



mercuryretail
LOYALTY SCHEMES



LOYALTY SCHEMES

Customer loyalty and rewards programs for shopping centres help to build a sense of community, enhance customer shopping experiences, drive repeat visitation and maximise sales opportunities.

MAIN BENEFITS

- **Customers prefer malls with loyalty programs**
According to a report from the global research institute Nielsens, 84% of customers state that whether or not a retailer has a value-given loyalty program is part of their buying decision. When this applies to retail it's very likely to be true for shopping malls as well.
- **Customers who use a loyalty program have a higher lifetime value**
According to the consultancy Accenture, loyalty program subscribers drive 12 - 18% more revenue than non-subscribers. This means that converting customers into loyalty program users is a beneficial long-term strategy.
- **Gathering Customer Data** – building a database of customer data which in the longer term could help understand the customer behaviour, buying habits and preferences. In the short term e-shots are a great way to showcase new ranges, products and Events going on in the centre.
- **Higher Basket Spend** – by cross selling or upselling with relevant stores such as Zara Home. If you shop in Zara Home, you could then get a voucher for Zara Home or Zara Men. Or drive repeat purchases through our restaurants such as a free dessert when you return.
- **Beat your competitors** - It encourages customers to choose your shopping centre over a competitor. For example, you have a Bershka store and so does the shopping centre ten minutes down the road. At the centre ten minutes down the road a top is priced at \$20. The same top is available at your Bershka store, but the loyalty customer will pay \$16 thanks to a 20% discount and will get a free coffee in your food court because its their 5th visit.



“84% of customers state that whether or not a retailer has a value-given loyalty program.”

Neilsen



“Members of loyalty programs generate between 12-18% incremental more revenue growth per year than non-members”

Accenture

RESEARCH

Customers prefer malls with loyalty programs

Loyalty schemes are not a "one size fits all". To implement a successful Loyalty Scheme we must understand our surroundings. For each centre we will carry out the following research:



Demographic research



Local region by age group



Local region by nationality



Consumer Spend



How does the shopper like to be communicated with



What does your average mall shopper look like?



Online behaviour



UNDERSTANDING OUR SURROUNDINGS:

Buyers in La Marina

Residents in the catchment area

Residents in the catchment area



Buyers in La Marina



Responsible for doing the household shopping



Main income earner in the household



Education of respondents



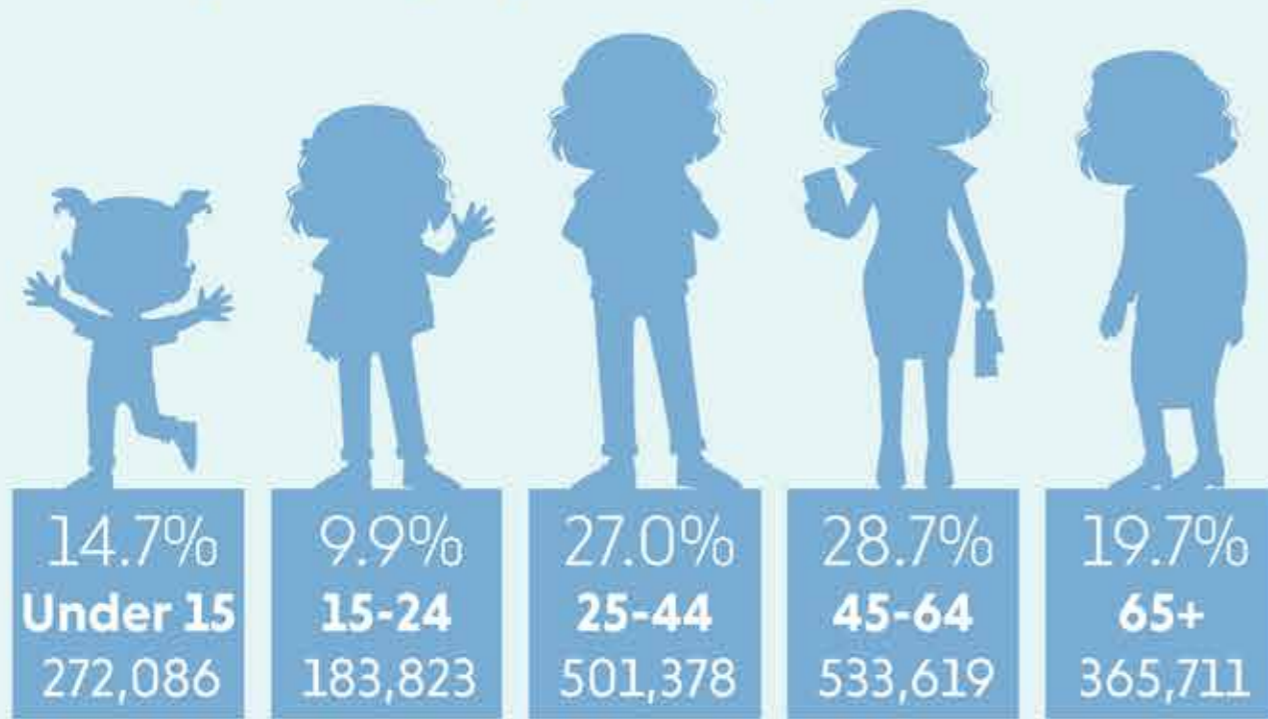
Occupation of respondents



Social class



Local region by Age Group



Local region by nationality



Catchment Area



	Benidorm	Alfaz del Pi	Finestrat	Villajoyosa	Calp	La Nucia	Altea	Callosa d'en Sarrià
Distance	6.9km	11.7km	6.7km	6.8km	27.1km	11.9km	14.6km	19.2km
Travel Time	(8 mins)	(13 mins)	(10 mins)	(10 mins)	(26 mins)	(16 mins)	(17 mins)	(27 mins)
Population	67,558	20,053	6,381	33,969	21,633	18,242	21,995	7,257

What does the average Spanish consumer look like?



€
Price is an important factor for Spanish consumers



Easy payment options and efficient service is a key factor



Discount stores and cheaper products are often looked at favourably as slower economic growth and higher unemployment rates affect the country



Consumers will tend to shop two to three times per week - almost 50% of sales are made during the weekend



They tend to favour Spanish products, or products that look Spanish



The customer isn't loyal towards one brand



Seven out of 10 consumers plan their purchases but will usually buy more than planned



The consumer prefers known products to new ones, but they are willing to make lifestyle changes - younger consumers are more susceptible to new products



Online market continues to grow in Spain - in 2015, 55% of fashion purchases were made online





HOW IT WORKS

OFFER LED

(Suited to shopping centres with smaller budgets and home to more independents than global chains)

- Retailers sign up to be part of the loyalty scheme and agree to give a customer incentive (free gift, discount, money off next purchase etc)
- Customers sign up online and pick up a physical loyalty card at the shopping centre / or sign up at a loyalty event and receive the physical card instantly
- The physical card is stored in customers wallet and must be shown inside participating stores at the till to receive the incentive
- Customers receive regular e-shots with the latest retailer offers and in centre events

POINTS BASED

- Points based system, where shoppers get points every time they spend in a participating store
- Points = prizes
- Retailers must offer a prize each month to be included in the loyalty scheme
- Loyalty App – push notifications & SMS of latest offers / gain valuable customer insight / gamification / birthday club
- Surprise and delight – instantly update offers

HOW WE GAIN LOYALTY MEMBERS



Create a strong loyalty scheme brand representative of your centre and core customer



Work with centre marketing teams to establish quarterly events in the centre for shoppers to sign up. Incentivise customers on the day with giveaways and vouchers for the retailers. Use promo staff to generate excitement at the event.



Use social media to drive shoppers to our website to sign up. Incentivise them with a competition prizes through a simple LIKE, SHARE and SIGN UP mechanism.



Loyalty leaflet distribution – identify salons, doctors surgeries, dentists, libraries, golf resorts etc.



Keep the offers and discounts fresh and relevant to shoppers. Also offer 1 off double discount weekends to encourage more sign ups.



Offer exclusive offers and discounts that are only available to our loyalty shoppers.



CASE STUDY

CROSSGATES SHOPPING CENTRE



Scheme: Indoor



Size: 165,400 sq. ft.



Average weekly footfall: 120,000



Flagship stores: Costa, Home Bargains, Iceland, New Look, Poundland, Specsavers, Wilko

SIGN UP EVENTS

2 hours / 2 members of staff



Event 1 –
130



Event 2 –
119



Event 3 –
119

RETAILER ENGAGEMENT



1/3 retailers signed up originally



50% retailers on board 3 months later

YOU'RE LOYAL
TO US
SO WE'LL
BE LOYAL
TO YOU



EMAIL OPEN RATE

- 27% average email open rate Vs national average 15-25%
- 7.8% average click through rate Vs national average 2.5%



SALES INCREASE ON EVENT DAYS

- New Look 2%
- Scentiments 5%



MONTHLY ONLINE SIGN UP FACEBOOK COMPETITIONS

- 50 entries on average
- 45% reach increase
- 70% engagement increase



WHY RETAILERS WANT TO JOIN

- Growing memberships
- sale increases on event days
- repeat visit / purchase
- extra marketing support
- promote offers instantly
- more social media visibility

What are we working towards

A quarterly centre-wide loyalty event, similar to a Debenhams Blue Cross sale for example, whereby every retailer gets involved to offer an exclusive discount for one day only to see how they can benefit from being part of the loyalty scheme.

THANK YOU

Thank you for giving us the opportunity to present our ideas and for taking the time to read our proposals. Please note, all ideas are conceptual and we work closely with your team to develop a marketing plan that works for you and meets your objectives.

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