

COLLOQUY[®]

The Art and Science of Changing Customer Behavior

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New COLLOQUY White Paper Explores Loyalty Marketing in the Consumer Packaged Goods (CPG) Industry

Free White Paper Available for Download at
<https://www.colloquy.com/reports/WhiteIntro.asp>

(August 22, 2006 -- Cincinnati, OH) COLLOQUY[®], a leading provider of loyalty-marketing information, consulting, research and education reveals how consumer packaged goods (CPG) companies are harnessing the power of loyalty marketing in its latest *CPGTalk* white paper, *The Total Package: Do You Really Want a Relationship with Your Beverage Brand?*

The free 19-page report is co-authored by COLLOQUY's Kelly Hlavinka and COLLOQUY Network Partner Leopoldo Gomez of GomezLee Marketing in The Dominican Republic. It explores the many obstacles CPG marketers must overcome if they desire to shift from mass advertising to a more customer-centric marketing model. "The CPG industry has often been the odd man out even as brands in nearly all industries around the globe have pursued loyalty marketing as a primary tactic of their overall enterprise customer strategy," note Hlavinka and Gomez. "Is it because the CPG industry views the retailers who sell their goods as their primary market, rather than the consumers who actually use them? Is it lack of concern for the consumer? Lack of focus? Lack of expertise? All of the above? These are the questions that our research set out to answer."

The report includes numerous examples of CPG loyalty and relationship marketing efforts from around the world. Nestle's Latin American and Caribbean region is profiled for using loyalty marketing techniques to reach out to individual customers with a program centering on mothers, children, health, wellness and diet. "Nestle's relationship marketing efforts have facilitated customer feedback and are turning engaged customers into brand advocates," say the authors.

Citing examples of CPG loyalty efforts from Procter & Gamble, Tazo Tea, Huggies diapers, Moet Hennessey, Maker's Mark, Purina dog food and others, COLLOQUY outlines two primary models that CPG marketers are pursuing, each with their own approaches, levels of investment and possible outcomes:

- The **relationship model** seeks to engage the CPG brand user in a direct, continuing dialogue with the mutual expectation of gain. The value proposition focuses on delivering relevant dialogue with tangible value—and that value is defined by the consumer, not the brand positioning. In exchange for this value, the consumer grants permission and volunteers information. Consumers respond to the program stimulus by maintaining and/or modifying their purchase behavior in favor of the brand sponsor—although measurement can be challenging. The intent of this model is to identify existing users and turn them into brand loyalists, collaborators and advocates.
- The **retail-centric model** recognizes the importance of the indirect sales channel and seeks to leverage the measurement ability of retail partners to identify, maintain, and increase the yield from the CPG brand's best customers. The value proposition for the consumer is the same, although the tangibility of the value received is typically more economic and rational than emotional. In return for this value, consumers allow retailers to track their purchase behavior, even though they are rewarded by the sponsoring brand. Increased share of customer in the given category, and potential insulation against brand defection, are the probable outcomes for the CPG marketer.

Download a **free copy** of the complete COLLOQUY *CPGTalk* white paper at <https://www.colloquy.com/reports/WhiteIntro.asp> or send an email with your complete name, title, company name, mailing address and telephone number to info@colloquy.com.

About COLLOQUY:

COLLOQUY comprises a collection of resources devoted to the global loyalty-marketing industry. The flagship resources are COLLOQUY Consulting, a loyalty consulting practice, **COLLOQUY®**, a magazine serving the loyalty-marketing industry since 1990, COLLOQUY.COM the most comprehensive loyalty web site in the world, COLLOQUY's Research and Education divisions, and the COLLOQUY Network, a global network of consultants certified in COLLOQUY's consulting methodology. Together they provide a worldwide audience of 25,000+ marketers with consulting services, news, editorial, educational and research services across all industries and around the globe. **COLLOQUY** magazine subscriptions are available at no cost to qualified persons at www.colloquy.com or by calling 513.248.5918.