

A close-up photograph of a woman with her eyes closed, gently holding a sleeping baby. The woman's face is in profile, and the baby is resting its head on her chest. A large, semi-transparent green circle is overlaid on the center of the image, containing the main text.

# NURTURING RELATIONSHIPS<sup>®</sup> WITH PAMPERS

A CPG Loyalty Strategy to Grow on

**Summary** Procter & Gamble Co. (P&G), a Fortune 500 multinational manufacturer of consumer goods based in Cincinnati, Ohio, chose Carlson Marketing (now operating as Aimia) to help them revamp and relaunch the “Gifts to Grow” consumer loyalty program for their Pampers® brand of infant care products. We revamped the program value proposition, deployed data analytics to identify key consumer behaviors, designed a trigger-based communication plan, and optimized the reward portfolio to improve program ROI and create sustainable loyalty from Pampers’ best consumers.

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> **The Challenge**

Pampers® and other baby care brands face a marketing challenge unique even among other packaged goods brands that struggle to form direct relationships with their best consumers. Infant care brands have a finite amount of time to engage expectant and new mothers to form profitable relationships with them. To tackle this problem, P&G had piloted consumer loyalty programs with mixed results in both loyalty and marketing return on investment (ROI). Their current program, “Pampers Gifts to Grow Rewards,” was collecting plenty of data and rewarding moms for sharing it—but P&G felt the program still possessed untapped potential.

**The Opportunity** P&G hired Carlson Marketing (now operating as Aimia) in 2009 and challenged us to refine the strategy and tactics of “Gifts to Grow” while keeping the successful core of the program intact. When strategy, tactics and execution work together efficiently and effectively, brands can operate profitable loyalty programs without wasting time and money.



A well-designed program can help a CPG brand build profits along multiple fronts: It increases incremental purchase behavior and brand affinity among the brand’s best consumers, it increases the influx of partner dollars to help mitigate program cost, and it increases the engagement level of the brand’s retailer partners. Working closely with the Pampers® brand team, we identified the pain points in the “Gifts to Grow” program:

> **Consumer attrition**

First, we identified key points of consumer defection, and developed trigger programs that could be implemented at those points to help keep moms in the program.

> **Marketing ROI**

Program profitability suffered from a point-per-dollar approach to earning rewards that offered the same number of points on purchases of products with vastly differing sales margins. We were determined to help P&G manage the earn metrics more effectively.

> **Data usage**

We also knew that the program would become stronger and more effective if we better leveraged the transaction data. Smarter program management, coupled with a strong use of data not only keeps moms loyal, but it also reduces costs.

> **Consumer experience**

Generally, we wanted to improve the overall consumer experience, making sure that every interaction with the program (whether through a seamless sign-on, better e-catalog or text-to-enter functionality, for example) was as efficient and effective as possible.

Armed with these points of attack, we defined our opportunity: To help Pampers improve program results across the spectrum from consumer engagement to program ROI. These improvements were, we knew, key to building sustainable loyalty.

**The Solution** Carlson Marketing (now operating as Aimia) delivered a completely revamped “Gifts to Grow” program strategy designed to improve performance across the board. Our revamped program design focused on three key areas of improvement.

**> Program value proposition**

We designed a value proposition that better aligned earning velocity with product margins and brand focus. We moved from a 1 to 10x point strategy, eliminated fractional points and increased point flexibility. Then we realigned the earning structure to reflect product margins so that moms received more points for purchasing higher-tier diapers.

**> Consumer behavior analytics**

Data analysis revealed eight key member behaviors that helped predict a mother’s lifetime consumer value. Then we designed a communication plan focused on moms at risk of leaving the program, with trigger offers to drive desired behaviors.

**> Reward optimization**

By reinventing the program reward matrix, we improved the reward selection while decreasing program costs. We also leveraged the data to better align rewards with behavior. Pampers’ strong brand equity, backed by a database of new mothers attractive to program partners, allowed us to procure rewards at optimized costs and deliver a significant discount on reward retail value.

eNewsletter



Website



Mobile



**The Results** Millions of moms, millions of product code entries and millions of reward redemptions later, P&G can point to proven metrics of program success.

- > **Acquisition**  
Monthly new customer acquisitions 50% above program benchmarks
- > **Activation**  
Active Members at 135 IYA; expected double growth by end of 2012
- > **Engagement**  
Visits to GTG at 150 IYA; engaged member email response above industry average
- > **Growth**  
Significant consumer share shift after joining program

The revamped Pampers “Gifts to Grow” program has proven so successful that P&G expanded the program to Japan. Consumer relationships need to be nurtured—and together, P&G and Aimia will continue to provide value for new mothers who have some nurturing of their own to do.



**Our Company** Aimia Inc. (TSX: AIM) is a data-driven marketing and loyalty analytics company. We provide our clients with the customer insights they need to make smarter business decisions and build relevant, rewarding and long-term one-to-one relationships, evolving the value exchange to the mutual benefit of both our clients and consumers.

With close to 4,000 employees in 20 countries, Aimia partners with groups of companies (coalitions) and individual companies to help generate, collect and analyze customer data and build actionable insights.

We do this through our own coalition loyalty programs such as Aeroplan in Canada and Nectar in the UK, and through provision of loyalty strategy, program development, implementation and management services underpinned by leading products and technology platforms such as the Aimia Loyalty Platform and Smart Button, and through our analytics and insights business, including Intelligent Shopper Solutions. In other markets, we own stakes in loyalty programs, such as Club Premier in Mexico, Air Miles Middle East and Think Big, a partnership with Air Asia and Tune Group. Our clients are diverse, and we have industry-leading expertise in the fast-moving consumer goods, retail, financial services, and travel and airline industries globally to deliver against their unique needs.

For a full list of our partnerships and investments, and more information about Aimia, visit [aimia.com](http://aimia.com).

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# THE TRUTH ABOUT CUSTOMER LOYALTY CAN ONLY BE FOUND IN ONE PLACE.



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