Loyalty 3.0:
What C-Store Decision Makers Need to Know

White Paper | 2022

Modernizing your loyalty program

One of the most difficult challenges in the convenience industry is successfully engaging with consumers on their terms. Accomplishing that goal in a period of rapidly changing consumer needs can feel like an even greater challenge.

Toss loyalty programs into the mix and suddenly you have a moving target that seems increasingly complex. The concept of making your loyalty programs less transactional and more personal is easy to understand. Actually accomplishing that is a whole other story.

In the convenience industry, loyalty programs have evolved from getting your paper card punched on your way to a free sandwich or soda to downloading mobile apps in order to get one-size-fits-all rewards on your phone.

Unfortunately, if that's where your loyalty programs still remain today, you risk falling behind your competitors.

Evolution of loyalty
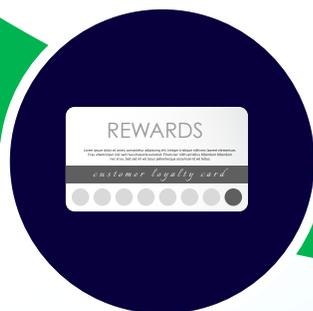
Loyalty 1.0
Physical punch cards to earn a free item

Loyalty 2.0
Club cards going digital with mobile apps

Loyalty 3.0
Personalized, differentiated orchestration across channels in real time at scale

What is Loyalty 3.0?

Taking the next step in loyalty requires a more consumer-centric strategy. Loyalty 3.0 is all about taking a data-driven approach and leveraging technology to deliver a truly personalized and differentiated customer experience.

No, these aren't exactly new concepts, and you've probably experienced Loyalty 3.0 in your own life. While Loyalty 3.0 hasn't yet proliferated in the convenience space, many other industries are already benefiting from these types of personalized marketing models.

To achieve a similar level of success, the convenience industry needs to make up ground in delivering personalized experiences without abandoning the program capabilities that are one-size-fits-all. Fulfilling the promise of Loyalty 3.0 means improving the impact, scope, and scale of your loyalty programs to deliver the experiences your customers demand and the outcomes your business needs.

Follow these loyalty leaders
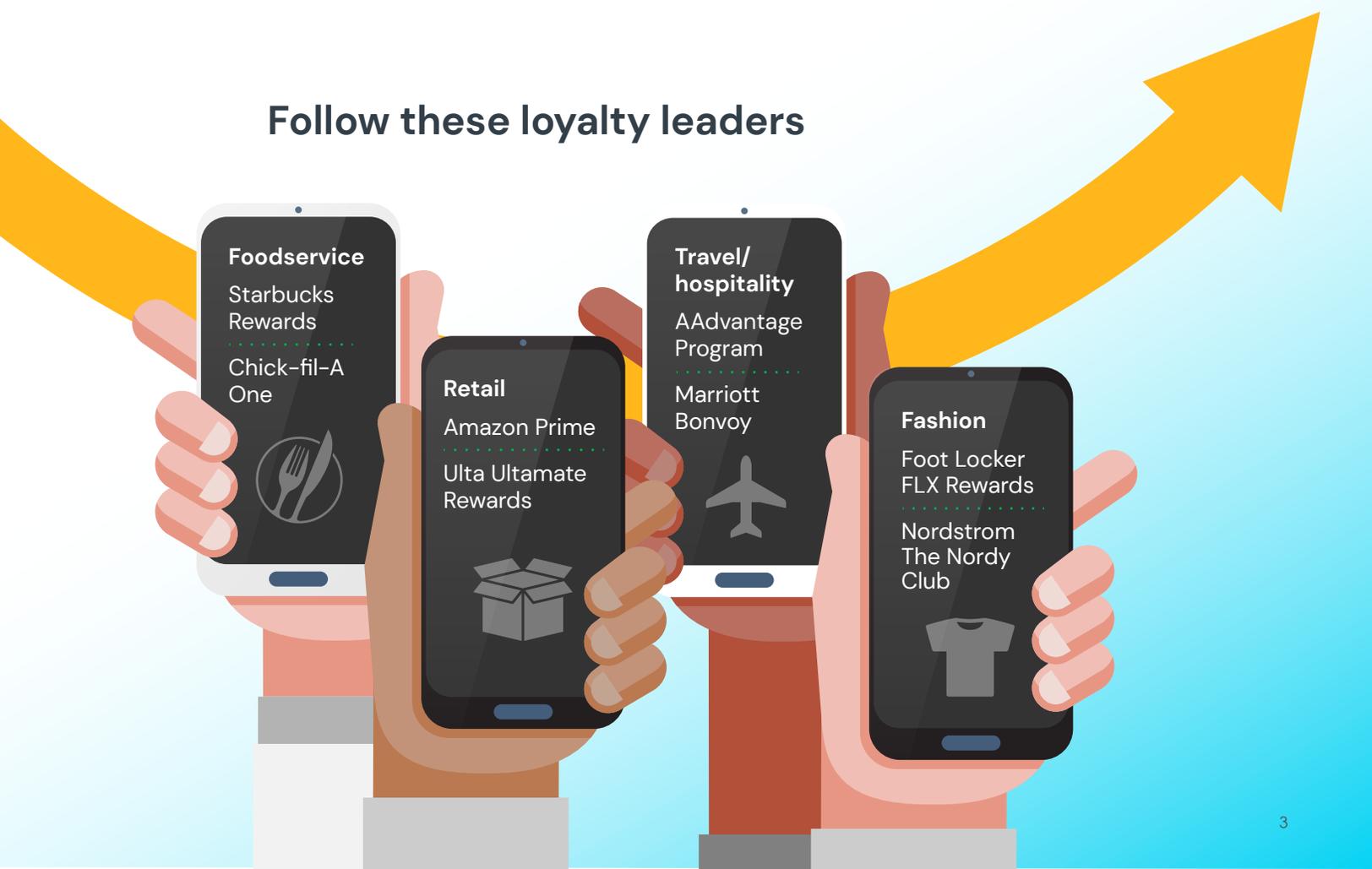
Foodservice
Starbucks Rewards

Chick-fil-A One

Retail
Amazon Prime

Ulta Ultamate Rewards

Travel/ hospitality
AAdvantage Program

Marriott Bonvoy

Fashion
Foot Locker FLX Rewards

Nordstrom The Nordy Club

What Loyalty 3.0 means for your business

The good news is that you can learn from the success of other industries and apply it to your own stores. This requires a fundamental shift in mindset, because you can no longer think about loyalty in terms of an expense versus an investment, or expect to simply check off a list of functions.

Unless you have a solid understanding of what loyalty means for your business, you won't know what path will lead you there. In contrast, if you know where your customers and business are heading, your odds of getting there are much higher

That's why it's so important to develop a holistic strategy that considers questions such as:

? How do you know what your customers value by using data?

How do you source, organize, and operationalize relevant data?

How do you develop and deliver impactful content faster?

How do you orchestrate and coordinate across the right channels?

How do you track, measure, and evaluate your results?

Loyalty is much more than a platform

Although the right technology platform is critical for Loyalty 3.0, even the best technology won't guarantee success on its own. Your success depends on building a holistic methodology and the expertise to operationalize it using the right technology and insights.

In other words, you need the right skills and competencies to transform data and technology into successful outcomes. Working with an experienced loyalty practitioner is key to achieving success. If you don't have experts in your own organization, seek out reputable partners to serve as an extension of your team. In addition to filling knowledge gaps, they can help your team advance their own expertise and assist in loyalty benchmarking.

And once you do achieve success, you need to make sure it's sustainable. In this way, achieving Loyalty 3.0 hinges on your ability to replicate success in terms of size, scale, and scope.

5 steps to Loyalty 3.0 success

1 Define your business goals and KPIs

2 Develop a strategy to capture relevant customer data

3 Implement an agile platform linked to the source data

4 Deliver more impactful, personalized, real-time content across channels

5 Validate outcomes to ensure you're meeting business goals and KPIs
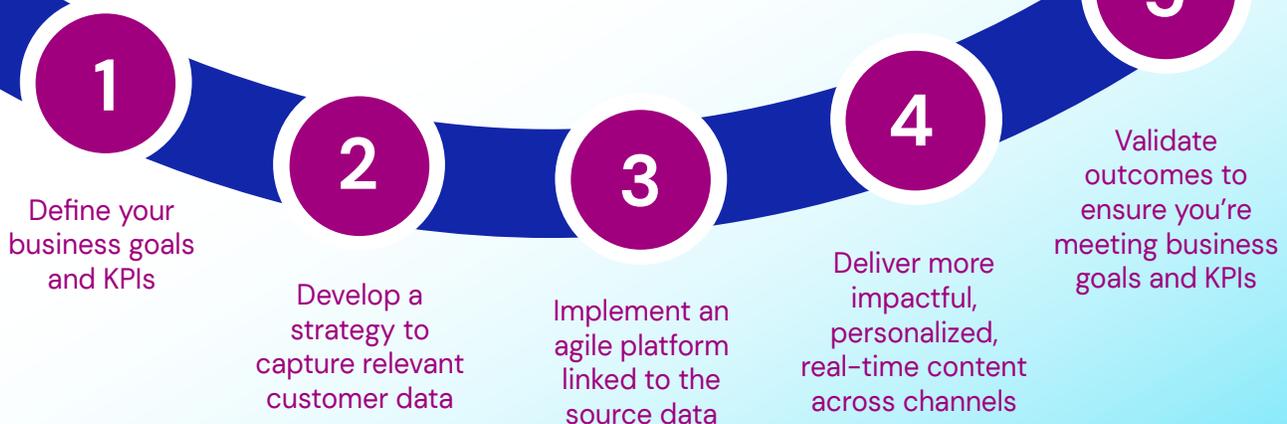
Leverage deep industry and solution expertise

When you're ready to modernize your business for Loyalty 3.0, you need the right combination of technology platform, data/insights, and expertise. If you don't have all of those elements, your best approach is to work with an experienced vendor with deep industry expertise.

With over 30 years of experience, PDI delivers innovative consumer engagement solutions that take a data-driven approach to loyalty so you can deliver a truly personalized customer experience that differentiates your brand.

PDI can help you overcome the unique and complex loyalty challenges in convenience retail marketing to continue building deeper relationships with your customers. We'll show you what Loyalty 3.0 can do for your business—and how you can get there faster.

30+ years of industry expertise

PDI Customers
75%+ of top 200 US c-store chains
. . . .
100% of top 25 US c-store chains

Fuel Rewards® Program
Powered by PDI Market Insights
. . . .
Connecting US brands with 25+ million consumers

GasBuddy
100 million downloads
. . . .
12 million active consumers

Get started today
www.pditechnologies.com

About PDI

Professional Datasolutions, Inc. (PDI) software helps businesses and brands increase sales, operate more efficiently and securely, and improve critical decision–making. Since 1983, PDI has proudly served the convenience retail and petroleum wholesale industries. Over 1,500 companies, representing more than 200,000 locations worldwide, count on PDI's solutions and expertise to deliver convenience and energy to the world.

For more information about PDI, visit us at **www.pditechnologies.com**.