



Press release
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Loyalty schemes tempt even small retail networks

Sales support schemes are the driving force in building loyalty and attracting new clients – this is the conclusion of the latest research entitled “Sales Challenges 2019” conducted by ICAN Institute in cooperation with Edenred Polska.

“This is a growing tendency that has been observed for a few years,” said Magdalena Bednarz, Product Line Business Manager in Edenred Polska. *“Attracting a client and keeping them becomes a more difficult challenge for entrepreneurs than in the previous years. Companies become open to new solutions which “drive” sales, thus the increase in popularity of loyalty schemes the effectiveness of which (as the research has confirmed) is high and the interest in them continues to grow,” she adds.*

In 2018 alone as many as 67% of sales leaders exceeded their assumed sales plans by 20% among other things thanks to the implementation of loyalty schemes. Currently 65% of businesses develop sales support schemes, and 5% of respondents intend to introduce them still this year. For comparison – 3 years ago just 45% of firms used such schemes, and the sustained growing tendency therefore constitutes proof of their effectiveness in building companies' sales strategy.

Why do businesses reach for sales support schemes?

Because they can see fast and real growth from investments. Loyalty schemes help optimise company's costs and they maintain high motivation of participants – on condition that they are conducted correctly. **What do you start with?**

In the beginning, we should determine the goal we want to achieve and the group of people to which the scheme will be addressed. At this stage it is also important to determine the budget on the basis of which the scheme structure will be created. From the idea to the interesting and engaging project, to the system of attractive rewards which will ensure freedom of choice and availability of rewards for everyone – this in a nutshell is how , an ideal scheme should look like, guaranteeing success for any company.

What benefits from the implementation of loyalty schemes are expected by employers?

97% of respondents see them as potential for increasing sales and market shares. 84% believe that such schemes help increase and maintain the motivation of customers, and that they support the promotion of services and products of the company – this is an answer given by 83% of businesses covered by the research. Which is important, the effectiveness of the sales support schemes is noted not just by the largest enterprises but also by smaller firms from various industries.



An individual or a business client? Who uses the sales support schemes most?

Clients from the B2B segment constitute vast majority (91%), and **one in two schemes is addressed to the B2C market**. In the case of a business client, wholesale outlets (96%) and retail outlets (78%) dominate. Also sales channels play a huge role in the implementation of the sales strategy in each company. The better the motivation and support of the distribution network and sales representatives, the better results for the company are guaranteed. **How do you motivate sales channels?** It is important to reward not only those most active ones, achieving the highest results, but also those weaker ones – to increase turnover. The creation of conditions under which each of them feels comfortable and appreciated by the company will translate into their commitment to the scheme and shared success.

What rewards are popular in loyalty schemes?

Usually – material prizes (80%), prepaid bonus cards (52%), as well as discounts and rebates (40%). Prepaid cards enjoy greater and greater popularity both among organisers of loyalty schemes and their participants. *“This is a growing tendency we have been observing for a while, which arises from the functionality of cards, i.e. the freedom of use and of selecting the reward – the organiser decides on what terms the card will be topped up, and the participant selects the reward which fits perfectly the unlimited catalogue of rewards for the entire duration of the scheme,”* claims **Mariusz Cichy, Business Line Incentive Manager in Edenred Polska**. For 98% of businesses, cards are an attractive form of providing rewards, they enrich the reward catalogue (92%), and additionally area easy to support (66%).

Independently or with support? How do you create schemes that guarantee success?

Research confirms that one in two companies organising sales support schemes uses the support of external provider. The main benefit indicated is the **professional service and advice** (35%) and **convenience** (26%). Why? This is because the scheme idea on its own is not enough, and companies often do not have sufficient knowledge, experience or time to take care of all of its elements. Thus, they select a tested solution – cooperation with an experienced firm which will develop a scheme comprehensively, take care of all of its elements – such as selection of appropriate rewards, bonus mechanism and handling of the scheme. An effective loyalty scheme must in reality involve a group of clients, business partners or employees. It is therefore better to make sure it succeeds by selecting external partners than expose the company to a failure and decrease in loyalty.

The above research was conducted by ICAN in February 2019 among 266 sales managers and sales directors from the manufacture, services and retail sector, employed in medium-size companies (50-249 employees), and in the largest and small organisations.



Edenred, the global leader in payment solutions for the working world, connects 830,000 corporate clients, 47 million employee users and 1.7 million partner merchants across 46 countries. Thanks to its global technology platform, the Group managed 2.5 billion transactions in 2018, primarily carried out via mobile applications, online platforms and cards, and representing more than €28 billion in business volume. Edenred's 8,500 staff are driven by a commitment to improving employees' quality of life, increasing companies' efficiency and boosting merchants' revenues. They achieve this through three business lines:

- Employee Benefits (food, meals, well-being, leisure, culture and human services)
- Fleet & Mobility Solutions (fuel, tolls, maintenance and business travel)
- Complementary Solutions, including Corporate Payment Services (virtual payment cards, identified wire transfers and supplier payments), Incentive & Rewards (gift cards and platforms, and incentive programs), and Public Social Programs.

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