

Press release

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Swiss retailers should offer more than just collecting points

According to a [survey conducted by professional firm Deloitte](#), 62 percent of Swiss consumers use a loyalty programme at least once a week, such as Cumulus, Supercard or IKEA Family. Nevertheless, just over one-third (36%) of respondents seldom or never use their points for discounts or benefits. Today's customer loyalty programs must therefore offer more than just collecting points. What seems to be crucial is the overall experience, including interest for consumers, as well as providing tailor-made offers and targeted communications. New digital technologies can also help improve customer interaction and make it more responsive.

Whether in a supermarket, furniture store or a petrol station, customer cards are a part of the shopping experience today. Two-thirds (66%) of the largest Swiss retailers nowadays offer customer loyalty programmes.¹ In most cases, Swiss consumers collect bonus points, which can be redeemed the next time they shop. Three-quarters (75%) of all loyalty programmes are transaction-based and they are therefore primarily dependent on the amount spent.

Loyalty and discount programmes are common in Switzerland, but many are rarely used. A [new Deloitte report](#) shows that 62 percent of Swiss consumers pull out a customer card at least once a week when shopping. However, one-third of consumers (36%) rarely redeem their bonus points or do not rely on discounts that are available from using coupons and special offers.

Collecting points is not enough

"Loyalty cards, collection and discount promotions or personalized vouchers are at the heart of customer retention and customer loyalty programmes. They enable companies to enhance customer loyalty to the brand or their products and ultimately increase their revenues", says Markus Koch, Head of Strategic Development Consumer & Industrial Products at Deloitte Switzerland. "If a consumer has a loyalty card, but rarely uses it — as is the case with over one-third of the respondents — there is only so much that can be done to strengthen the bond between retailers and consumers."

With each new customer card and 'Märkli' promotion, the consumer pocket is filled - until there is simply no room left. According to the Deloitte survey results, 61 percent of Swiss consumers expect more than just a collecting points from their cards. Bonus points and discount campaigns are insufficient to strengthen customer loyalty. In particular the increase in the interest in customers shown by a company, and in particular the brand experience provided, are becoming increasingly important for 45 percent of the Swiss consumers surveyed.

The impact of emotions and individual offers

Pure transaction-based loyalty programmes should include emotional elements in future and create a stronger sense of belonging. "For example, Migros and Aldi are already implementing this with their advertising campaigns launched in 2017 '[Migros belongs to people](#)' and '[ALDI-Kind](#)' respectively. Customers are actively involved in the plans and missions of these companies. This puts them on an equal footing, for example having a say in the development of new products or services in community forums, events or social media, and sharing their ideas," explains Luc Zobrist, economist and author of the report.

¹ Based on the Top 500 list of Handelszeitung & Segmentas (2018).

In addition, 61 percent of consumers surveyed appreciate the possibility of personalized offers or perks based on their previous buying habits, provided they receive helpful and hands-on experiences. A large majority of the consumers surveyed would prefer loyalty programmes that better reflect their individual lifestyle. "Those who offer tailor-made deals and benefits for individual needs can attract customers and increase their loyalty. On the other hand, customer loyalty programs that do not address individual needs of customers, or do so only to a small extent, can even have a negative impact on their brand loyalty." says Luc Zobrist.

Improved loyalty thanks to digital technologies

At the same time, online business is picking up pace with the upcoming entry in the Swiss market of Amazon or the ever-increasing sales of Zalando, Galaxus and Co. This makes it increasingly difficult for local retailers to differentiate themselves. One way to accomplish this is to have an integrated loyalty programme, for example with a well-functioning app that provides easy access to products and services (such as healthy food recipes or lifestyle coaching tips) and addresses the individual needs of customers. Markus Koch says: "Loyalty programmes and community activities, such as those offered through the Migipedia or Fooby hands-on platforms, are paying off. The personalized encounter between the customer, the company and like-minded people takes on a completely new significance and creates long-term trust - as long as digital and analogue methods are combined correctly."

Consumers want the ultimate brand experience

Closely connected to emotions is the experience offered by loyalty programmes. Almost half (45%) of Swiss consumers in the survey believe that this experience is a crucial factor. This involves a smooth, fast and targeted interaction with the company or the brand, as well as entertaining elements such as interactive raffles (Gamification). The possibility of being a member of exclusive customer clubs, such as the club memberships and associated special services offered by Ochsner Sport and IKEA, can also have a positive effect on customer experience. For retailers, this raises the question of when customers should be addressed with particular content and through which channels, so that they are encouraged to make a purchase or visit the store.

"A consistent brand experience can only work for the customers when new offers are communicated to them at the right time and place. Different customers prefer different forms of communication — be it by e-mail, smartphone or social media. What is important is an overarching interaction strategy, i.e. the contextualization of when and how to interact with the customer and what content to include", says Roger Lay, Head of Digital Experience & Innovation at Deloitte. "The smartphone is therefore expected largely to replace physical cards as a central part of loyalty programmes in the near future."

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➔ You can find our report "[It's about more than just points!](#)" and more information on our website.

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About the report "It's about more than just points!" report

The study titled "It's about more than just points!" examines the use and success factors of loyalty programmes in the Swiss retail sector. For this purpose, face-to-face interviews with representatives of various providers of loyalty programmes were held. In addition, an online survey of 1,000 Swiss residents, based on age, gender and region, was conducted at the end of 2017 by the survey institute Research Now.

You can find the full report "[It's about more than just points!](#)" on our website.

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