

## Flexing Loyalty

### *Retailers customize loyalty program to achieve results*

By Angel Abcede



NEW YORK -- Adam Coleman noticed business sagging on Wednesdays at many of his chain's 43 North Carolina locations. A whim to add "double-point Wednesdays" to his electronic loyalty program suddenly turned Wednesdays into Fridays.

Coleman, vice president and COO of Beasley Enterprises, which does business as Red Apple Markets, Ahoskie, N.C., said he had to change his delivery schedules to keep up with the way his "slow" day grew to compete with his busiest business day.

"We wanted a system that would change customer behavior," Coleman said, something that the double-point Wednesdays seems to have proven.

The ability for the loyalty program to adapt to his ideas is important, Coleman emphasized. "For instance, we start our point system for fuel at five points," he said. "So if my pool margins suit me, I can start giving 10 or 15 points."

Speaking to retailers as part of a CSPNetwork cyberconference last week, Coleman described the importance of flexibility when choosing a loyalty system. He said with his system, he is able to use audio components to customize consumer messages as if "it were your own radio station," he said.

He said the system, provided by Norfolk, Va.-based Outsite Networks Inc., has helped his vendors as well. Using an exclusivity arrangement with select vendors, participating suppliers have seen sales increases of 25% to 40%.

Other retailers have documented their success with the system, as well. Brad Chivington, senior vice president of sales and marketing for GPM Investments, also known as the Fas Mart chain, tracked their 17 test locations against 45 other Fas Mart control sites in the same market. The 17 locations over time began outpacing the 45 in sales, "and the gap keeps getting wider and wider," Chivington said, noting that the chain is preparing a positive ROI report and will most likely roll out the program to their entire network of 200-plus stores.

Revealing data from their own studies, Anton Bakker, president and CEO of Outsite, said consumers typically make six c-store purchases a month, visiting three c-stores in that time period. Typically, they hit the store that is on the way to work, one that is on the way home and a "weekend" location. The loyalty system draws the customer in to focus his or her dollars at one location.

Bakker and Bo Sasnett, vice president of sales and marketing for Outsite, outlined the system for conference participants and revealed data showing increases in customer transaction amounts, frequency of visits and the number of fuel-only customers entering the c-store.

Bakker described the system as "the tools to enable" a retailer to customize his or her loyalty program. "You can have several radio stations out there," he said. "But you can differentiate your program by the kind of music you choose to play."