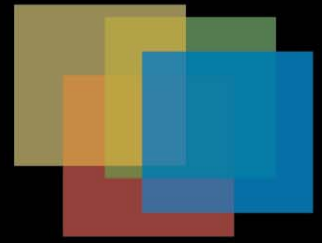


True loyalty - and loyalty programs for that matter - come from doing the right things, for the right reasons, for the right people



The pressure to match competitive tactics can some times lead to irrational behavior. While this might have been the case with others in Certified Oil's situation, they on the other hand chose to design a unique loyalty program that fit their brand and their best customers.

Customer: Certified Oil Company

Business: Petroleum Retailer

Location: OH, KY, WV

Solution: Loyalty Integrated with Sapphire

Challenge:

To create a unique, properly branded loyalty program against a very competitive environment

Not one to follow the crowd, Certified Oil set out to understand for themselves the potential impact of a loyalty program on their business, and more importantly, how it should be designed to best serve Certified's customer base. The determination to create a program they could back with complete confidence came from the fact that Certified operated in some very competitive markets where they faced loyalty programs from other petroleum retailers, including supermarket chains. Certified did not want to create a "copy cat" program or rush to a decision based on this competitive pressure.

With over 80 stores and a rich heritage going back almost 70 years in the region, Certified holds itself to a high standard. Furthermore, as the company was going through a major rebranding process, including the rebuild of its web presence, Certified was intent on being a leading retail company. This meant portraying itself at the highest level with consumers and delivering appropriate programs, like loyalty.

Certified tasked a cross-functional team to do an intense, and comprehensive assessment of loyalty programs offered by convenience stores and other retail channels. Then, to design an appropriate pilot exercise for Certified.

Solution:

Sound planning, and systems from VeriFone & VeriFone partners, enabled a quick start for Certified loyalty

As Certified was completing its rebranding and web site rebuild, it was also in the process of addressing other infrastructure changes and had upgraded many sites to a new WAN and to the VeriFone Sapphire site controller and web server system. These changes all contributed to the readiness of a loyalty solution. Working with VeriFone, the team at Certified continued its mission of framing an appropriate test.

After a thoughtful RFQ process, Certified selected VeriFone partner, ValueCentric Marketing Group (VCMG) for its card-based, "Certified Savings Program" loyalty program. This solution would have Sapphire as the collection point for the loyalty program's data, and VCMG as the administrator of the program. Both the Sapphire system and VCMG would also provide custom and standard reporting for Certified to monitor & track results.

To prepare for the pilots, Certified's loyalty team, VeriFone, and VCMG, prepared a profile for pilot locations, completed the software customization, and drafted marketing plans. The pilot, while a test, was still very comprehensive in nature, and the program launched as a complete and ready-for-market solution. Certified was determined to see that the pilot was meaningful and very successful.

Results:

Easy installation and robust results on key measures are justifying an expansion of the program

Certified's team realized it had to deliver a program that was uniquely competitive, cost justifiable, consistent with the brand, and would enhance relationship management with the company's most loyal customers. "We saw our brand, and the loyalty program, as being very inter-related. Otherwise the program would just become another form of discounting," explained Greg Ehrlich, COO of Certified Oil. This mission caused Certified to go to market with a clear and dynamic program targeting its most profitable customer segment - a decision that has immediately impacted the program's ROI.

With the existing integration to VeriFone's Sapphire controller, the VCMG system installed very easily at each location, in fact, "in less than 15 minutes the solution was rewarding consumers at the pump and in the store," says Mr. Ehrlich. Certified has seen marked increases in each of its three key performance indicators: 1) loyalty transaction amount as a percent of total sales, 2) number of transactions per loyalty customers per month, and 3) loyalty customer spend per month ... with this last indicator showing a 50% increase over the base period. Certified is convinced "loyalty can change behavior" and will expand to more sites. Marketing via web statements, email & SMS messages, receipt statements, and employee programs, have connected them with their customers like never before.

