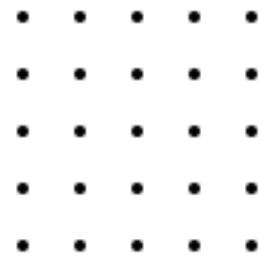
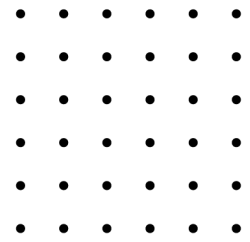


# BUSINESS INTELLIGENCE JOURNAL VOL. 2



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# The Reward Dialogue: Exploring the Impact and Potential of Rewards Programs

Reward programs are a way for loyalty club members to collect bonus points which they can use on gifts and offers. These programs have become increasingly prevalent in the Placewise portfolio, with shopping centers implementing various strategies to incentivize customer loyalty. We took a look at reward member demographics, and how reward programs influence member behavior in shopping centers, focusing on three key activities:

- Store conversions
- Digital engagement
- Loyalty club mobile app activity

## The Potential Impact of Reward Programs on Member Behavior: From Engagement to Loyalty

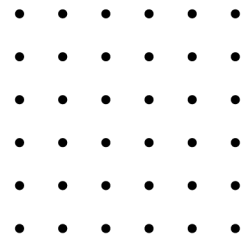
### Store Conversion

Store conversion is a measure of members visiting a mall and making a purchase because they are part of the mall's loyalty club. In this case it is an increase in coupons used. Our data suggests that clients running an efficient rewards program can experience an average increase of 64% in store conversions/loyalty club coupon redemption related to loyalty activations.



**Left - Nadia Chaudry,  
Placewise Head of Business  
Intelligence**

**Right - Quyen Nguyen  
Data Visualization Analyst (Europe  
and North America) at Placewise.**



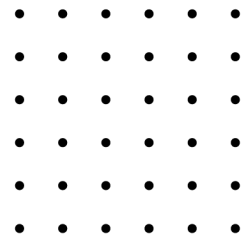
### **Digital Engagement**

Digital Engagement is a measure of member clicks across different digital platforms that are part of the loyalty club. Reward programs have a positive impact on digital engagement as well. This can lead to increased member activity in general and subsequent visits to shopping centers. According to our analysis, clicks on marketing communications increased by 237% for members in the 6 months after joining a reward program, compared to the same period before joining the program.

### **App Activity**

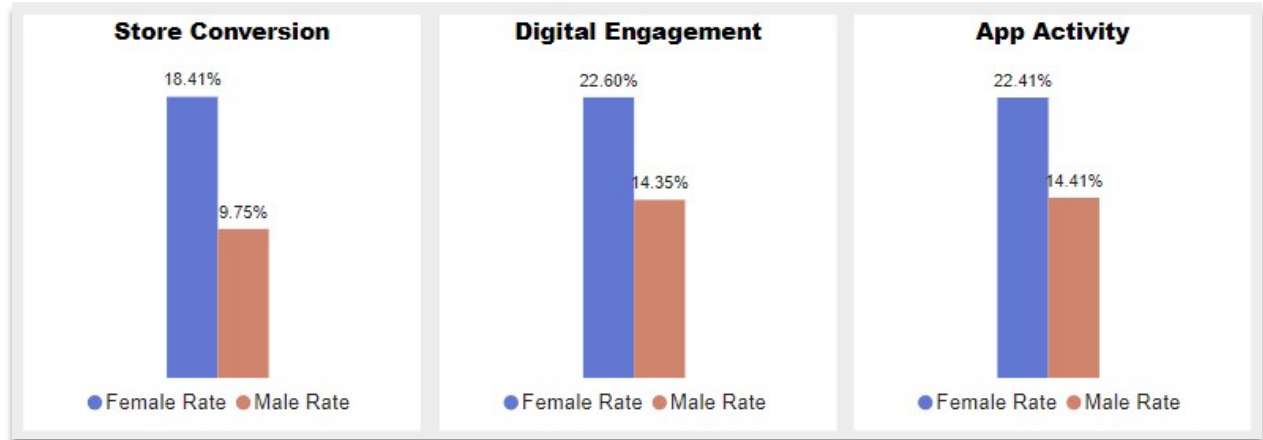
These apps provide members with personalized offers, real-time notifications, and convenient access to information. We expected to see a correlation between reward program participation and loyalty club app activity. In fact, from the data collected from the aforementioned loyalty clubs, mobile loyalty app users were found to be 160% more active within the mobile app 6 months after becoming members vs when they first joined the program.





## Gender's Role in Loyalty: Is It a Woman's World Only?

It is a well known fact that shopping center loyalty clubs appeal more to women than men. What our data tells us is that this is also the case for Rewards programs where the dominant group is females in the age range of 35-59 years old.



These groups of women exhibit a higher level of engagement compared to their male counterparts as illustrated by the proportion of total loyalty club members that are active in the Rewards programs.

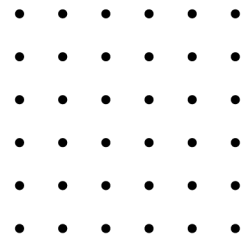
This prompts us to reconsider whether we are fully utilizing the potential to engage male users more actively in our loyalty clubs overall, and specifically in reward programs.

According to Nina Dønnem (Placewise Digital Performance Manager), content tends to focus on women, but in order to incentivise male participation, clients should enhance the diversity of offerings.

Non-gendered marketing strategies are at the forefront of the future's progressive movement. As rigid gender roles gradually fade away, staying relevant requires a robust marketing approach. While specific advertising strategies may vary based on customer preferences, the overall target audience should embrace a non-binary identity.

This analysis implies that there is still room to expand customer bases and reach a wider audience by extending offers and communications to male users. To support this point, we would like to provide an example from one of our clients' best practices in the Nordics,





where their three malls offered coupons with discounts on car wash coupons to male loyalty members. The campaign was successful, with a high digital engagement rate, indicating an interest in exploring the offers and the financial benefits associated with them. Additionally, the campaign helped boost tenant branding and mall visibility, while increasing the value of the loyalty clubs for their members, especially for their less engaged segments, male members in this case.

## The Secret Sauce to Success for Coupon Campaigns

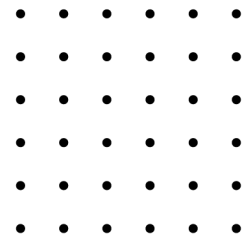
In today's competitive market, coupon campaigns have proven to be a powerful tool for businesses to attract customers, boost sales, and foster brand loyalty. We had the opportunity to chat with two Placewise Performance team members, Carolina Sarria and Nina Dønnem. They shared their valuable insights and tips based on their daily practices with coupon campaigns for Placewise clients.

Carolina, who possesses extensive experience in designing and monitoring coupon campaigns, as well as collaborating with tenants to encourage their participation in coupon programs, has a wealth of knowledge to share. She is passionate discussing coupons and can talk about them endlessly without losing interest.

### From the Offers

Regarding the offers, Carolina suggests that it is wise to design and clearly communicate the benefit or direct monetary value of the deal in the offer itself. For example, an offer title could be "Get 0.5€ for each yogurt product purchased" or "buy 2 get 1 free coffee". Another good example is when one of our clients' tenants typically offers 5% discount coupons, which has not resulted in a significant increase in coupon usage (only 15 uses) in 2 months. However, in the same period of time, the same tenant in another mall distributes a 5€ discount coupon to encourage usage, the outcome improves significantly (reaching 135 uses).





Additionally, Carolina has observed that campaigns offering small complimentary gifts with purchases (buy something, get something) tend to attract users more than significant discounts. These gifts can be related to the purchased products, such as belts, socks, or bags. This approach proves cost-effective yet highly popular. For instance, in a promotion at a Spanish mall, members have the opportunity to be rewarded with a free bowling game by purchasing shoes and balls. This coupon reached an impressive 1,325 uses within just one week, with each member limited to using the coupon once per day.

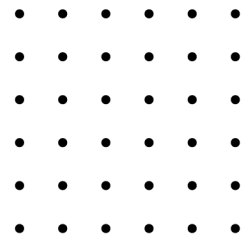
The choice of coupon program and type (discount, competition, or lucky draw) varies depending on the goal. From the tenant's perspective, a coupon campaign should contribute to driving sales, making regular discount coupons suitable. On the other hand, mall managers aim to attract more consumers to visit physical stores, for which raffle and lucky draw campaigns are beneficial.

**Carolina Sarria**  
**Manager for European Performance**

Notably, offers do not always have to revolve around buying and selling; they can also be linked to corporate social responsibility (CSR). For instance, members have the option to participate in the coupon campaign to show their support for sustainable and environmentally friendly brands, or they can win a prize to donate to a charitable cause. Incentivizing users to use coupons for charity or social activities is advantageous for both tenants and malls, enhancing their brand image. An exemplary coupon campaign in this context is the sustainability campaign from one of our clients in Europe. By taking part in this draw, our members have the chance to win a 100€ (\$108 USD) voucher for shopping at a brand that promotes sustainability and responsible production and consumption. With 11,243 uses, this coupon has consistently ranked among the top-performing coupons at that mall during 2022 and the first half of 2023.

Campaigns with substantial monetary prizes tend to perform well. For instance, offering winners an amount of cash that doubles their salary, or a travel trip proves highly enticing. We had a client who operates a relatively small mall with 10,000 members. They launched the double salary campaign, which turned out to be a tremendous success, with 20% of their member base redeeming the coupons. This campaign's remarkable rate of coupon users (versus loyalty club size) surpassed even the highly regarded "always on the top" coupon campaign for iPhone giveaways among their country's malls. In fact, during the first half of 2023, the best raffle to win an iPhone only saw 18% of a member base using the coupons.





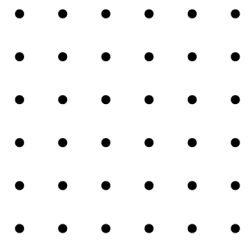
Regarding the duration of coupon availability, there is no specific rule; it can span from several weeks to months or even be permanent. However, 1- or 3-week campaigns do not yield favorable results for Spanish malls. The duration depends on our understanding of our members and clients' engagement with communications.

### **... To Communications & So On**

Success does not solely depend on the offer itself. It requires a combination of relevant and personalized communications (placing offers on the app's homepage, newsletters, mall screens, flyers, etc.), high footfall in the malls, and a user-friendly guide on how to use the coupons to maximize the benefits of the loyalty club and app. Furthermore, incorporating coupon campaigns into the overall theme and customer journey, rather than treating them as standalone initiatives, enhances their effectiveness. People are drawn to stories, so it is crucial to exercise creativity in crafting narratives around special occasions or holidays. For example, utilizing coupons during Christmas for gift-wrapping services or encounters with Santa Claus in the malls. These stories can be woven into our communications.

From the loyalty club perspective, the broader the range of offers, the better. This can pose challenges and complexities for mall management. Sometimes, tenants desire discounts for specific products, while users prefer discounts for the entire store. It is the expertise of the PM team to negotiate and collaborate closely with tenants, bridging the gap between them and the audience to achieve a win-win situation. Developing a good relationship with tenants is essential to getting them on board.

### **Tips from the Nordics**



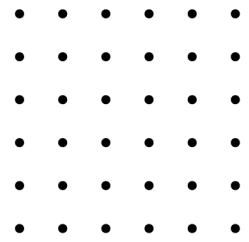
In terms of insights from Norwegian malls, Nina highlighted that the most successful coupons in the Nordics are those that offer discounts on the entire purchase such as a 40% discount across all interior stores. These campaigns consistently yield excellent results.

Nina concurred with Carolina's viewpoint that weaving a comprehensive story and theme around coupon campaigns provides users with a strong incentive to utilize the coupons. In the Nordics, one of our clients implements a seasonal campaign called the "summer dress campaign," offering discounts up to 30% on dresses in all clothing stores among their malls to encourage users to redeem their coupons and visit the malls. Nina's suggestion also involves leveraging our reporting data to understand different segments and develop relevant individualized communication content and approaches.



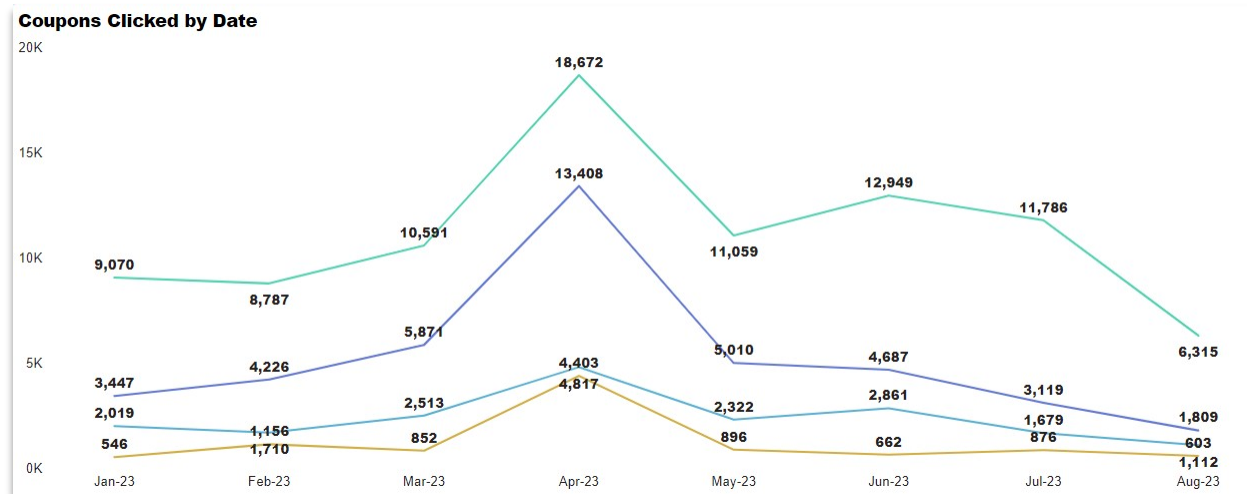
**Nina Prestjord Donnem**  
**Digital Performance Manager**





## Case Study: Golden Ticket

In this article, we also want to present a case study highlighting one of our clients' best practices in coupon campaigns: the golden ticket campaign. Overall, we find this to be an ingenious approach that accomplishes multiple objectives simultaneously. It effectively attracts members to join the reward program, encourages email consents, and boosts the visibility of the coupon collection.



The concept behind the campaign is straightforward for members to grasp: anyone who joins the loyalty clubs or consents to receiving emails will have the opportunity to win a golden voucher with a prize. These golden vouchers are randomly distributed throughout the regular coupon collection, requiring members to scroll through the collection to find them. It's akin to a lucky draw, offering a high probability of winning. As a result, there has been a remarkable peak in coupon clicks after the two-week golden ticket campaigns, as seen in April 2023. This is solid evidence of the highly engaged participation of members in the campaign.