

## **Excellence is Everywhere**

***As I travel the world discussing loyalty, it's not uncommon to be asked: Which countries are the most advanced in loyalty marketing? My answer has always been the same: there are no great countries, just great companies...***

by Brian Woolf (September 15, 2008)

When I first became completely involved in loyalty marketing back in the early 1990s, I was privileged to be part of a global Best Practices Loyalty Share Group. Apart from the US, it comprised companies from Australia, Ireland, and Belgium, and added to later by companies from Spain and Sweden. Apart from the US, probably not what you'd call "the usual suspects." What made this group unique was that they were all doing special things over and above what other loyalty companies were doing. The magic was in their management's commitment to their customers and to their loyalty program, the vehicle they used to help measure and enhance that relationship.

I learned that excellence in loyalty marketing isn't the specialty of any one country; it's the mark of committed companies that scatter the whole globe. You'll find stars everywhere. I think of Japan, for example. Most retailers there have a point-based program—but only a few loyalty programs truly stand out. One, for example, is A-Coop, a single-store operator that replaced their traditional 3-times-a-week grocery ad with quintuple bonus points on three days a month (5th, 15th, and 25th). This key differentiating action, along with many supporting actions, has propelled A-Coop to high, customer-centric prosperity over the past decade. Incidentally, it also demonstrates that a single store can have its own loyalty program and shine.

Recently, I visited India for the first time in many years and was delighted to find that my belief held true. I discovered yet another loyalty star. Shopper's Stop is a world class department store chain with a highly-energized top management team who benchmark

themselves against the best retailers on every continent. When we arrived at their headquarters we had to wait—all associates were standing singing their corporate anthem (a daily event). Talk about achieving goal congruence in a business! The business card of Govind Shrikhande, their energetic, articulate, and charismatic top officer reads: Customer Care Associate & Chief Executive Officer. That sequence surely sets priorities! Customers do come first, without question, at Shopper's Stop. No surprise, then, that they have, in my opinion, one of the world's best department store loyalty programs.

Following the concept that you water what you want to grow, their First Citizen loyalty program, offers a tiered reward program: the more you spend (over time), the easier it is to earn additional points. Entry-level customers (first 10,000 rupees, ie, \$250) earn one point for every Rs.100 (\$2.50) spent; Silver Edge customers (spend \$250-\$1,000) earn one point for every Rs.50 (\$1.25) spent; and Golden Glow Customers (spending over \$1,000), earn one point for every Rs.34 (\$0.80) spent.

All First Citizen members receive regular updates on merchandise offers, special previews, etc; they have exclusive checkout counters (Gold have their own special one); and free parking (Gold have free reserved parking). In addition, Silver and Gold receive additional Reward Points on preferred store brands, along with other benefits.

But, to ensure that their customers appreciate the benefits of their First Citizen program, there is an entry fee of approx. \$5; and a fee of \$2.50 to replace a lost card. Not only that, customers have to maintain the threshold spending levels of their Silver or Gold cards to keep them active from year to year. Points have a defined value and can be redeemed by members against any transaction, thereby creating an internal currency. [Keep it all in the family!] First Citizen is a simple, clearly communicated and executed program that recognizes and rewards their regular customers. (If you wish to learn more, visit their website at [www.shoppersstop.com](http://www.shoppersstop.com)).

The bottom line? Excellence is not a country “thing.” It's a company “thing.” If your company's loyalty program is not currently rated as excellent, wouldn't it be wise to avoid blaming the environment and start looking a little closer to home for the steps to make it so? For excellence is everywhere (as I was reminded on my recent trip to India)—and I hope it does—or will—describe your company's loyalty program, too.

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## About the author...

Brian Woolf is a global leader in loyalty marketing and has written three definitive works on the subject, *Measured Marketing: A Tool to Shape Food Store Strategy*, *Customer Specific Marketing*, and *Loyalty Marketing: The Second Act*. He devotes his time to helping retailers develop, critique and strengthen their loyalty programs.

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