

The Best Type of Promotions

The best type of promotions are those that customers actively remember...

by Brian Woolf (February 2, 2015)

Imagine a long-term promotional offer that customers don't need to be reminded of ... it's already internalized. It has captured a place in your customers' minds. It's "top-of-mind" and the customer regularly acts on it ... and talks about it. Such a promotion differentiates you in the marketplace. Because it's memorable, you rarely have to advertise it; in-store reminders are usually enough. Such a promotion triggers your customers to return—and return.

An Iconic Example

This month, "Orange Wednesdays" will end in the UK. This easy to remember and hard to forget promotion was launched a decade ago. Every Wednesday since then, an Orange Mobile subscriber could use his or her phone to book two movie tickets for the price of one ("2-4-1" the deal was dubbed). "Films are better with friends, get 2 for 1 cinema tickets on a Wednesday" was its promotional tag line.

The process was simple. Subscribers could view all UK movie and theater options on Orange's website, then text "FILM" and send this message to 241 on their mobiles and order two tickets for the price of one (plus a minor booking fee) for that Wednesday. Subconsciously, the program was reinforced every time a subscriber saw an Orange store, received an Orange invoice or email, or visited the Orange website—or the subscriber realized it was Wednesday. Commercial reminders were primarily brief funny advertisements on movie screens aiming at, of course, its primary market. The promotion's intent was to reward subscribers and encourage them to continue with and renew their mobile service. For over 10 years, the promotion has differentiated the company across the whole mobile service sector.

Orange Wednesdays—noted for their simplicity, value, and regularity—is a classic example of an offer that customers actively remember and act upon.

[Note: management indicates the program is being retired because of industry changes, particularly on-line streaming services. This is a clear reminder that all programs, including the stand-outs, have a sell-by date and that one of our greatest long-term marketing challenges is to elongate that date, yet be ready for it when its time does come.]

Examples in Food Retailing

Long-term promotions that customers actively remember in food retailing are not commonplace but where they appear they are effective. Here are four of my favorites:

A-Coop: Shirane, Japan. When relaunching its loyalty program over a decade ago, this small independent kept its points-on-purchases program, dropped its 3-times-a-week newspaper advertisements, and added an easy to remember and act upon point offer: quintuple (5x) points on all purchases made on the 5th, 15th, and 25th of each month. Customers instantly internalized the three quintuple-point days (those with a “5” in them) and immediately changed their shopping patterns, resulting in these days joining the ranks of each month’s busiest. Locked in customers’ memories, these “5” days act as automatic reminders to shop with them ... and shop big, because of the added value. And these quintuple (5x) point days continue to be a core part of A-Coop’s offering, together with short and long-term specials that are posted in-store. This exemplary differentiated program is one that customers actively remember; one that was even strong enough to help offset the elimination of their three newspaper advertisements every week!

Big Y: Springfield, MA. Imagine your checkout cashier unexpectedly giving you a gold “coin” (actually, a gold plastic token), saying you may exchange it for any of the special Gold Reward store items, such as a large Rotisserie Chicken or a Large Cheese Pizza (featured on several overhead signs and in checkstand brochures). Alternatively, the cashier might have given you one of three other coins (Silver, Red, Blue) with lesser reward opportunities. After thanking the cashier for the surprise gift you politely enquire, “Why the unexpected freebie?” to which the cashier replies, “Big Y just wants to say thank you for your business.” You then ask, “What do you I have to do to receive more of them in future?” The cashier’s reply—“I’m not really sure.” That’s how Big Y’s Coin program began three years after the launch of its Express Savings Club loyalty program. The Coin program arrived on the scene unadvertised with no specific commitments; not a word about it was even mentioned in Big Y’s large multi-page weekly newspaper ads. The program was a relationship with customers, who looked forward to each shopping visit wondering whether they would receive a coin and, if so, what color it would be. Neither customers nor employees were told how coins were allocated. Even so, after the first few months they figured it seemed to have some relationship to how much a customer spent and how often she shopped, but not always.

This unannounced, unadvertised, but highly original program became an integral part of the company for the following 15 years (when it was refined into an even simpler, more electronic, format and is still core to their customer relationship program today). The coins, with no expiration date, enjoyed a consistently high weekly redemption rate and were very popular with customers, according to Big Y’s customer surveys. The coins “magic” was the surprise element they added to each Big Y visit which customers looked forward to, encouraging them to return—and return.

Dorothy Lane: Dayton, OH. An upscale, 3-store independent food retailer that doesn’t advertise in newspapers or circulars has, in recent years, seen the entry of retail heavyweights such as Walmart, Kroger, Costco, Meijer, and Trader Joe’s. Given Dorothy Lane’s limited buying power versus that of these high volume giants, what should it do to survive and thrive? Obviously, continue its well-known, high-quality offering. In addition, to give its Club DLM members something extra to actively remember, it introduced (with explanatory in-store signage) dramatically below-cost “Crazy Prices” on 10-20 items. For example, bananas at 9¢ lb, eggs for 1¢ each (12¢ dozen), a half-gallon milk at 49¢, and a rotisserie chicken for \$2.99. To take advantage of these prices, a member simply redeemed some of her accumulated shopping

points, eg, 100 points for the bananas or 200 points for the eggs. The unforgettable, high-value program became an excellent way to reward its regular customers who received points based on their total spending, on purchases of Bonus Point items around the store, and those gained on a purchase when using a multi-point certificate.

What Crazy Prices has done is not only reward Dorothy Lane's regular customers but provide them with an added reason to return, rather than split their shopping. The outcome has been an extremely high point redemption rate, indicating that customers have internalized the Crazy Price values and incorporated them into their personal shopping budgets. It's a unique, simple, easy-to-remember promotion that gives customers added value and Dorothy Lane a pricing point of difference.

Waitrose: Bracknell, Berks, UK. When the UK's 6th largest food retailer launched its *myWaitrose* card program several years ago, it chose not to follow the leaders (Tesco and Sainsbury's) with their 1% programs. Instead, one highly visible element of its card program was instant in-store gratification for its loyal members. Specifically, anytime a member visits a Waitrose store he or she may have a free cup of coffee or tea and/or a newspaper (with a modest minimum purchase). Because of the customer involvement in these two highly visible perks, it is something Waitrose members actively remember ... and return to their store to enjoy.

Closing Comment

One highly rated advertising slogan of the 20th century was Yellow Pages' "Let your fingers do the walking." Perhaps, when describing the great retailers of the 21st century, we will say they "Let their customers do the remembering." Surely, such an accomplishment is the acme of marketing excellence.

As seen in the preceding examples, some companies have found a way to walk into their customers' minds and comfortably settle down. They have offered a simple proposition, remembered so well that it doesn't need to be advertised. When a retailer has customers subconsciously remembering reasons to return, it describes a special relationship between retailer and customer. It's the mark of a great marketer.

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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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