

NOVA Loyalty Solution for Consumer Durables Companies

The Value Proposition

Customer loyalty programs have delivered a strong return on investment across a wide array of industries: they underpin business travelers' loyalty to a particular airline, increase the average ticket size of the weekly supermarket visit, drive extra traffic to an electronics retailer, and even encourage health insurance enrollees to frequent the gym and check their blood sugar levels.

The common denominator of successful loyalty programs is the ability to understand key drivers of customer profitability, encourage those behaviors and shape the customer experience around it.

The Challenge

Yet Durable Goods manufacturers face distinct challenges to implementing a successful consumer loyalty program, vis-à-vis fast-moving consumer goods companies and service providers.

First, they do not control the point-of-sale in most cases. This means that they must reach the end consumer through a dealer, reseller or retailer.

Second, given the longevity of durables, they do not lend themselves to a simple "buy more and save" program – purchase frequency is too low for an earn & burn scheme to benefit the customer. Instead, the consumer is more likely to form an attachment to a retailer of durables, rather than an individual brand.

And third, after a product has been designed, manufactured, tested and sold, it is a lonely brand ambassador: the manufacturer does not have direct interaction with the consumer during the most critical phase of the customer experience, ownership.

An effective loyalty program for consumer durables companies must therefore:

- Connect with the end consumer at the point of purchase in order to establish a lasting communication channel over the life-span of product ownership
- Encourage the retailer to participate in the program, and act as brand ambassador at arm's length
- Focus on the complete product line up of the company to encourage cross-sales and product add-ons, rather than repeat purchases of a single product

The Solution

Working closely with leading manufacturers and consumer durables companies, Pine Labs has launched an innovative solution for consumer durables companies.

1. In-store rebates

Rebates lower to the total purchase price to the consumer, increasing product sales. In-store rebates require the customer to enter his personal information and mobile number at the time of purchase; the rebate value is immediately available for shopping at any participating retailer's outlet – all the consumer needs to do is to give his or her mobile phone number and a personal confirmation code to avail themselves of the rebate value.

Benefits

- Capture valuable consumer information
- Ensure that promotions flow to the consumer, and don't disappear into the retailers' pockets

- Rebates drive more traffic to stores and increase sales – for both manufacturers and retailers

2. Consumer loyalty program

Once the consumer's information has been captured at the point of sale, the manufacturer can establish a one-to-one relationship. Popular programs include cross-sell of goods and services; service level upgrades; and new product announcements. Using the customer database, manufacturers can analyze customer lifetime value, track purchase behavior and target individual segments with promotions and personalized communications.

Benefits

- Communicate directly with your customers – from welcome kit to warranty enrollment through cross-sales and upgrades
- Design and manage campaigns via SMS or email through easy to use web interfaces
- Accelerate new product line adoption – personalize messages to early adopters and related-product owners
- Grow after-sale service revenue by targeting offers to product owners

3. Integrated retailer/ dealer loyalty program

To further encourage retailer adoption and adherence, our loyalty solution includes a retailer-specific module. The manufacturer can incentivize retailer sales of its products using the same flexible rewards engine. Loyalty programs can be tailored by retailer, location, time or product SKU to ensure maximum retailer support of the POS enrollment process.

Benefits

- Reward your best retailers
- Control the administration of in-store promotions through rebates and ensure data capture of consumers at the POS
- Drive additional traffic to retailers and extract preferential terms and concessions

Our Technology

- Secure, real-time and paper-less rebate network
- Mobile-based accounts eliminate need for production and inventory management of cards or paper vouchers
- Java-based client application resides on POS, integrated with billing software
- Real-time tracking of rebate awards accelerate reimbursement between manufacturer and retailer
- Loyalty host stores detailed transaction information; offer engine delivers promotions via SMS or email or charge slip
- Manufacturer easily manages system via web-based interfaces
- Online reporting facilitates ROI analysis and enables adjustments to promotion campaigns in real-time
- ASP model minimizes investment and lowers operating costs

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