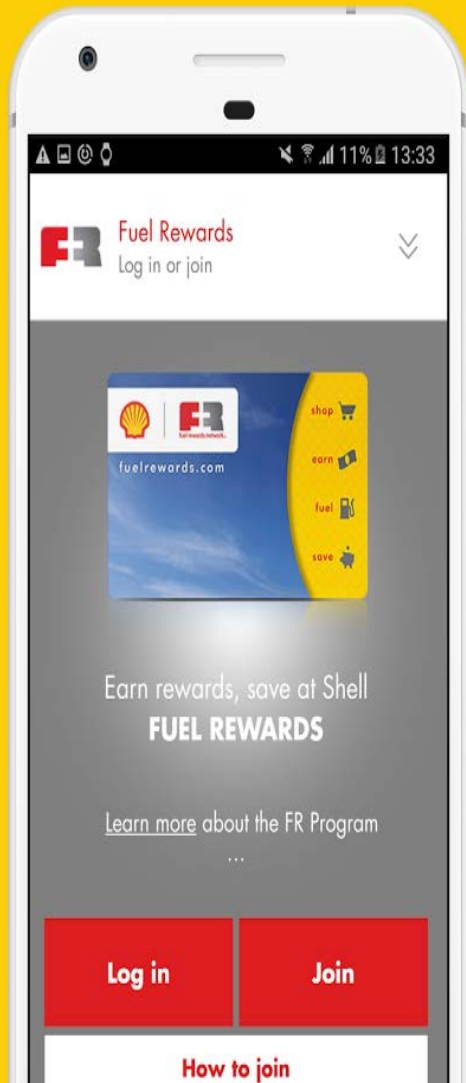
Make It Personal

Personalization improves the experience by making the entire journey, from first tap through post purchase. It’s friction reduction at a customer level.





EARN REWARDS
save at Shell



Brand preference and loyalty down 6%
versus previous quarter



56% of customers disengaging from
program after 3 months



WELCOME

EARLY LIFE

Shell Rewards

Log in Points Balance 96852 As of 13.4.2019



250
Bonus Points

It's how we like to say welcome, John.

[▶ Claim Now](#)

Offer valid from 01.01.2019 to 31.03.2019 based on 01 fill

Claim
Your offer

Fill up
At the pump

Swipe
At the till

Earn
More points

Shell Rewards

Log in Points Balance 96852 As of 13.4.2019



**Fill up.
Earn.
Repeat.**

250
Bonus Points

And the rewards will keep on coming.

500
Bonus Points

Earn a guaranteed reward next time you fill up.

[▶ Claim Now](#)

Offer valid from 01.01.2019 to 31.03.2019 based on 01 fill

Claim
Your offer

Fill up
At the pump

Earn
More points

IN LIFE

WIN BACK



Log in Points Balance **96852**
As at 13.4.2015
Card number 700405 000000000002 9






Fill up your tank and we'll fill up your Bonus Points.


100 Bonus Points
Offer valid from 00.00.0000 to 00.00.0000 based on Exx fill


And an extra **50 Bonus Points**
If you use V-Power when you fill up. 

[▶ Claim Now](#)



Log in Points Balance **96852**
As at 13.4.2015





Long time no see.
Claim your welcome back reward.

500 Bonus Points

[▶ Claim Now](#)

Offer valid from 00.00.0000 to 00.00.0000 based on Exx fill

Claim
Your offer

Fill up
At the pump

Swipe
At the till

Earn
More points



Brand Preference

- 10% uplift in brand preference
- Members 5X higher preference

Brand Loyalty

- 9% Increase loyalty
- 51% increase in incremental revenue

CRM Communications

- Visit 2X more often
- 107% improvement in ROI from best of 124% ROI

Customer Retention

- Increased by 33%



Proposed Loyalty Program

Hop Fastpass Rewards



Program Structure

The reward structure is based on the premise the more a customer uses the Hop Fastpass the more rewards they earn.



-
- Simple and easy to understand program structure.
-
- Dynamic, surprising and delighting members with special bonus point offers and special recognition.
-
- The loyalty program is not a discrete “promotion” separate from the rest of the business; it’s part of an integrated business strategy.
-
- Mix of hard, soft and experiential benefits are used **to increase incremental sales and engagement.**
-

HARD BENEFITS

- Fulfill the customer's expectation of getting good value, i.e. discounts, rewards, free rides, etc.

SOFT BENEFITS

- Create a sense of belonging and recognition, i.e. member events, special privileges, and other amenities that only program members can obtain.

EXPERIENTIAL BENEFITS

- Encourage customers to share your brand with their friends and family, increasing its value and visibility.

How it Works

Load & Register Hop
Fastpass

Tap & Pay
Earn Points



Redeem Points for
Rewards

Engage & Earn Points
Faster

Hop Badges for Loyalty



Welcome to Fastpass Rewards! Your on your way to earning rewards with these 5 bonus points.



Refer 3 friends and earn 25 points.



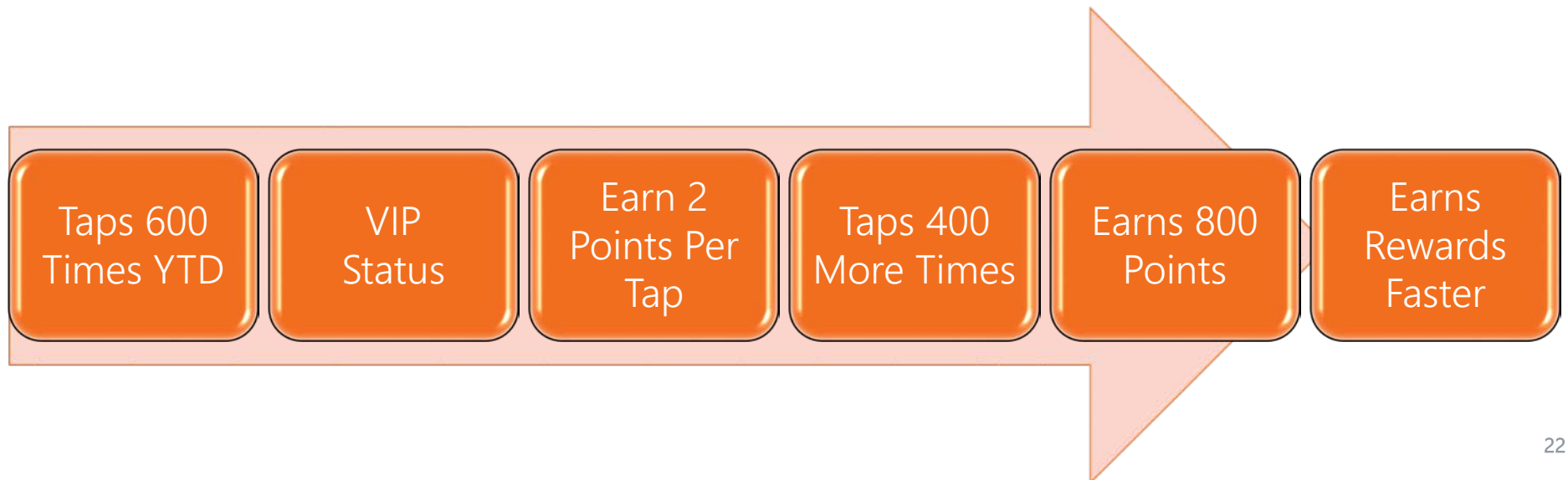
Buy a large Slurpee the 7th of the month and earn 3 bonus points.

*Note badge point bonuses are for demonstration only.

Program Structure

Earning Points: When a Hop Fastpass member taps 600 times within the year, he/she earns “VIP” status and will earn 2 points for every tap over the 600 point threshold.

- VIP cardholders points accrue faster and earn rewards faster. This will reinforce purchase patterns and encourage customers to continue making TriMet their primary mode of transportation.
- Each year the customer will need to requalify for VIP status.



* Note the 600 tap requirement will be finalized based on the customer analysis.



Movies

eGift Cards

Music

REWARDS CATALOGUE



Perks

Charity

Rides

Partnership Program

A partnership program enables TriMet to reduce the cost of providing rewards. Partners also enhance the perceived value of the Hop Fastpass.



Featured on Rewards Website

Promoted in Emails

Branded Hop Badge

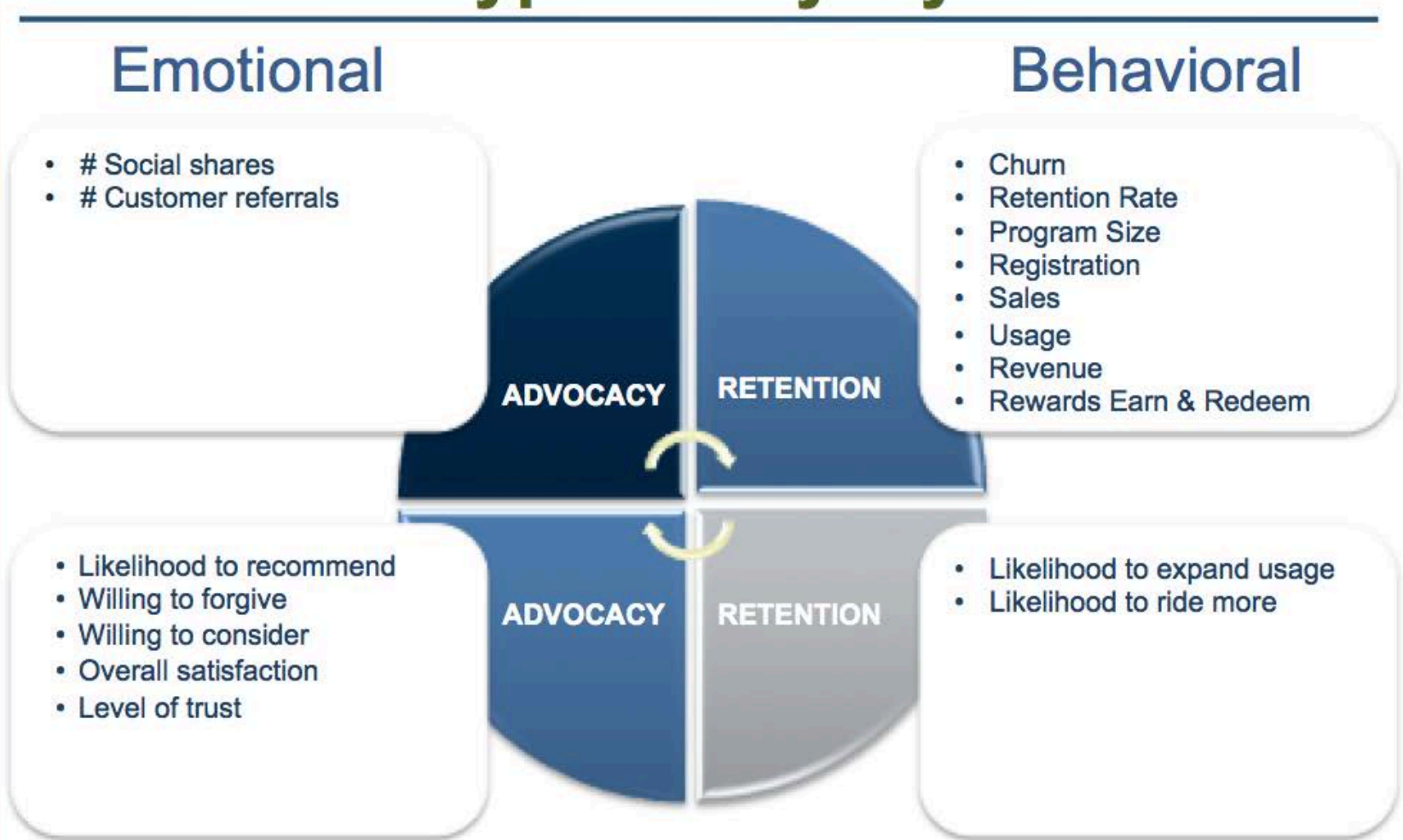
Hop Fastpass Perks

Measurement

Measurement Approach

Quantitative
Qualitative

Type of Loyalty



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Assess ROI

REVENUE

- Revenue generated by increased frequency of taps
- Reducing the defection rate of Hop Fastpass customers
- Attracting new Hop Fastpass customers
- Partners and sponsorship of Hop Fastpass loyalty program

COSTS

- **Cost** of the mobile app, the customer database, adding to the Web site
- People necessary to run the program and complete customer analytics
- **Cost** to launch the program and ongoing communications
- Cost of the point liability
- **Cost** of rewards, perks, personal recognition, member events, surprise and delight offers

Next Steps

- ✓ Customer analysis for frequency profile, spending profile, customer behavior decile report
- ✓ Refine program strategy
- ✓ Determine costs of rewards
- ✓ Develop communications plan and budget
 - ✓ Program launch communications
 - ✓ Ongoing member communications
- ✓ **Financial justification**
- ✓ Loyalty technology requirements
- ✓ Develop research plan for qualitative and quantitative customer research
 - ✓ Refine program strategy based on customer research
 - ✓ Update program benefit cost projections.
- ✓ Develop partnership program
- ✓ Implementation plan and timeline

Discussion

