

The Loyalty Perspective



Our exclusive consumer research explores the whys and why-nots of loyalty program membership

By Linda Lisanti

WITH SO MANY RETAIL channels looking to capture the “convenience” shopping occasion, customer loyalty is becoming a harder thing to come by these days. To establish loyalty — and then, equally important, to maintain it — many convenience store chains are implementing brand-new or newly enhanced loyalty programs with all kinds of bells and whistles.

As part of *Convenience Store News*’ exclusive 2019 *Realities of the Aisle* consumer study, which analyzes the demographics and purchasing behavior of c-store shoppers, participants were asked their thoughts on loyalty programs in the convenience channel. This year’s study, now in its 10th year, was specially crafted to explore how c-store shoppers define “convenience.” To take part in the study, all participants had to shop at a convenience store at least once a month.

Among the 1,500 c-store shoppers surveyed, nearly two out of every three shoppers said they frequent a convenience store that has a loyalty program. However, just 40 percent of the shoppers said they’re currently enrolled in their store’s program and actively use it.

Millennials (67 percent) are more likely than Generation X (61 percent) and baby boomers (59 percent) to say they are enrolled in their store’s loyalty program and actively use it. Whereas Generation Z (32 percent) is more likely than millennials (16 percent), Generation X (15 percent) and baby boomers (14 percent) to say their convenience store has a loyalty program, but they are not enrolled in it.

The proportion of c-store loyalty program

members who are enrolled, but do not use the program is relatively small, at only 7 percent of shoppers, the study findings show.

Of the loyalty program members who are actively leveraging their membership, three-quarters (75 percent) are satisfied with the benefits they receive. Females (32 percent) are more likely than males (24 percent) to rate their satisfaction at the highest “extremely satisfied” level.

The Reasons Behind Non-Membership

Shoppers who have not enrolled point to several reasons why. The primary reasons cited include:

- Rewards/points/discounts are not valuable (33%);
- The program requires too many purchases to see benefits (30%); and
- The retailer asks for too much information to enroll (19%).

Looking at demographic differences, Generation Z (22 percent) and millennials (18 percent) are more likely than baby boomers (6 percent) to perceive the enrollment process as taking too long. Hispanics (24 percent) are also more likely than non-Hispanics (12 percent) to feel the process is too lengthy.

Additionally, Hispanics (31 percent) are more likely than non-Hispanics (17 percent) to be deterred from signing up due to the feeling that registration requires too much information.

Other reasons why shoppers say they are not enrolled in the loyalty program at the convenience store they shop most often are: they are indifferent/do not think about it; they do not shop there often enough; or they keep forgetting to sign up.

Where There’s a Loyalty Program, There’s an App

Mobile apps are an increasingly important aspect of c-store loyalty programs, particularly among younger-generation shoppers. An optimized mobile-app

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experience has the potential to address the factors that dissuade shoppers from joining a loyalty program, such as reducing the time and customer information required to enroll. With a mobile app available, a customer can simply download the app. Once in-store, the cashier can scan their barcode or enter their phone number.

In some cases, payment can be automatically connected to an Apple Pay or Samsung Pay.

Additionally, shoppers who download the app can receive push alerts for special offers/discounts that are more relevant to them and based on their unique purchase history.

More than half of active c-store loyalty program members (55 percent) have used their store's loyalty program mobile app, according to the research. The challenge for greater adoption may be more of an issue of awareness than anything else, as only 6 percent of active members claim their store does not have a mobile app, whereas nearly one in five (19 percent) are not sure.

In terms of demographic differences, males (60 percent) are more likely than females (52 percent) to have used their convenience store's loyalty program mobile app. Females (22 percent) are more likely to be unsure if their store's loyalty program has an app compared to males (15 percent).

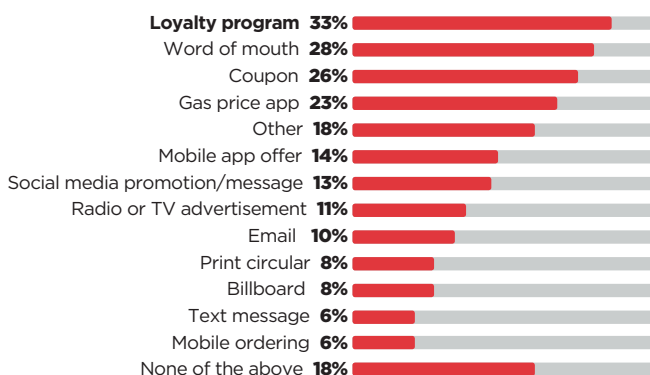
Age-wise, millennials (59 percent) and Generation X (56 percent) are more likely than baby boomers (43 percent) to have used their c-store's loyalty program app. Baby boomers (26 percent) are more likely to be unsure if there's an app compared to millennials (17 percent) and Generation X (17 percent). *csn*

METHODOLOGY

The 2019 Convenience Store News Realities of the Aisle Study was conducted via an online survey executed in partnership with CSNews' sister company, EIQ Research Solutions. The questionnaire was fielded to a representative U.S.-based sample of 1,500 participants. In order to qualify, participants had to shop at a convenience store at least once a month.

Top Marketing Factors Influencing Overall Convenience Store Visits

% of Total Influenced to Visit a Convenience Store by:

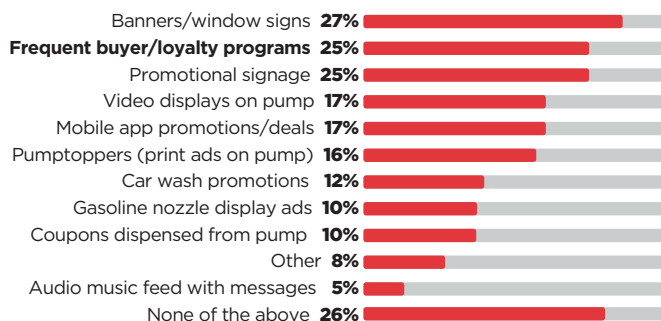


Base: 1,499 U.S. shoppers aged 18+ who shop convenience stores at least once a month

Source: Convenience Store News 2019 Realities of the Aisle Study; EIQ Research Solutions

Top Marketing Factors Influencing In-Store Trips

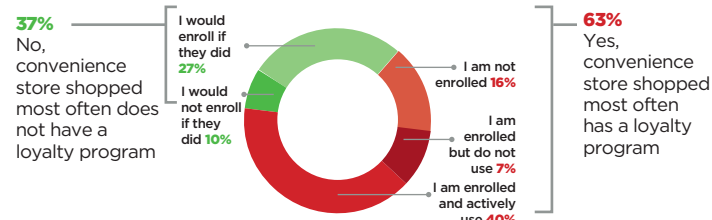
% Influenced to Shop In-Store During a Recent Trip by:



Base: 1,499 U.S. shoppers aged 18+ who shop convenience stores at least once a month

Source: Convenience Store News 2019 Realities of the Aisle Study; EIQ Research Solutions

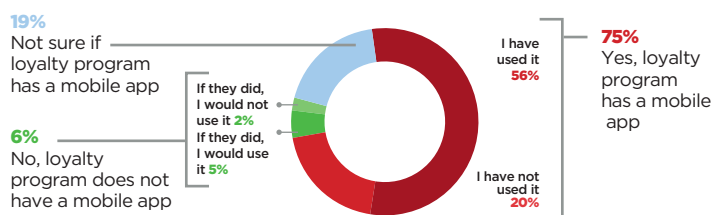
Does the convenience store you shop most often have a frequent shopper or loyalty program?



Base: 1,499 U.S. shoppers aged 18+ who shop convenience stores at least once a month

Source: Convenience Store News 2019 Realities of the Aisle Study; EIQ Research Solutions

Does your convenience store's frequent shopper or loyalty program have a mobile app?



Base: 602 c-store shoppers who are enrolled in a c-store loyalty program and are active users

Source: Convenience Store News 2019 Realities of the Aisle Study; EIQ Research Solutions