

## CASE STUDY

# LAND O'LAKES PURINA FEED CUSTOMER REWARDS PROGRAM

## OPPORTUNITY OVERVIEW

Develop an effective and user-friendly incentive program that will reward coop and dealer customers for purchases of feed ingredients and additives from Land O'Lakes Purina Feed.

## CLIENT OBJECTIVE

Develop an incentive program that allows active customers to be rewarded for purchases on selected products from Land O'Lakes Purina Feed. According to the program administration with Land O'Lakes Purina Feed, "The objective of this program was to reward customers for purchasing products through Land O'Lakes Purina Feed."

Other program objectives include:

- o Increase share of customer purchases
- o Improve customer relationships
- o Develop closer tie-in of dealer to Land O'Lakes Purina Feed
- o Increase overall unit volume
- o Increase overall gross margins

## TARGET AUDIENCE

Active customers of Land O'Lakes Purina Feeds, primarily coops and dealers

## RUSSELL ASSOCIATES' SOLUTION

Russell Associates proposed developing an incentive-based rewards program that allows active Land O'Lakes Purina Feed customers to enroll in and receive credit, in the form of points, for the purchases they make of feed ingredients and additives. Participants can also earn bonus points as part of selected vendor promotions. Customer-earned points can be redeemed for merchandise, gift items, gift cards or trips.

Additionally, this program was used in conjunction with a Land O'Lakes Purina Feed swine feed incentive. This allowed participants to achieve higher reward levels and combine the reward buying power of two programs to create a higher level of motivation to customers.

## PROGRAM LENGTH

Ongoing program started in January 2006

## ADMINISTRATION

The Land O'Lakes Customer Rewards Program is available online; allowing customers to access their program results, order reward merchandise and gift cards, and check their point's balance from any computer. Russell Associates staff is also available to answer questions about program redemptions and assist Land O'Lakes Purina Feed administration in making the program run as smoothly as possible.

## **PROGRAM RESULTS**

Since its inception this program has been used by over 350 customers who have been awarded over 475,000,000 points and have redeemed over 40% of the awarded points. As awareness and knowledge of the program increases, program redemptions are expected to increase.

"Speaking with customers, it is good to hear the positive feedback about the program and excitement about upcoming trips. When we are competing in the market, we are able to use this program to remind customers that they will get points for their purchases. As a result, customers may decide to purchase from Land O'Lakes Purina Feed rather than someone else."

Customer Reward Program Administrator, Land O'Lakes Purina Feed