

Big Rewards From Small Customers

A simple way to increase loyalty is to start with your smallest (literally) customers.

by Fiona Woolf (October 26, 2013)

If you are interested in strengthening and differentiating your loyalty program, you may want to consider a Kids Club. Brookshire's and Market Street in Texas; Roundy's banners, Rainbow Foods, Pick 'n Save, Copps and Metro Market in Minnesota and Wisconsin; and Roche Bros. in Massachusetts, for example, are successfully and profitably building customer loyalty with a program for their customers' children.

All retailers offer perks, prizes and special benefits (both in and out of their stores) to Kids Club members. A key feature of their Clubs is the Danger Rangers, an adventurous team of superheroes that provides "edutainment" for children aged 3-11 in the form of its award-winning animated series, DVDs, CDs, music downloads, activity books, storybooks, and interactive website. The Danger Rangers popularity lies in their universal appeal—both boys and girls identify with the animal characters and children of different sociocultural backgrounds can relate to their empowering messages. The Rangers are the flagship brand of NC-based marketing firm Mighty Kids Media (MKM), which offers the core Kids Club programs (www.mightykidsmedia.com).

Enrollment is simple, and is completed by a parent in-store or on the retailer's website. While a loyalty program is not necessary for a Kids Club, it does enhance the ability to engage with member households. The aforementioned retailers' Kids Clubs work within their existing infrastructure and technology platform, and so a parent is able to enroll

provided he or she is already a member of the retailer's loyalty program. Thus, kids' memberships are tracked through their parents' loyalty cards.

For signing up, children receive a paper-based membership card and welcome gift. Trips to the store are made special for members who, upon presenting their card, may receive free items ranging from stickers, tattoos, and themed coloring sheets to a cookie or piece of fruit. Other membership perks include a birthday treat from the bakery department, a monthly e-newsletter, a quarterly activity magazine and access to the Danger Rangers interactive website. Periodic promotions include items such as free e-books, store-sponsored drawings for prizes as well as special discounts to family-friendly events and venues.

All partner store locations have signage with information on their Kids Club and the Danger Rangers. Some of these signs contain a Quick Response (QR) code that can be scanned with a smartphone to instantly play a Danger Rangers' music video. Other signage has a QR code that can be scanned to automatically enroll children in the kids club. The Club's in-store freebies and entertainment makes store visits appealing to families, engaging children while the parent shops. As a result, it positively incentivizes both children and parents to return to the store.

These Kids Clubs were actualized in partnership with MKM, a multi-media "edutainment" company specializing in children's loyalty and reward programs. MKM's in-store and online grocery kids loyalty programs are implemented in a number of leading U.S. retailers, and have demonstrated success and achieved popularity amongst children and parents.

MKM's comprehensive programs are easy to execute because they are co-developed with the retailer. These are not uniform, pre-packaged programs. From creation to launch, the retailer plays a role in the planning process, and so is fully prepared to put the program into practice. The final product is a customized children's loyalty program that is scalable, ready to implement and supports existing programs. Following the program's launch, MKM maintains an ongoing dialogue with the retailer, providing advice and support to ensure the program meets its target objectives.

The Kids Clubs are intended for children aged 3-11, and are tailored to reach the different age groups. For instance, the monthly e-newsletter might contain a game devised for a 6-

year old and a download attractive to a 10-year old. Likewise, promotional material provided to retailers (alongside creative ideas to sustain the Kids Club) is varied to meet the interests of the different age groups. While a grocery bingo game is geared toward younger children, an in-store scavenger hunt is aimed at older ones.

Additionally, members have access to the Danger Rangers website which enables them to further engage with the characters and generate enthusiasm about the Kids Club. The site features videos, music, games and activities with an interactive, heuristic approach to learning about personal responsibility and safety. Parents are equally impressed by the Danger Rangers educational content packaged in entertaining contexts; in fact, 12 out of the top 15 sites referring traffic to the website are Mommy blogger sites. The website also has numerous resources for parents, educators and caregivers providing tips, information, helpful links and classroom lesson plans centered around kids safety topics and family-oriented recreation.

Retailers find that the Kids Clubs have not only strengthened loyalty, but have also delivered a positive ROI as measured by members' increased sales/gross profit less the cost of the program. The Clubs are yet another way to take a creative and savvy marketing approach—one that benefits children, parents and retailers. It's a win, win, win.

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