

Uncopied Excellence

Two loyalty program standouts that were never copied

by Brian Woolf (June 22, 2015)

The world of retail loyalty marketing has brought forth many great programs, the features of the best usually being quickly copied by others. Two of the best ideas that worked for many years yet never emulated were Superquinn's Goof Program and Big Y's Coin Program. Why didn't others copy them? My opinion is that both of these companies were so passionate about their Loyalty Programs they were more prepared to take risks about trusting and rewarding their customers.

You decide.

Superquinn's Goof Points

Launched in 1960, Dublin-based Superquinn was a legend in its own time before it was sold by founder Feargal Quinn in 2005. Quinn imbued the company with two over-riding driving passions: (i) provide outstanding fresh food and, thereby, (ii) attract and retain customers. The latter passion was exemplified in the lapel pin each new employee received: it was a small boomerang reminding employees to do all possible to encourage every customer to return, just like a boomerang.

This mindset was behind Superquinn's decision to be one of the first European food retailers to introduce a loyalty card program. They wanted to see how effective they were in attracting and retaining customers and use their customer data to improve retention and sales results through under-the-radar targeting.

Given Superquinn's customer obsession in making every shopping visit an enjoyable experience, they dreamt up the idea of engaging customers to help identify some common customer irritations for immediate correction. Signs announced "We Goofed" if a customer found any of 15 common irritations while shopping. Annoyances listed included:

- If we give you a wobbly trolley
- If you find any product out of date
- If you feel our Tendercut Beef isn't tender enough
- If there are more than 3 customers in your checkout line
- If we don't have bananas suitable for eating today and tomorrow

And the customer reward for advising of a goof? A 100 Goof Points Certificate which integrated into their points-based loyalty program.

As Superquinn did not want customers feeling that they were “spying” on employees no goof involved finger pointing. Rather, goofs were used on general irritations.

Both customers and store management teams got behind the program with grace and humor resulting in on-going operational improvements. In fact, the program was so successful that even though it started as a short-term program it evolved into a permanent feature where customers were rewarded not just for finding fifteen different irritants, but they were also rewarded a 100-points certificate for anything they found “wrong”, in their opinion, in their stores!

The Goof Points program thus became an on-going, quality control program conducted weekly by over a quarter of a million quality control experts—the customers—who decided not only what would be inspected daily, but also what was acceptable quality. This was a truly remarkable way of receiving continuous, instant customer feedback—all carried out with an underlying sense of fun.

Big Y's Coins

Springfield, MA-based Big Y launched its loyalty program, Express Savings, in 1991 as a two-tiered price program with a limit of 5 items (with card) of items featured. This unique approach was their solution to extricating themselves from an intense competitive scene where, every week, newspapers were filled with supermarket coupons. Now, no longer did Big Y's customers need to clip coupons to get the “hot specials”—they simply had to present their Express Saving card.

Then, several years later, after settling down with its new way of marketing and gaining an insight into their customer behavior, without any fanfare whatsoever, they quietly introduced their “Coin” Program. When checking out, many Express Savings members were offered, seemingly randomly, a different colored “coin” (actually a colored plastic token). The cashier explained it was a “thank you” and were redeemable at any time (coins had no expiration date) for significant discounts on selected merchandise clearly indicated by store signs. The program had four different coin colors, representing different values. For example, Big Y's special rotisserie chicken might have a regular shelf price of \$9.99 but be featured at \$7.94 with a silver coin, \$5.94 with a red coin, \$3.94 with a blue coin, and free with a gold coin!

Over the years the coin items offered to members, either free or at various discounts, were primarily items prepared in the store (which carried high margins) so that discounts could show significant value without the average item redeemed going below cost. Typical items included rotisserie chickens, cakes, muffins, gourmet cookies, fish and chips, pizza, Tuscan bread, wrap sandwiches, crème pies, beef patties, boneless chicken breasts and sheet cake. Added to items prepared in-store any negotiated external “hot deals” were also included; these ranged from onions to roses to hot dog rolls.

Every two weeks, the in-store signs listing what the different coins could be redeemed for were changed. The coin program was never advertised in Big Y's weekly circular. It was purely an in-

store program that captured their customers' imagination as they wondered whether they would receive a coin on their next shopping trip and, if so, what color it would be. Responses on company-wide customer surveys told Big Y how popular the program was among regular customers.

Of course, customers and employees asked what was required to be selected to receive a coin. Even though top management never disclosed such information, most began to figure out that somehow it was related to how much a customer spent and how often she visited, and sometimes how infrequently she visited, and whether they lived in an area where a competitive store was soon to open—and they wouldn't have been too far out. They just couldn't figure out the exact formula and the flexibility coins allowed in influencing customer behavior. In reality, you didn't have to be a loyalty expert to figure out which customers received the best coins most often or which received the least.

The true power of the coin program was, with an unannounced formula for issuing rewards in the form of "coins", the company's complete control over both the flexibility and cost of the program.

Yet coins was only one of various highly creative programs launched by Big Y over the past 20 years, reflecting the company's passionate commitment to customers via their Express Savings card. Another great example was the BOGET program they launched which no one, anywhere, (like the Coin Program) has ever copied. BOGET stands for Buy One Get Two (Free)! After testing, Big Y quickly moved to eight weekly ads a year offering a significant number of items where a customer could buy one and get two free (with a limit of five)! That meant that a customer could buy, if so inclined, 5-dozen eggs and get an extra 10 dozen free! Eggs were just one of the many BOGET items featured along with such items as apples, onions, crackers, salad dressing, soda pop, carrots, spaghetti (and spaghetti sauce). A number were national brands. Understandably, these are eight high volume weeks each year. How do they do it? No competitor has yet figured it out to be brave enough to emulate.

Big Y created a half-dozen major unique programs in other areas over the years that also commanded attention making them, in my experience, the most creative of all the retail loyalty practitioners I have seen anywhere in the world over the past 20 years. But it's their uncopied coin program that uniquely stands out: an alternative currency that made shopping exciting and whose flexibility gave management the ability to manage its costs week by week.

Endnote

Why are there no Goof Point copiers among the myriad retail points programs around the world? Why are there no Coin Program copiers among all retail programs around the world? Both were highly successful. Is it a lack of passion? Daring? Analytical capability? What would you attribute it to?

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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