



MMA CASE STUDY

SMARTIES

Balance Rewards

Campaign Summary

To help its loyalty program stand out from the competition, Walgreens began to offer consumers rewards for participating in healthy activities outside the store. An open API allowed shoppers to sync their fitness apps or wearables to the Walgreens “Balance Rewards” program. The campaign helped Walgreens boost Balance Rewards membership enrollment to more than 100 million, increase its share of voice, and increase consumer sentiment about its brand.

Strategy

Objective and Context:

Walgreens is the nation’s largest drugstore chain, with fiscal 2013 sales of \$72 billion. The company operates more than 8,300 stores in the U.S., Puerto Rico, and the U.S. Virgin Islands. Walgreens launched its Balance Rewards program in September 2012 against more established programs from competitors like CVS and Rite Aid.

Balance Rewards has since become the world’s largest consumer loyalty program, despite U.S.-only availability. Walgreens designed the Balance Rewards program to help its brand become a part of consumer conversations around health. This was a challenge because customers typically viewed Walgreens as a place to go when sick rather than a total health and wellness destination. So in the second year of the program, Walgreens shifted its focus from member acquisition to wellness. It began offering “free” rewards points for healthy activities conducted outside of the store.

Target Audience:

The primary target for the program was Walgreens shoppers (including Duane Reade and other brands from the Walgreens portfolio). These individuals tend to be female and more than 35 years of age. In most cases, Walgreens shoppers are heads of households who make core buying decisions or act as caregivers.

Walgreens also broadened its message to cast a wider demographic, including consumers who engage in an active lifestyle or tend to be early technology adopters.

Creative Strategy:

The creative and media strategy centered around two goals: educate and inspire existing members around the new ways to earn rewards, such as 20 points per mile, and connect with individuals already using fitness devices and apps.

To measure success, Walgreens tracked the following objectives:

- Enrollment
- Devices and apps connected
- Miles logged
- Pounds lost
- Monthly active rate
- Balance Rewards points awarded to participants

Execution

Overall Campaign Execution:

The campaign strategy was activated through a 360-degree approach, with strong in-store, online, and experiential components. Walgreens offered consistent brand messaging with a focus on the point rewards. In direct response channels, Walgreens relied on traffic patterns and usage of the fitness devices and apps. The campaign also encouraged existing members to invite their friends to join.

Mobile Execution:

Approximately 30 percent of the campaign budget went to mobile. Fundamentally, fitness and tracking apps are mobile, enabling individuals to track their health goals on the go. Walgreens launched an open API for the campaign, enabling any fitness device or app to connect with its program and unlock the rewards. As an incentive, Walgreens developed a 250-point reward just for connecting a device or app.

The mobile strategy and incentives helped the brand connect with a targeted demographic of active users. Tying popular wearables and fitness apps into the Balance Rewards program expanded individuals' perceptions of Walgreens as relevant and member-centric.

Results

Walgreens has measured the following results for its Balance Rewards program:

- More than 100 million members enrolled
- More than 200,000 devices or apps connected to the program
- More than 120 million miles logged in the program
- More than 2.2 billion Balance Rewards points logged

The campaign has had significant impact for Walgreens, helping to boost enrollment and share of voice. Consumer sentiment around the Walgreens brand is at an all-time high. The concept of getting points for healthy activities at zero cost has been seen as one of the more compelling benefits of any loyalty program. The campaign has also received industry praise.

Source

"Balance Rewards." 2014 MMA Global Silver Winner Wearables Impact on Marketing; North America Gold Winner Wearables Impact on Marketing. Brand: Walgreens. Lead Agency: Walgreens.