

The ultimate

SHOPPING CENTRE LOYALTY CHECKLIST



For anyone interested in implementing or
optimising a loyalty scheme in a shopping centre

SHOPPING CENTRE LOYALTY CHECKLIST

Why does this guide exist?

Over the past 5 years Coniq have implemented loyalty schemes for over 19 shopping centres across Europe including Value Retail, Hammerson and most recently, 'Love Trinity Leeds,' for Land Securities.

We have gathered insight from Coniq project managers, operational staff and our clients to provide you with tips to help you launch a centre wide scheme. This includes planning the dynamics of your scheme, managing the data, as well as how to optimise an existing scheme over time.



Here are just a few shopping centre loyalty benefits:

- Increase customer lifetime value
- Build the shopping centre brand
- Increase spend and dwell time
- Increase frequency of visits
- Track spend per customer, ATV, transactions per customer
- Build long-term loyal tenant relationships
- Improve the shopping experience
- Understand shopping trends and behaviour unique to your centre
- Prove centre value and performance to stakeholders/ investors

So why is loyalty the next big trend for shopping centres?

Shopping centres are becoming more experimental, and with the race to becoming the most digitally enabled retail destination, it's clear digital loyalty is a hot topic and key contender in 2015.

It is also a way to measure marketing more effectively, and to encompass trending customer intelligence technologies, such as beacons and location trackers, into something that gives back to the shoppers, and improves the overall shopping experience.

DIGITAL SHOPPING CENTRE LOYALTY

Although loyalty programs are a tried and tested method for many industries, loyalty is still seen as a relatively new concept for shopping centres. Before we start, it is important to be clear what we mean by a digital loyalty scheme for a shopping centre.

We define a Digital Shopping Centre Loyalty Program as:-

“A rewards program offered by a shopping centre to all (or a subset of) shoppers who make purchases within the centre.

Shoppers typically register with personal information and are provided with a unique identifier which can be accessed by an app, card or other channel. Shopper's codes are then scanned, at the POS or another location, to earn points and rewards. Shopper data is then stored and analysed within a CRM database.”

There are three key functions to a shopping centre scheme:

- 1) Reward shoppers for their custom/ improve their experience
- 2) Build the tenant/ centre relationship
- 3) Provide the centre and tenants with a wealth of customer data.

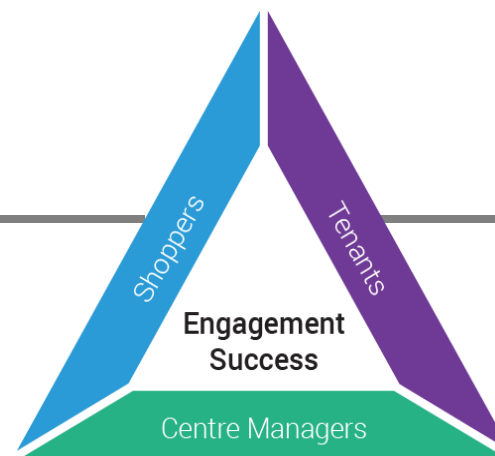


GETTING STARTED

It might seem like a pretty overwhelming task, particularly if you haven't launched a loyalty scheme before, but it can really be boiled down to three key areas of focus. These are obviously quite broad, but in this guide we will take you through what we have learnt in each area, and provide some shortcuts to help you make it a lot more manageable. From implementation of the scheme, through to actually getting shoppers to sign up and keeping them engaged over time.

Tip: Ask yourself why ... Often

We asked one of our project managers what his top tips were, for planning and launching a new scheme: His key piece of advice was to ask WHY at every step; Why will shoppers use it? Why would they open the app? Why would I use it? Why will tenants get involved? Why am I doing this, what are my goals, are they realistic? This process should highlight any potential issues, and get you thinking from a shopper perspective.



Coniq's Triangle of Engagement Success

These are the key areas to get right:

- **Tenants** - Your tenants, and everyone who works in your centre are key to your success - these people are your most important communication channel, and will be your program facilitators. We will provide some tips from our tenant engagement team to win in this crucial area.
- **Shoppers** - This is obviously a critical component. It is extremely important to think carefully about the shopper journey, how to communicate the scheme and to make it easy to use. We will outline some examples and ideas.
- **Centre management & marketing** - This may be you - or you may be coordinating these functions. It is important to strive for a single customer view, and to be able to manage and understand your shopper data.

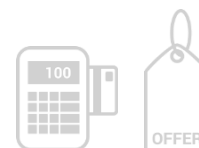
1 ENGAGE YOUR TENANTS

This is effectively the glue that holds your scheme together. Getting your tenants on board is one of the most critical components that will determine the success of your scheme. Bottom line: If you don't have rewards or something "exclusive" from brands that your shoppers like, you don't have a loyalty scheme. And if your tenants don't care, they won't participate, or train their staff to promote the scheme. The good news is, if you hit the right note with brands, they will get just as excited as you! Approach tenant engagement with a focused strategy, and you will strengthen your relationship with your tenants.



Really excited to get this scheme started and give something back to our consumers! Staff are buzzing about this scheme. The tech for this scheme was easy to install, no hassle. It's just brilliant and simple to use.

Jack Jones
Store Manager,
participating in a centre loyalty
scheme



OUR ADVICE

✓ Do your research

Get to know your merchants, what promotions do they typically run? Who are the decision makers? We always do a retailer crossover across our 650+ brand database to identify which retailers are already part of another of our loyalty programs in other centres, as it gets us a foot in the door.

✓ Make the store managers the heroes:

Build a good relationship with store management directly. They can then sell the scheme into their head office, and be viewed as proactively marketing their store.

✓ Ensure thorough training at staff level

Operational staff need to be on-board with the scheme and understand why, when, and how to use it - this is your best communication channel.

✓ Communicate Communicate Communicate

We have a team dedicated to this. Keep communication lines open with tenants and contact them regularly. Once the scheme is up and running, let them know how well they rank within the centre, and within their competitive segment.

2 MAKE IT EASY FOR SHOPPERS

Shoppers are generally busy and lazy. Be careful not to distract your shoppers from what they came to the centre to do; that is to browse and buy. Remember this throughout the customer journey, from the registration process (how many fields, how many steps, or taps on the app?) through to the redemption (can they redeem at POS? Is it easy? What do they have to do?). Concentrate on making this easy and seamless, and you will be onto a winner.



OUR ADVICE

✓ Customer experience is key

Think about what your scheme looks like, does it create excitement and a fun environment? Is it motivating to use? Think carefully as to how you brand it, how it works, and the ease of redemption.

✓ Personalise based on events and behaviour

Don't lose customers to irrelevant offers. Use your behaviour, demographic and spend data to provide a more personalised experience; if shoppers spend within a retailer segment, then push them relevant offers from that segment. Similarly, identify a high spender who has lapsed, invite them to an exclusive event or give them a freebie unique to their shopper profile.

✓ Cut down the steps

There should really be no more than 2-3 steps to registration; forms should be concise, and available at every touch point, including at the POS. You can always collect more data as you go.

✓ Make the app friendly

Remember the 80/20 rule, 80% of your app users will use just 20% of its functionality. Figure out what information people need quickly and make this area the most intuitive and easy to access.

✓ Test on a small user group

Test different scenarios with a small user group. Use feedback to make final adjustments, and uncover any potential user issues early on.

3 THINK ABOUT THE TECH



There are different types of tech to consider, but the most important are surrounding registration and redemption. To make this decision, you need to consider the makeup of your tenants, the customer journey, and the level of customer data you want to gain.

Registration is most effective when it happens at the point of sale (POS). It is far easier to train staff than to educate the customer to proactively find and scan codes themselves, locate kiosks or queue at receipt counters within the centre.

If you do decide to go for POS tech, knowing which to use really depends on what tech your tenants use (which usually varies widely). If you don't already know, you will discover this in the research phase we mentioned earlier.

It's good to offer different redemption options to cover your tenant's requirements. We integrate a broad range of POS tech from standalone scanners through to POS app integration, along with hybrids. This covers all bases, and makes it easier for more tenants to get involved, not limited by their POS system, and without disrupting their existing operations.

OUR ADVICE

✓ Make redemption convenient

This sounds obvious but can easily be the make or break. Redemption should be convenient for shoppers, and tenants. Both parties need to clearly understand how it works, and it should be a seamless operation at the POS.

✓ Apps & card combo

It's important to recognise that only a relatively small proportion will use your app, so don't rely solely on your app to make your scheme a success. Branded loyalty cards should not be neglected, but make sure you coordinate your communications for users of both channels.

✓ Consider the risks

Staff fraud is another aspect to consider. Keep the loyalty tech secure by placing it behind the counter next to the till. Also, take care to abide by all 'opt in' regulations for storing customer details.

✓ What data to collect at the POS

Register new cards at the POS to increase adoption of the scheme when customers are more engaged. Collect and capture data at the POS as you go, to develop your shopper demographic and spend profiles.

4 SELECT THE RIGHT PARTNER

Unless you are happy to spend years developing and planning your scheme, have a huge tech/data analyst team, loyalty specialists, and offer sourcing/ tenant engagement department at your disposal, we strongly advise you work with a partner(s) who have shopping centre loyalty specialist experience. They need to have the right tech, and the ability to get the scheme off the ground across multiple centres, in a matter of months, ahead of your competition. [Here are some of the areas we think are important when selecting the right partner:](#)



✓ Specialist experience

As this is such a new area, there are few, if any, shopping centre loyalty specialists. Coniq has implemented schemes for large multi-centre groups, outlets, and individual centres.

✓ A large retailer database

Choose a partner who has worked with many retailers. This makes the conversation a lot easier when it comes to getting those merchants in your centres involved in the scheme.

✓ The right team

It's important to have a knowledgeable and approachable project/account managers and consultants, who are on hand to help when you are feeling a little overwhelmed, or need help. Finding a team who you get on with, is half the battle.

✓ Flexible tech

Choose a partner who provides flexible tech that integrates with many different tenant systems, along with your existing CRM system, email and social media management software, apps and also has the ability to connect with other new tech such as location trackers and beacons etc.

✓ Omni channel capabilities

Online is just as important as offline; linking the two worlds is the answer for a majority of shopping centre marketing. Make sure you can measure across both channels and the conversation is seamless.

5 SIMPLIFY THE LOYALTY DYNAMICS



No matter which industry, if customers don't get it, they simply won't use it. We are talking about ALL aspects of a loyalty scheme here for customers; from understanding how to earn points, through to checking their progress, and understanding what rewards they are aiming for. Many schemes are overly engineered, and as a result, don't succeed as customers get lost or have no motivation to use them. This, however, if designed simply from the beginning, will result in less work for you.

✓ Keep it simple

If you opt for a points scheme, keep the relationship between points and tangible rewards simple. One answer is a tiered scheme. The trick to success here is to find a balance between attainable and desirable rewards, and linked to the KPI's of the centre eg. increase ATV etc.

✓ Establish a solid hook

Offer small rewards as a base offering at the beginning, but make it easy to reach the next level quickly. Communicate the next level rewards clearly, and make them visible on the app/ website.

✓ Motivate staff to communicate at POS

This is the time when customers are most likely to engage. Encourage ground staff to be proactive in scanning and communicating rewards.

✓ Make shoppers feel special

Provide relevant rewards for those top spenders, create a VIP or exclusive club and provide them with rewards consistent with their value to your centre.

6 BRAND AND PROMOTE THE SCHEME

A loyalty scheme is a great marketing opportunity to build a buzz around your centre. It is important that people not only know about your scheme, but that they recognize the unique benefits for them. Also, how to use it, and how to get involved. This is all in how you communicate it, from the messaging you use, to which marketing channels, tools and the creative you use.

One effective way to highlight the scheme is to create a sub brand name for your scheme as it gives it an identity of its own, Trinity Leeds have hit this perfectly with simple and effective “Love Trinity Leeds”. It is also important to promote the scheme to tenants in a similar way as you want them to get as excited as your shoppers.



OUR ADVICE

✓ **Think about your positioning**

Bring out the essence of your brand, think about your audience and what you want them to do. How do you want to be seen as a centre? Incorporate this into your sub brand.

✓ **Create a loyalty plan**

This is very similar to a marketing plan, with research phase, dynamics of the scheme, and how and when you will promote it. This is important to keep everyone on track.

✓ **Utilise your channels**

Our technology measures each channel such as email, AdWords, print and even social through to in-store purchase, which is critical for tracking the performance of your scheme. Also, don't forget, your staff are a key communication channel.

✓ **Email is key**

We typically see a 40%+ open rate from customers registered to loyalty schemes - over double the national average open rate for the industry. This channel is key to communicating your launch and highlighting offers. Use a call-to-action (CTA) to drive them to a microsite or explainer page for your scheme.

✓ **The power of social**

This is a great way to build your loyalty brand and personality. Encourage feedback from your shoppers on launch and be on hand to engage with them.

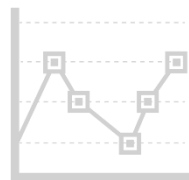
✓ **Use push notifications**

Integrate with beacons and location technology to push relevant offers to keep customers engaged.

7 UTILISE THE DATA

You will soon gain TONNES of great data from shoppers, and you will be both amazed and overwhelmed with the amount of information you have. It is important to have a clear plan on what you will do with the data and how you will manage it, to gain the most value from it. We provide bespoke infographic reports for our clients that align with their business objectives and marketing plans, highlighting KPIs and emerging trends in terms of ATV, demographics, brand correlations, ROI analysis, benchmarking against other centre brand reports.

These can then be used as market research to inform strategy, as well as to understand your customers better to make offers and communications more relevant. Most importantly, it should be used to measure the success of the scheme and the value it has for the centre, shoppers and tenants. The data needs to be analysed and presented in a way that many different teams can use it, understand it, and make decisions from it.



USE YOUR DATA FOR THE FOLLOWING

✓ Segment intelligently

Group customers based on how often they shop, which brands they shop at, how far they travel to shop, and importantly how much they spend.

✓ Personalise

Make your communications and offers relevant based on these segments.

✓ Change behaviour

Encourage customers to come in at certain times of the week or to exclusive events with added value rewards, for specific segments.

✓ Inform and motivate tenants

Inform tenants with information on the shoppers in the centre, how well they rank within the centre and their competitive performance.

✓ Advise on tenant placement

Create shopper spend heat maps to advise on tenant placement, and to identify high and low performing tenant areas to optimise.

✓ Streamline your marketing and measure true ROI

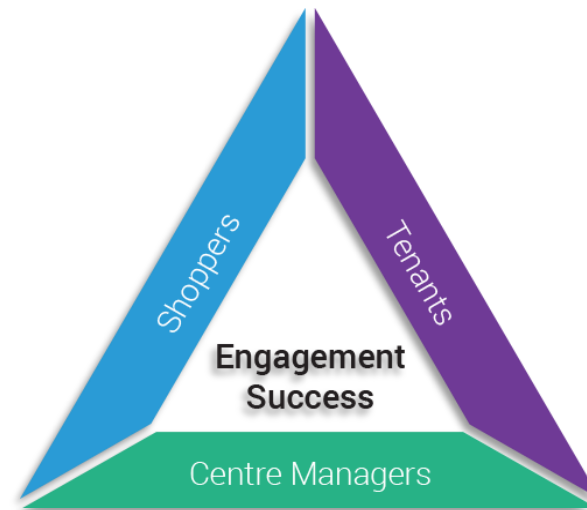
With the right redemption tech in place you can link up which channels your shoppers came from with their spend data. This way you know which channels to optimise or invest in.



THE LOYALTY JOURNEY

Launching the scheme is really just the start of the journey. There are some important elements to get right, to get the scheme off the ground, and it is an exciting time when you see all of the customer data flooding in with all of your registrations and shopper behaviour data.

It's important to remember as with all marketing activities, that your scheme will evolve over time as you learn more and more about your shoppers and how your tenants use your data. Continue to keep your offers fresh, and regularly monitor your reports to discover new trends and opportunities.



TENANTS

CUSTOMERS

CENTRE MANAGEMENT

- Do your research
- 'Sell in the scheme'
- Make store managers the heroes
- Think about the tech – easier to train staff than shoppers- POS redemption
- Share the data to motivate tenants

- Make it simple
- Consider all redemption and registration options
- Communicate the key benefits at all touch points
- Utilise your channels and streamline your spend

- Communicate the scheme
- Brand and promote the scheme effectively
- Involve all teams
- Analyse and present the data effectively for all teams to utilize.

ABOUT US

Coniq are specialists in shopping centre marketing, loyalty and shopper engagement. Coniq's proprietary data-driven marketing and loyalty platform supports multi-tenant redemption, and makes executing campaigns easy for marketers. Supported and managed by Coniq's marketing and tenant engagement teams, the Coniq platform makes it easy to launch, manage and analyze a centre-wide loyalty scheme across both online and offline channels.

Founded by entrepreneur Ben Chesser, Coniq works with over 19 shopping centres, over 600 retail and hospitality brands, and many town centres. Coniq's clients include Land Securities, Value Retail, Hammerson, and the Heart of London Business Alliance. For more information, visit www.coniq.com

For more information, or if you want us to help you launch your centre wide loyalty scheme in as little as 4 months, book your first consultation and demo here: <http://bit.ly/1E2v2vK>

