

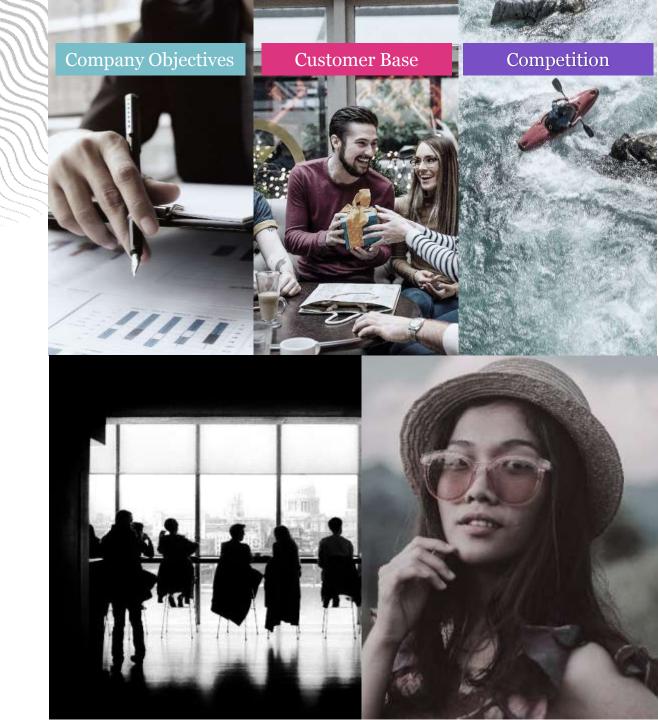


WHAT MAKES A STRONG PROGRAM?

... AND WHO IS DOING IT WELL?

BEST.

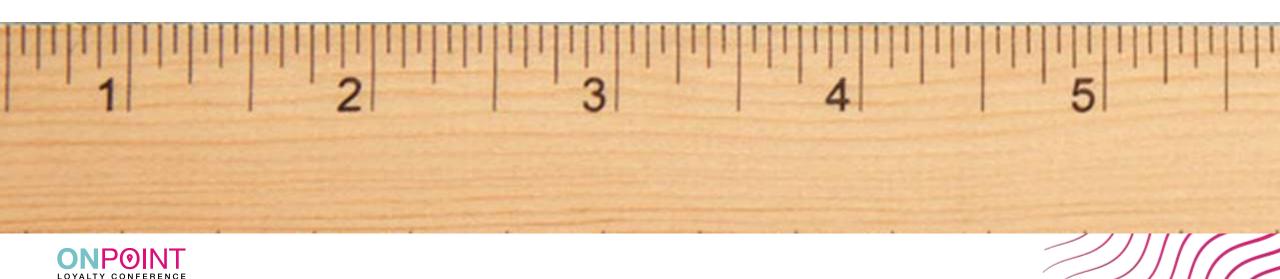
- 1. One size does not fit all
- 2. Loyalty <u>program</u>, or <u>brand</u> loyalty?
- 3. Some of it is subjective





WE POLLED OUR EXPERTS.

- Familiar Programs
- Not supply chain dependent
- Elements that have an effect



WE START WITH THE 3 TYPES OF EMOTIONAL LOYALTY.



I feel **better about myself** among other customers, my community, or in my own personal journey.

I often find myself **on autopilot** buying what I've bought before.

I **feel grateful** for treatment I've received from this company.

Status Benefit	Exist - Y/N	Score	Notes:
Early access to new product /promotions	N	3	Benefit offered to Gold and Elite
Personalization with name	Y	4	Assumption based on Gold status
Separate or dedicated resources (e.g. an elite lounge, dedicated line access, etc.)	N	1	Not as critical for retail
VIP experiences (exclusive for higher value customers)	Y	4	Exclusive offers and events included as base benefit

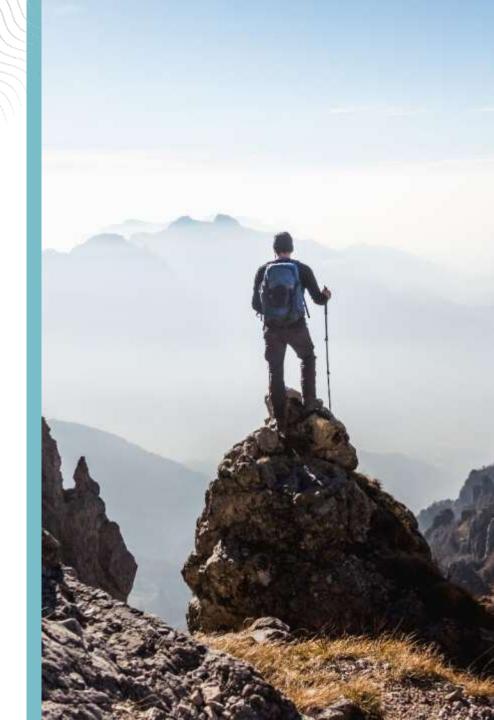
Habit Benefit	Exist -Y/N	Score	Notes:
Convenience	Y	4	
Ease of use	Y	4	
Automation of frequent processes	Y	4	Save favorites
Is the program /app intuitive?	Y	4	
Is the program integration consistent across channels?	Y	4	
			,111/

Reciprocity Benefit	Exist -Y/N	Score	Notes:
Markers of appreciation	Y	4	Email comms note "thanks to you"
Rewards positioned as gifts	Y	4	Birthday gift + rewards
Support for community	Y	4	Donation and charity options
Options to share benefits with family and friends	Y	4	Can gift rewards to friends



WHAT WE LOOK FOR: STATUS.

- VIP experiences (exclusive for higher value customers)
- Early access to new product /promotions
- · Personalization with name
- Separate or dedicated resources (e.g. an elite lounge, dedicated line access, etc.)





WHO'S DOING IT RIGHT ON STATUS?





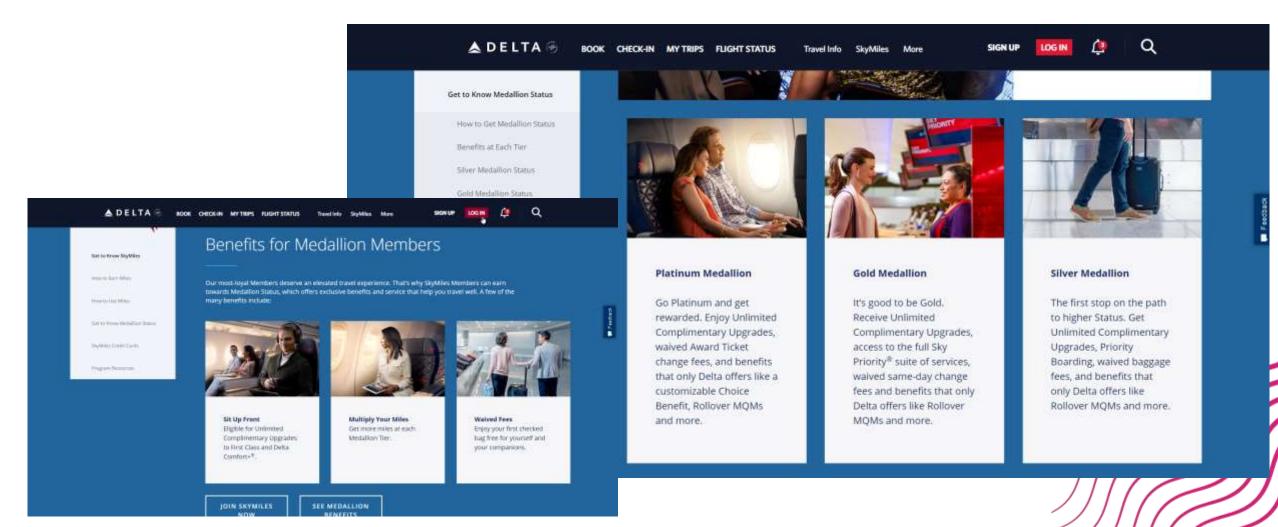






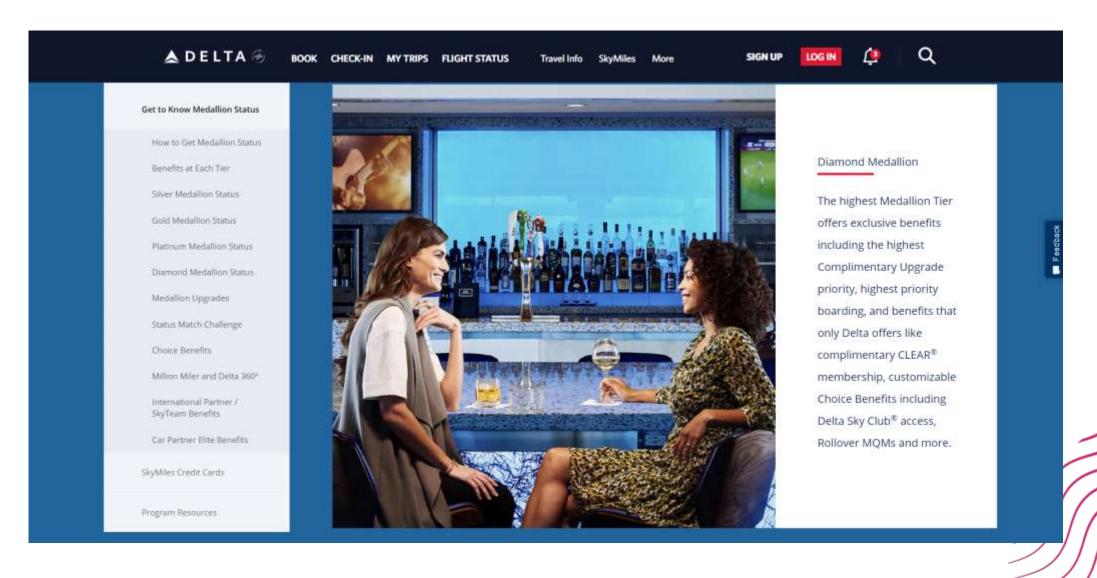
Multiple tiers with escalating benefits to recognize high value

VIP experiences and personalization



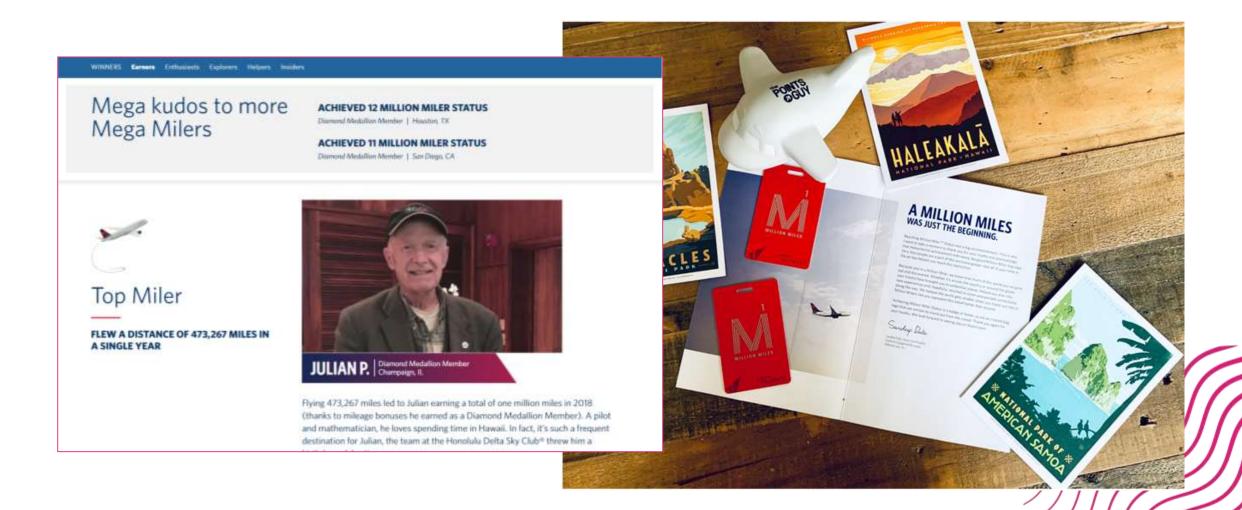


Separate or dedicated resources (e.g. elite lounge access, dedicated line access, etc.)





Individual recognition for major milestone achievements





WHAT WE LOOK FOR: HABIT.

Is the program /app intuitive?

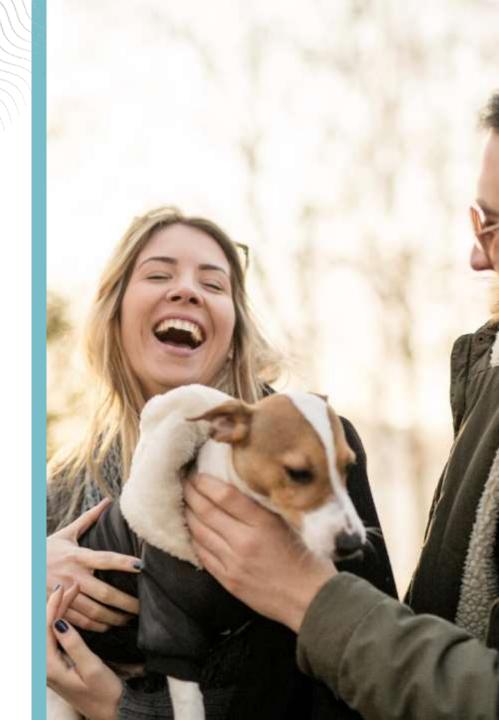
Is the program integration consistent across channels?

Inventing new ways to improve convenience

Automation of frequent processes

Ease of use / Convenience





WHO'S DOING IT RIGHT ON HABIT.



SEPHORA Beauty INSIDER



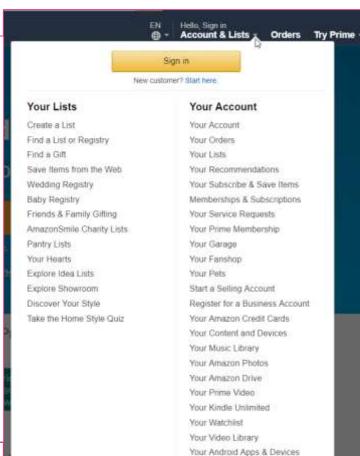


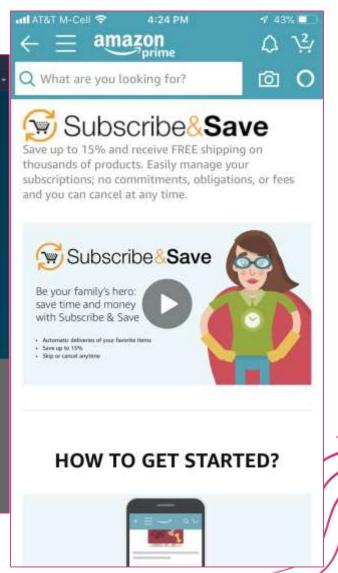


Automation of frequent processes

Ease of use / Convenience

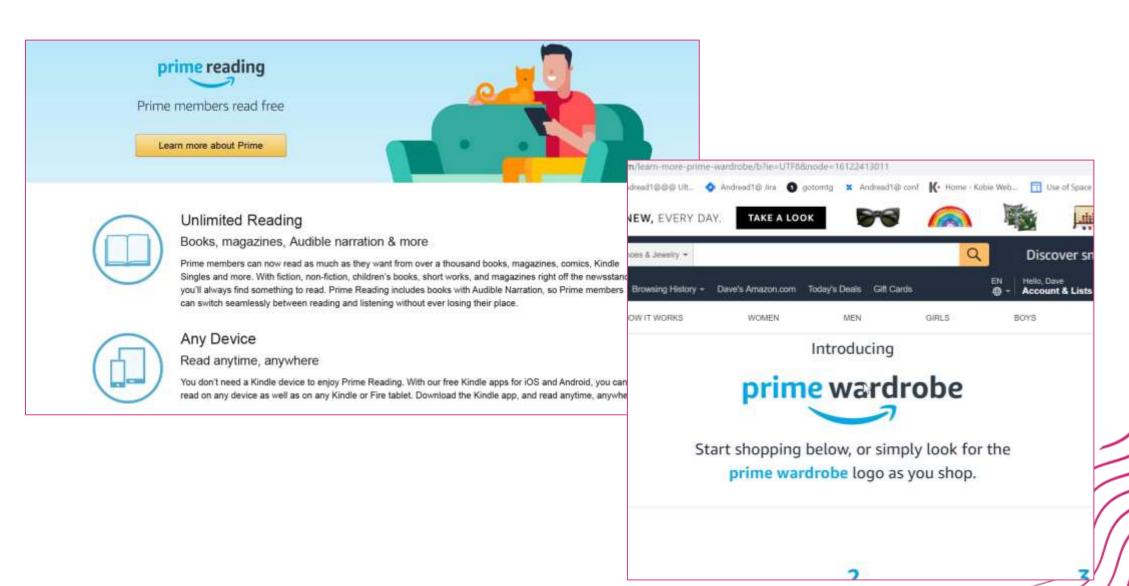








Multiple offerings for people with different preferences





WHAT WE LOOK FOR: RECIPROCITY.

Options to share benefits with family and friends

Rewards positioned as gifts

Support for community

Markers of appreciation

Reinforcement of ongoing relationship





WHO'S DOING IT RIGHT ON RECIPROCITY?







SEPHORA Beauty INSIDER



Rewards positioned as gifts

Markers of appreciation

Dear Adeline,

We're glad you've been such an awesome member of the co-op far joined in 2015. And hey, thanks for your recent purchase.

Did you know you help us give back to the outdoors when you sho The places where we all love to play benefit from members like your co-op a different kind of company.

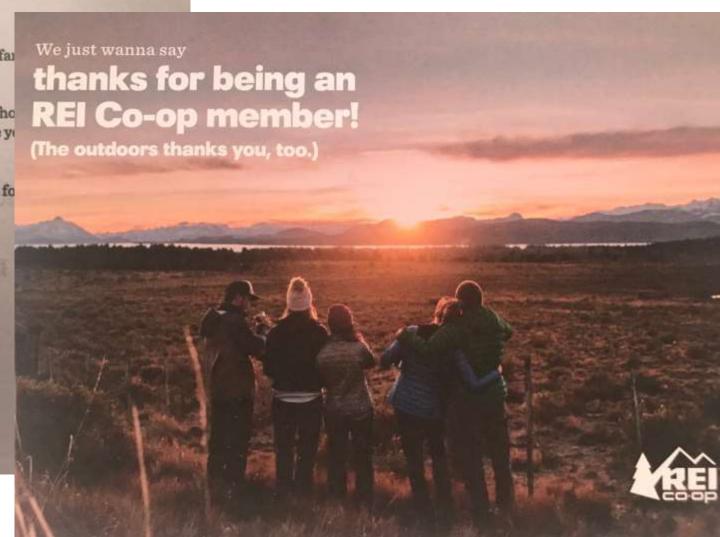
We hope you'll use this thank-you offer the next time you shop fo at REI.com. See you out there.

When & Struffer

Helen Stauffer

Your REL.com Team

2C-089521 MEM22471144.2





Support for community



It's good to belong





Annual Member Dividend

Treat yourself to sweet gear thanks to your annual member dividend. Learn more and check your dividend amount now.

Check your dividend



Vote Now for REI's Board

REI's board stewards the co-op on your behalf. Learn more about the nominees and cast your vote.

Vote now



In-store Garage Sales

Score epic deals (think 50%+) on gently used and returned gear at legendary member-only Garage Sales.

Mark your calendar



Member Exclusive Events

Enjoy fun member-only events across the country, from gatherings with local brews to new-member hikes and more.

Explore events

Learn all about REI Co-op membership. Not a member yet? A lifetime of perks is just \$20.





ADDITIONAL CATEGORIES.





COMMUNITY.WHAT WE LOOK FOR:

Many ways to interact

Get advice and resources

Groups for different interests

Large enough to provide variety of interactions

Feels natural / genuine

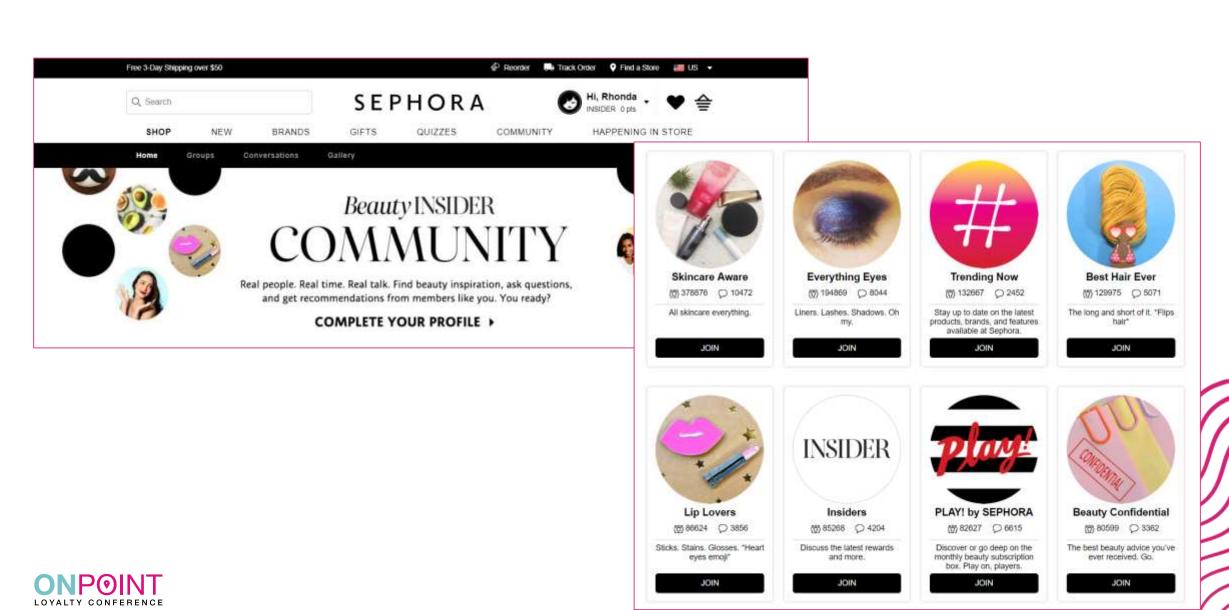
Self-expression





Feels natural / genuine

Groups for different interests



/22

Many ways to interact



Beauty INSIDER COMMUNITY

Real people. Real time. Real talk. Find beauty inspiration, ask questions, and get recommendations from members like you. You ready?

COMPLETE YOUR PROFILE >









NEW PROGRAM LAUNCH / RE-LAUNCH. WHAT WE LOOK FOR:

Consistent communication across all channels

Clear communication of benefits

Easy transition from prior program (if applicable)

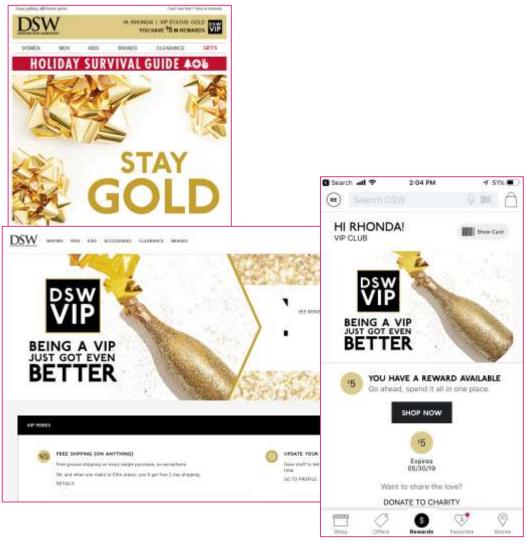
Media/social buzz

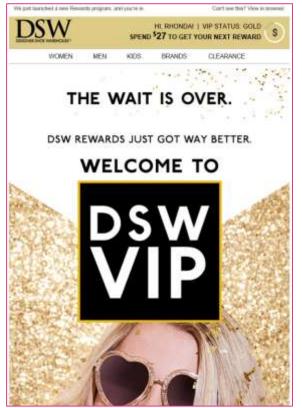
Employee engagement

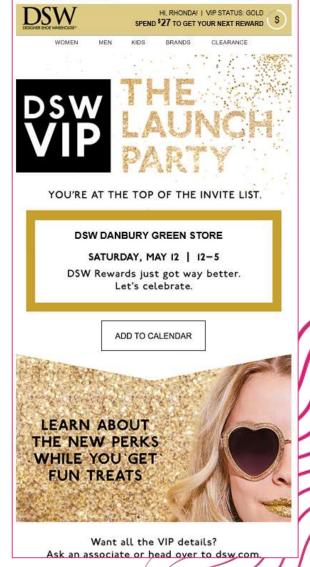




Consistent communication across all channels Easy transition from prior program





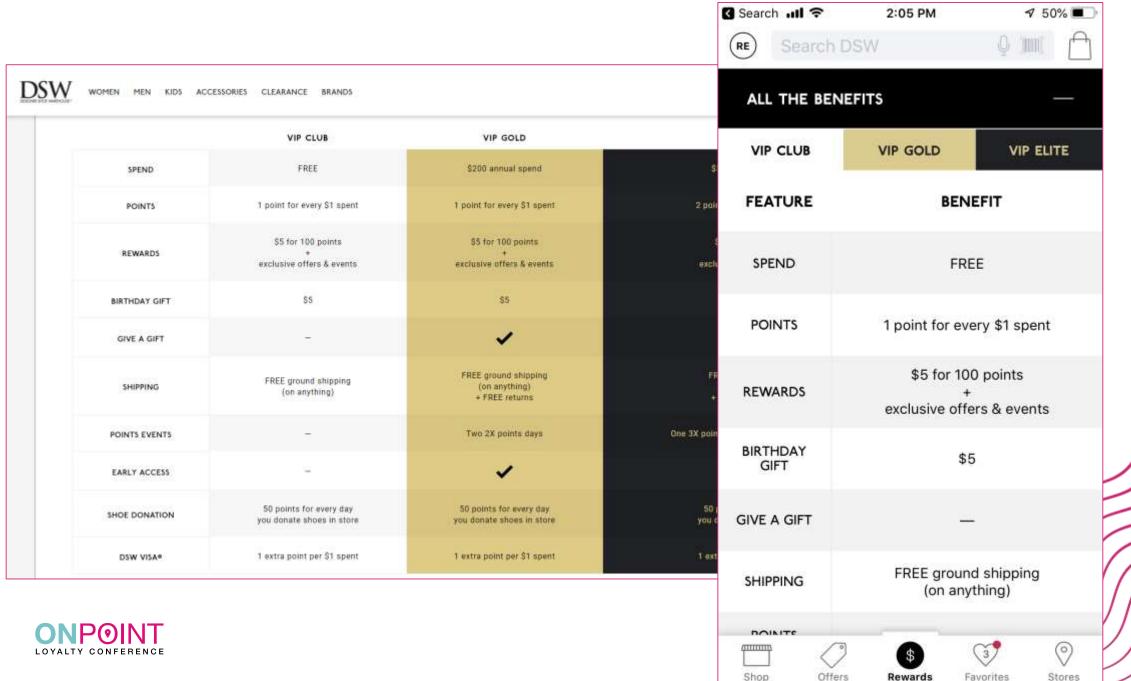


Can't see this? View in browser

Happening May 12 at DSW Denbury Green!



Clear communication of benefits



MOST IMPROVED OVER TIME. WHAT WE LOOK FOR:

Keeping up with – and ahead of – what customers want

Keeping up with technology

Better use of member data

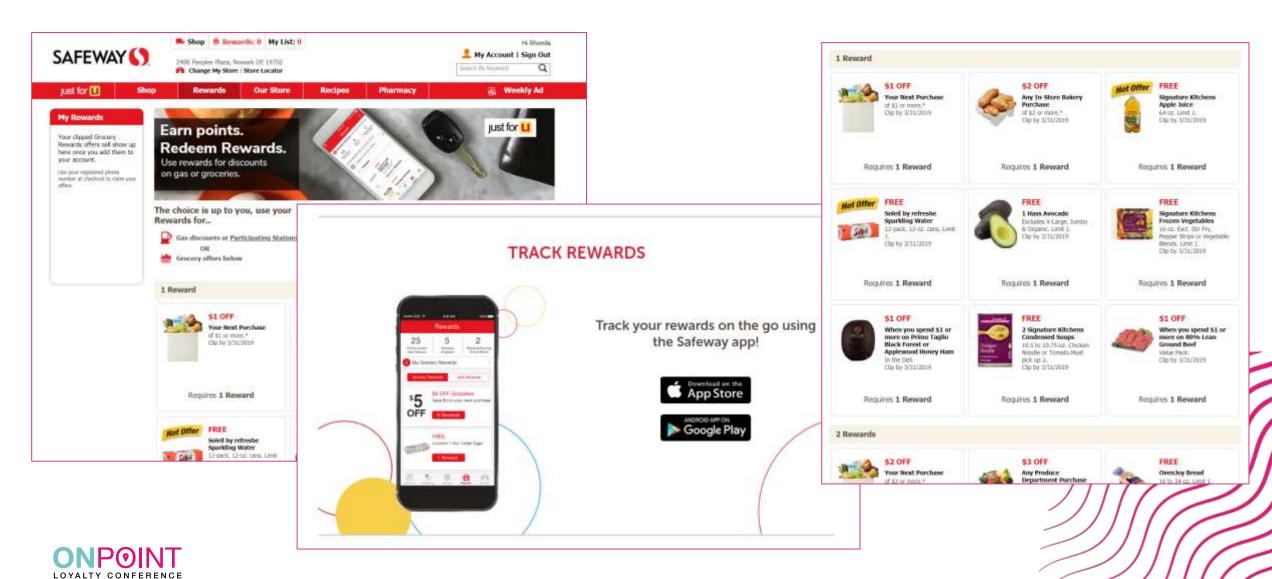
Filling gaps in the program benefits

Embracing changing patterns in how customers shop

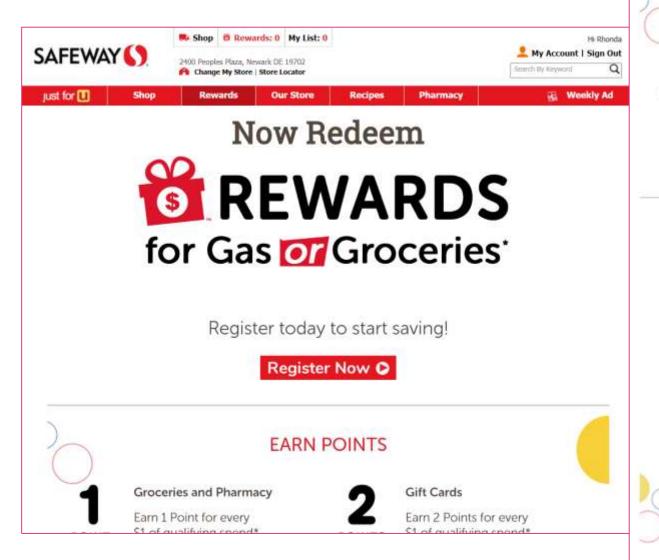




From solely dual pricing...to a multi-channel, multi-faceted, personalized shopping and savings tool Better use of member data – personalized offers



Filling gaps in the program benefits – choice of grocery or fuel discounts



EARN POINTS



Groceries and Pharmacy

Earn 1 Point for every \$1 of qualifying spend*



Gift Cards

Earn 2 Points for every \$1 of qualifying spend*

Use your registered phone number at checkout

100 Points = 1 REWARD*

REDEEM REWARDS*



Grocery Rewards

- Sign into your account on app or website
- Add Reward offers* to your account
- Pick up your item in store and enter your phone number at check out

Shop to unlock more offers!



Gas Rewards

- 1 Visit a participating gas station
- 2. Redeem rewards* at the pump

1 REWARD* = 10¢ per/gal of savings

Learn more about Gas Rewards »





TAKEAWAYS





