

OIL EXPRESS ALERT: Fuel Loyalty Program Memberships Continue to Slide

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Fuel Loyalty Program Memberships Continue to Slide

Memberships in fuel/convenience store loyalty programs are declining but at a slower rate, according to data from the 2015 Colloquy Loyalty Census, a study done every two years.

The rate of decline was 3% between 2015 and 2013, compared to a 21% decline between 2013 and 2011, reports Colloquy, a research and education firm based in Cincinnati, Ohio.

Two other types of loyalty programs important to fuel retailers also saw a decline or slower growth -- grocery loyalty clubs and rewards credit cards.

Many fuel retailers partner with grocery chains in fuel rewards programs. Loyalty program memberships within the grocery channel declined a second consecutive census, down 2% in 2015 and 1% in 2013.

Though rewards credit cards are big in the oil industry, memberships in rewards credit card programs of all types are growing at a much slower pace -- 5% in 2015, compared to 28% in 2013.

Meanwhile, memberships for drugstores, a channel that competes with the fuel/c-store business, rose 88% to 268 million, the highest rate of growth of any census category other than restaurant programs. Drugstore activation rates rose 66% in the 2015 census versus 50% in 2013, while other retail and credit card program activation rates were mostly flat.

The total number of memberships in customer loyalty programs has grown to 3.3 billion, up 26% in 2015 from 2013. But many of those memberships are inactive.

The average American household has memberships in 29 loyalty programs of all types but is active in just 12 of them. In 2013, the average was 22 per household, nine of them active.

Colloquy concludes the active rate is trending downward. The active rate declined both in 2013 and 2015. An active member is defined as one earning or redeeming rewards at least once a year.

--Donna Harris, dharris@opisnet.com