Lego, Hudson's Bay Company, Under Armour invest in loyalty

Article





The trend: More retailers are incorporating gamification into their loyalty programs as they look for ways to encourage cost-conscious consumers to spend.

• Lego is running an augmented reality-enabled treasure hunt to encourage customers to sign up for its newly revamped loyalty program, Lego Insiders.





- Hudson's Bay Company refreshed its loyalty program by adding in-app quests that earn members bonuses when completed.
- And **Under Armour**'s new loyalty program allows customers to earn points by completing challenges through the retailer's MapMyRun app.

The strategy: Lego, Hudson's Bay, and Under Armour are hardly the first retailers to use gamification to drive sales. But their embrace of the strategy reveals a broader shift in the way retailers are thinking about loyalty, as they move from a one-size-fits-all approach to one that takes into account shoppers' preferences and behaviors.

- For instance, both Lego and Under Armour are using gamified elements not to drive sales directly, but rather to encourage shoppers to engage more often with the brand. That enables both companies to stay top-of-mind with their customers, and positions them to benefit once those users decide to make a purchase.
- Retailers can also use gamification to reward shoppers for other actions that are beneficial to their businesses, such as leaving reviews, referring others, or engaging with the company on social media.

The big takeaway: Incorporating gamification is a highly effective way to encourage customers to visit more often and spend more per trip—just ask **Starbucks**, which successfully leveraged personalized challenges and seasonal games to grow sales and increase stickiness.

- Fifty-seven percent of Starbucks' US sales during the most recent quarter came from rewards members, a three percentage point increase year-over-year.
- With financial pressures adding stress to many consumers' shopping journeys, injecting some fun into the process could go a long way toward winning goodwill and lasting loyalty.

Go further: For more strategies to boost loyalty, read our report on Retail Loyalty Programs.





How B2C Loyalty Program Decision-Makers Worldwide Plan to Evolve Their Loyalty Programs in the Next 5 Years, Q1 2022

% of respondents





