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When it comes to the rewards shoppers would like to earn through retailers' loyalty programs, one prize no longer fits all.

New research from loyalty marketing consultancy Colloquy, Milford, Ohio, reveals a great variance in preferences and participation across different demographic groups.

Hispanics and young adults, for instance, are interested in loyalty programs because they hope to gain better value when shopping, according to the study's findings.

Over 40% of this group's members participate in loyalty programs, with the average member subscribing to 2.9 loyalty programs. Growth is expected to continue as retailers use the Internet to drive participation.

Meanwhile, the affluent are the most frequent participants, with 80% involvement, the study found. It attributes increased participation to familiarity with loyalty programs through this demographic's years of activity in the financial and airline worlds.

"This group is bombarded with programs, so the question for retailers is how to get through to them," said Kelly Hlavinka, director of Colloquy. "These people are looking for preferential treatment."

Dayton, Ohio-based Dorothy Lane Market is successfully tapping into the tastes of both groups. The three-store chain recently reconfigured its 12-year-old loyalty program so that every loyalty shopper now receives personalized offers based on the number and types of specific items they've purchased in the past.

Using Pay By Touch software, the retailer sends 10 personalized offers weekly to each of its 200,000-plus loyalty card members. They can choose whether to receive their offers by email or pick them up at in-store kiosks by scanning their loyalty card or providing a finger scan.

There's no more need for coupons, and customers don't even need to bring a printout of their offers to the cashier, because the information is contained in their card.

"We were looking to make it easier [for shoppers] and easier for us to target the right people," said Amy Brinkmoeller, manager of information systems at Dorothy Lane. "Our program is based on giving back to those who gives the most to us. It's about being loyal."

Dorothy Lane rewards customers who spend the most by giving them the most valuable promotional offers.

In addition, every year during the winter holidays the retailer sends a gift to its small group of most valued customers. It ranges from flowers to a gift basket or a set of knives.

More affluent consumers have a preference for such aspirational rewards, said Glenn Hausfater, managing partner, Partners in Loyalty

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Marketing, Chicago. He points to programs sponsored by retailers such as Boots drug store in the U.K., which encourages consumers to save points for rewards such as a day at a spa.

The U.S. system is more of a "spend and earn" model, Hausfater said.

New York-based Duane Reade drug stores, for instance, rewards loyalty shoppers with \$5-off coupons when they have earned a certain number of points.

Fifty-four percent of seniors participate in loyalty programs, and as Baby Boomers age and move into this category, the group's participation is expected to rise. Programs that offer simplicity will also help boost participation.

While loyalty programs could still do more to attract consumers, Americans in general are receptive to them, Colloquy's research indicates.

Fifty-nine percent of the U.S. population belongs to some kind of loyalty marketing program, while the average household belongs to 12 programs and is active in 4.7.

Close to 67% of consumers said they are very likely to continue shopping at a retailer as a result of a loyalty program.

Colloquy suggests that the best way to retain these members is through soft benefits such as upgrades or special access.

"Customers don't feel they're getting preferential treatment, but they want it," noted Hlavinka.

The study found that shoppers steer clear of loyalty programs for a number of reasons.

The belief that there's a need to spend vast amounts of money in order to reap rewards is most commonly held by seniors and women. The feeling that programs are a hassle to belong to commonly dissuade women and the time-starved from participating in these programs.

Meanwhile, members of the affluent demographic are commonly turned off to loyalty programs because they think they offer no value or compelling rewards. The belief that loyalty programs offer boring rewards is highest among seniors.

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