



Company: GameStop

Initiative: GameStop PowerUp Rewards (Retail – North America)

BACKGROUND

In a competitive marketplace, GameStop was looking to retain share of its core gamer audience and increase share of its broader, more casual shoppers. Protecting and growing share of wallet against big box retailers is no small feat. The existing Edge program was geared to hardcore gamers and featured a graphic gamer magazine as its primary benefit. The challenge was to create a program that would not alienate this important audience, but would also not intimidate the more casual gamers and moms. Questions abounded - would gamers carry a loyalty card? Would once-a-year gift givers join a loyalty program? What benefits would they expect or care about?

OBJECTIVES

Primary objectives were to obtain a single view of the customer, track transactions, and increase share of wallet - all while encouraging an even more emotional connection between customers and the brand. The program quickly surpassed the goal of 6 million members by the end of 2010. Actionable insights are already coming out of the increased data capture, and targeted messaging is saving costs and increasing relevance.

ACTION PLAN

GameStop worked together with Brierley+Partners to create a program that would appeal to gamers and to moms. The program's broad appeal includes points, discounts and rewards merchandise and sweepstakes that cannot be duplicated elsewhere. Leveraging the unique relationships GameStop has with its publishers, they have been able to create a unique experience that their best customers crave. GameStop enlisted the field to help with program benefits they knew would resonate with their customers. Cross-functional teams within GameStop created program collateral, training materials, in-store signage, t-shirts and launch emails to drive awareness for both the May pilot and the

September/October national roll-out. The core audience is notoriously active online and were quick to spread the word on the boards. Word-of-mouth and the social networks were quick to spread.

RESULTS

GameStop PowerUp Rewards enrolled more than 350,000 customers just during the 100-day pilot phase in only four markets. The early success of the pilot spurred GameStop leadership to roll-out nationally to 4,500 stores in less than four months. After the pilot, PowerUp Rewards rolled out nationwide, and currently, in less than a year, has more than 10 million members. Membership is still growing at a terrific pace. Of note, approximately 65% of all PowerUp members have elected for the Pro version for \$14.99, creating a \$100mm revenue stream. More than 50% of transactions have a PowerUp Rewards card attached, helping us to identify and reward our best customers since we are no longer guessing at who our best customers are. PowerUp Rewards is helping us, as a company, to identify how many customers we really have. The average PowerUp Rewards member has transacted more than 4 times since joining the program most of whom have joined since September 2010; pre-PowerUp, on average, customers visited us 2-3 per year. PowerUp members average 3x the spend of non-members, helping us skew our marketing dollars to the most engaged and profitable customers. Members have loaded more than 100MM games into their personal Game Libraries, which enables GameStop to be surgically targeted in our marketing efforts, whereas before we were guessing based on flawed ecommerce and transactional-level data. Through research, we've discovered that 73% of members prefer PowerUp Rewards over a competitors program.

LEVERAGING THE LEARNING

The PowerUp Rewards program has brought customer information to a new level. Over half of transactions are now associated to a specific member. The majority of members have activated their memberships online, completing extensive profile information. Profiles capture not only communication preferences and basic demographics, but also gaming preferences, genres and console ownership. Targeted messaging is already impacting behavior and sales, and the more refined the information becomes, the better the targeting will be.