

Category: *Gift Cards*

Methods: *Customer Loyalty, Awareness and Usage, Customer Satisfaction, Tracking Study*

Summary

A multinational food and beverage chain wanted to measure over time the awareness and usage of its frequent user/gift card program and its impact on customer loyalty. This research was conducted to provide strategic direction for improving the overall effectiveness of the program as a customer relationship tool—to drive customer acquisition and retention, and to grow revenue.

Strategic Issues

Estimated at over \$90 billion in annual sales, the gift card industry has exploded and is expected to continue growing during the economic recovery period. As a convenient and practical gift and payment option, virtually every major retailer today offers these cards—with many widening distribution well beyond their own stores. So whether it's for birthdays, holidays or simple thank-you gift giving occasions, our client competes fiercely with other establishments for the gift card business and wanted to find out if the promotional efforts were paying off. Our client wanted to identify ways to strengthen the program by improving awareness and usage, to offer maximum benefit to consumers, and to meet its company goals.

Research Objectives

The objectives of the annual tracking study research were to measure customer awareness, usage and perceptions of the gift card over time, and identify opportunities for improvement.



Specifically, the research was designed to measure changes in:

- Awareness of card
- Method of card acquisition
- Card usage and loading details
- Overall satisfaction and impact on visit frequency and spending
- Barriers/Opportunities regarding new features



Research Design and Methods

The research was conducted annually (at the same time each year) via the Internet using Decision Analyst's American Consumer Opinion® online panel. American Consumer Opinion® is a proprietary, double opt-in panel of households that have agreed to participate in Internet surveys exclusively for Decision Analyst. The panel currently includes over eight million men, women and children across many countries.

The consumer sample for this tracking study included a representative mix of demographics and U.S. geographies. In addition, respondents were categorized into segments representing the spectrum of card use/non-use and store visit frequency. Consistency in sampling methodology year over year is critical for tracking studies—it enables apples-to-apples comparisons over time. Statistical testing was performed to identify which changes over time were considered significant.

Respondents were asked a host of questions about their awareness of and experience with this client's card. Usage of card features like registration (online) and reloading were also explored. Several open-ended questions provided additional insights to capture the consumer's perspectives.

Results

Results showed that card awareness doubled over the course of the tracking study, and several initiatives that tested positively during the course of the tracking study were able to pay big dividends to the client in the form of new card users and greater customer loyalty. This study helped create a true success story for the client!