Placing Branded Rewards on the Map: Results of a Qualitative Study on Mobile Loyalty and Proximity Marketing

Gavalas Leon

Department of Management Science and Technology
Athens University of Economics and Business
legav@aueb.gr

Abstract

Enhancing customer loyalty in the retail environment is a topic that researchers and business have recognised for at least three decades. Moreover, the last ten years the ever increasing use of mobile devices and the constantly introduction of low cost proximity sensors has led to evolution of proximity marketing and loyalty models. An empirical study on customer loyalty models that utilize trending technologies, such as mobile application and proximity sensors in the retail context had not been addressed. The purpose of this study was to gain consumer insights in order to develop and validate a customer loyalty model. A qualitative study was designed and insights were collected from 40 shoppers, users of mobile devices and customer loyalty programs in Greece, during 5 focus groups. The results of the study indicate that customer loyalty models should include features that involve mobile applications and proximity sensors, highlighting advanced concepts such as in-store walk-in based promotions, personalised recommendations etc. At the same time, shoppers demand simplicity that supports a seamless experience, while they are willing to provide additional personal data in order to receive personalized suggestions and rewards that would provide actual value to them. Our research focused on loyal customers of a specific fast moving consumer goods supplier and heavy mobile users who do not use heavily existing loyalty programs. Shoppers' indications, proposals and all the extracted knowledge constitute the user requirements for the design of a proximity marketing enabled customer loyalty model that will improve shopper loyalty in retail stores supporting different groups of shoppers. As a next step, the proposed service will be pilot tested in different environments in order to examine the added value.