



UNIVERSIDADE  
CATÓLICA  
PORTUGUESA

IMPROVING FNAC'S LOYALTY PROGRAM THROUGH STRATEGIC PARTNERSHIPS:  
INCORPORATING CUSTOMER PREFERENCES AND OPTIMIZING MARKETING  
STRATEGIES

Internship Report submitted to Universidade Católica  
Portuguesa to obtain a Master's Degree in Communication  
Studies: Communication, Marketing, and Advertising

By

Filipa Alves Carriço de Freitas Fonseca

Faculdade de Ciências Humanas

September 2024



UNIVERSIDADE  
CATÓLICA  
PORTUGUESA

IMPROVING FNAC'S LOYALTY PROGRAM THROUGH STRATEGIC PARTNERSHIPS:  
INCORPORATING CUSTOMER PREFERENCES AND OPTIMIZING MARKETING  
STRATEGIES

Internship Report submitted to Universidade Católica  
Portuguesa to obtain a Master's Degree in Communication  
Studies: Communication, Marketing, and Advertising

By

Filipa Alves Carriço de Freitas Fonseca

Faculdade de Ciências Humanas

Under the supervision of Professor Patrícia Dias

September 2024

## **Abstract**

Nowadays, consumer loyalty and brand retention are increasingly important, since with a saturated market and consumers having more choice between different brands than ever before, this is becoming one of the most challenging objectives for brands. It is therefore essential for brands to develop effective strategies to achieve customer loyalty. Thus, partnership programs have emerged as one of the strategies used by several companies in different sectors. These programs have proven to be highly effective, as they enable members of the loyalty program to enjoy advantages both inside and outside the company's facilities. However, each brand has different members, and it is of paramount importance to understand them and their preferences so that these programs are adapted to their interests and needs. The more these interests are fulfilled by the company, the more aware and engaged with the partnership program the members are. Communication emerges in this process as a promoter of member awareness and engagement, and it is an indispensable strategic tool for companies that decide to incorporate partnerships into their customer loyalty program.

This Internship Report implemented a mixed-methods study, including direct observation, benchmarking, and a questionnaire, to analyze a retail company, FNAC Portugal, and explore the best practices for improving its partnership program and, consequently, its communication with FNAC Card members. The results showed that the company has a well-established partnership program, with more than 100 partners, however many of the members are not aware of the partner network and don't use it either, showing that there is a problem both in the value they place on partnerships and in the communication made about them. It was possible to see that although most members are engaged in the program, a significant proportion report that they want a greater diversity of brands included in the program and need more information about it, and they prefer email (newsletters) for this communication.

This research adds new clues to the scarce literature on this topic, drawing on FNAC's best practices and the suggestions of its members to provide some lessons on how to improve the program and its communication with members. Applying these practices can benefit both companies with loyalty program partnerships and their members.

**Keywords:** loyalty program; partnership program; communication; brand members; awareness; engagement.

## Resumo

Atualmente a lealdade do consumidor e a sua retenção na marca é cada vez mais importante, uma vez que com um mercado cada vez mais saturado e com o facto dos consumidores terem um poder de escolha entre diferentes marcas maior do que nunca, este torna-se um dos objetivos mais desafiadores para as marcas. É então fundamental que as marcas desenvolvam estratégias eficazes que as ajudem a alcançar a lealdade dos clientes. Assim, os programas de parcerias surgem como uma estratégia utilizada por várias empresas de diferentes setores. Estes programas têm se mostrado bastante eficazes, visto que possibilitam aos membros do programa de fidelização usufruir de vantagens dentro e fora de portas da empresa. No entanto, cada marca possui aderentes diferentes e, por isso, torna-se de primordial importância conhecê-los e às suas preferências de forma que estes programas sejam ajustados aos seus interesses e necessidades. Quanto mais estes interesses sejam correspondidos por parte da empresa, mais *aware* e *engaged* os membros vão estar relativamente ao programa de parcerias. A comunicação surge neste processo como promotora deste *awareness* e *engagement* dos membros, sendo uma ferramenta estratégica essencial para as empresas que decidem incorporar parcerias no seu programa de fidelização de clientes.

Este Relatório de Estágio implementou um estudo com métodos mistos, incluindo métodos como a observação direta, benchmarking, e questionário, para analisar uma empresa de retalho, a FNAC Portugal, e explorar as melhores práticas para melhorar o seu programa de parcerias e consequentemente a sua comunicação com os membros do Cartão FNAC. Os resultados mostraram que a empresa possui um programa de parcerias já bem consolidado, com mais de 100 parceiros, no entanto muitos dos consumidores não estão a par da rede de parceiros e também não a utilizam, demonstrando que existe um problema tanto no valor que atribuem as parcerias como na comunicação feita às mesmas. Foi possível perceber que, embora, a maior parte dos membros estar *engaged* no programa, uma porção significativa reporta que deseja uma maior diversidade de marcas incluídas no programa e que necessita de mais informações sobre o mesmo e preferem o email (newsletters) para esta comunicação.

Esta investigação adiciona novas pistas à escassa literatura sobre este tópico, partindo das melhoras práticas da FNAC e das sugestões dos seus membros para providenciar algumas lições sobre como melhorar o programa e a sua comunicação com os membros. A aplicação destas práticas pode beneficiar tanto as empresas que possuem parcerias nos seus programas de fidelização como os seus membros.

**Palavras-chave:** programa de fidelização; programa de parcerias; comunicação, membros de uma marca; *awareness*; *engagement*.

**To my grandfathers, António Carriço e António Silva,**

**I know you will always be watching out for me.**

## **Acknowledgements**

I would like to express my deepest gratitude to my parents for always providing me with the best education and making it possible for me to become a Master in Communication, Marketing, and Advertising. Thank you so much for all your motivation and support throughout the process. For being part of this very important stage of my life and for always providing me with all the necessary conditions to progress in my academic life and professional career.

I would also like to say a big thank you to my grandmothers, Ester and Alice, for all the love they have given me throughout my life and for always believing in me.

A huge thank you to my supervisor, Professor Patrícia Dias, for being part of this process from the start, for being a huge support, and for never letting me get discouraged. For all the attention and hard work that got me this far.

To the fantastic people who crossed my path during my internship at FNAC, especially the CRM team, Filipa, Mafalda, Joana, and Diana for being an incredible team who taught me so much and helped me evolve professionally. For being the best people I could have developed this project with and the most fun people to work with.

To my friends who were an indispensable support throughout this journey and who were always there to cheer me up and also to bear my pains, especially my long-time friends Catarina, Isabel, Inês, and Miguel.

Finally, a huge thank you to Diogo, for all his patience, motivation, and understanding. For being the main person who has given me the most support over many years, especially in this last year. For calming me down in the most stressful times, making me laugh in the saddest moments, and encouraging me in the most difficult times. You are a fundamental part of my life and my safe haven.

Thank you so much from the bottom of my heart.

# TABLE OF CONTENTS

<b>PART I - LITERATURE REVIEW</b> .....	<b>4</b>
<b>CHAPTER 1: CULTIVATING LOYALTY: UNDERSTANDING CONSUMER BEHAVIOR &amp; LOYALTY PROGRAMS IN THE RETAIL INDUSTRY</b> .....	<b>4</b>
1.1 <i>Customer Loyalty</i> .....	4
1.2 <i>Understanding Loyalty Programs</i> .....	6
1.2.1 <i>Loyalty Programs: Definition and Evolution</i> .....	6
1.2.2 <i>Types of Loyalty Programs</i> .....	9
1.2.3 <i>Loyalty Programs Rewards</i> .....	14
1.3 <i>Effectiveness of Loyalty Programs</i> .....	18
1.4 <i>Marketing Strategies for Increasing Engagement with Loyalty Programs</i> .....	22
<b>CHAPTER 2: STRATEGIC PARTNERSHIPS: BUILDING EFFECTIVE B2B MARKETING PARTNERSHIPS</b> .....	<b>27</b>
2.1 <i>Understanding Marketing Partnerships</i> .....	27
2.2 <i>The 4 PS to successful Marketing Partnerships</i> .....	31
2.2.1 <i>Plan for Success</i> .....	32
2.2.2 <i>Profile the Brand</i> .....	33
2.2.3 <i>Produce the Partner Brand Criteria</i> .....	33
2.2.4 <i>Prepare the Tools</i> .....	35
2.3 <i>Types of Marketing Partnerships</i> .....	38
<b>CHAPTER 3: BEYOND POINTS AND MILES: THE POTENTIAL OF LOYALTY PROGRAM PARTNERSHIPS</b> .....	<b>45</b>
3.1 <i>Understanding Loyalty Program Partnerships</i> .....	45
3.2 <i>The impact of Loyalty Program Partnerships on Customer Loyalty</i> .....	48
3.3 <i>Strategies for Effective Loyalty Program Partnerships</i> .....	50
<b>PART II – INTERNSHIP AND EMPIRICAL WORK</b> .....	<b>53</b>
<b>CHAPTER 4 COMPANY BACKGROUND AND INTERNSHIP DESCRIPTIVE MEMORY</b> .....	<b>53</b>
4.1 <i>Company Background</i> .....	53
4.1.1 <i>FNAC Group</i> .....	53
4.1.2 <i>Darty Group</i> .....	54
4.1.3 <i>Group FNAC Darty</i> .....	55
4.1.4 <i>FNAC Group in Portugal</i> .....	56
4.2 <i>Internship Descriptive Memory</i> .....	60
4.2.1 <i>Context</i> .....	60
4.2.2 <i>Activities developed</i> .....	61
4.3 <i>Problem Contextualization</i> .....	73
<b>CHAPTER 5: METHODOLOGY</b> .....	<b>74</b>
5.1 <i>Research Relevance and Research Question</i> .....	74
5.2 <i>Objectives of the study</i> .....	75
5.3 <i>Methodological Choices and Research Design</i> .....	77
5.3.1 <i>Exploratory data</i> .....	78
5.3.2 <i>Primary data</i> .....	80
<b>CHAPTER 6: RESULTS PRESENTATION</b> .....	<b>84</b>
6.1 <i>Analysis of Exploratory Data</i> .....	84
6.1.1 <i>Direct Observation</i> .....	84
6.1.2 <i>Benchmarking</i> .....	85
6.2 <i>Analysis of primary data</i> .....	88
<b>CHAPTER 7: DISCUSSION</b> .....	<b>115</b>
<b>CONCLUSIONS</b> .....	<b>131</b>
<b>REFERENCES</b> .....	<b>134</b>

<b>APPENDICES .....</b>	<b>148</b>
<b>ANNEXES .....</b>	<b>163</b>

**List of Figures**

FIGURE 1. S-O-R MODEL OF RETAILERS' CONSUMER BEHAVIOR. .... 17

FIGURE 2. FACTORS AFFECTING LOYALTY PROGRAM EFFECTIVENESS..... 21

FIGURE 3. LOYALTY PROGRAM ENGAGEMENT BEHAVIORS..... 24

FIGURE 4. BRIDGING MARKET GAPS. .... 31

FIGURE 5. SAMPLE PROSPECTIVE PARTNER BRAND CRITERIA. .... 34

FIGURE 6. PARTNERSHIP SELECTION TABLE. .... 35

FIGURE 7. PARTNERSHIP EVALUATION TABLE. .... 37

FIGURE 8. PROFIT OF LOYALTY PROGRAM PARTNERSHIP. .... 48

FIGURE 9. HOUSEHOLD SPENDING IN PORTUGAL..... 52

FIGURE 10. EVOLUTION OF FNAC LOGOS..... 54

FIGURE 11. DARTY LOGO. .... 55

FIGURE 12. FNAC DARTY GROUP LOGO. .... 55

FIGURE 13. FNAC STORES IN PORTUGAL IN CHRONOLOGICAL ORDER UNTIL 2020..... 57

FIGURE 14. EXAMPLES OF STREET AND INSTAGRAM COMMUNICATION FROM THE "OUR INTELLIGENCE HAS A HEART" CAMPAIGN. ... 60

FIGURE 15. EXAMPLES OF PUSH NOTIFICATIONS SENT TO THE FNAC APP AND FNAC CARD APP..... 64

FIGURE 16. EXAMPLE OF A BRAND CAMPAIGN HIGHLIGHT IN THE FNAC CARD APP. .... 66

FIGURE 17. EXAMPLE OF A FNAC AND LISBON ZOO CONTEST. .... 67

FIGURE 18. EXAMPLES OF COMMUNICATIONS SENT ABOUT FNAC PARTNERSHIPS (EXAMPLE OF DIG-IN). .... 68

FIGURE 19. RESEARCH DESIGN WITH MIXED METHODS..... 77

FIGURE 20. AGE. .... 88

FIGURE 21. GENDER..... 89

FIGURE 22. QUESTION 2..... 90

FIGURE 23. QUESTION 3..... 91

FIGURE 24. QUESTION 4..... 91

FIGURE 25. QUESTION 5..... 92

FIGURE 26. QUESTION 6..... 92

FIGURE 27. QUESTION 7..... 94

FIGURE 28. QUESTION 8..... 94

FIGURE 29. QUESTION 9..... 95

FIGURE 30. QUESTION 12..... 97

FIGURE 31. QUESTION 13..... 97

FIGURE 32. QUESTION 14..... 98

FIGURE 33. QUESTION 15..... 99

FIGURE 34. QUESTION 16..... 99

FIGURE 35. QUESTION 17..... 100

FIGURE 36. QUESTION 18..... 101

FIGURE 37. QUESTION 19..... 102

FIGURE 38. QUESTION 20 ..... 102

FIGURE 39. QUESTION 21 ..... 103

FIGURE 40. QUESTION 22 ..... 104

FIGURE 41. QUESTION 24 ..... 105

FIGURE 42. QUESTION 25 ..... 106

FIGURE 43. QUESTION 26 ..... 106

FIGURE 44. QUESTION 27 ..... 107

FIGURE 45. QUESTION 28 ..... 108

FIGURE 46. QUESTION 29 ..... 108

FIGURE 47. QUESTION 30 ..... 109

FIGURE 48. QUESTION 31 ..... 110

FIGURE 49 QUESTION 32 ..... 110

FIGURE 50. YEARS OF FNAC CARD MEMBERSHIP & AWARENESS OF PARTNERSHIPS ..... 111

FIGURE 51. YEARS OF FNAC CARD MEMBERSHIP & USE OF PARTNERSHIPS ..... 112

FIGURE 52. AGE (GENERATION) & CHANNEL: ORDER OF PREFERENCES..... 114

**List of Tables**

TABLE 1. THE EMPIRICAL STUDY: PHASES AND RESEARCH GOALS ..... 78

TABLE 2. ANALYSIS OF QUESTION 5 AND 6 ..... 93

TABLE 3. QUESTION 11 ..... 96

TABLE 4. AGE (GENERATION) & INFORMATION PREFERENCES ..... 113

TABLE 5. AGE (GENERATION) & CHANNEL: ORDER OF PREFERENCES ..... 114

## **Introduction**

Consumer loyalty is one of the central pillars for the success of any company in the competitive retail sector, where the options for consumers are vast and expectations are constantly evolving. Against this scenario, it is essential for companies not only to win over new customers, but also to maintain and strengthen the relationship with existing ones. At the center of this challenge are loyalty programs. As companies increasingly seek more complex and innovative ways to create value, collaborating with other companies through marketing partnerships has become an effective strategy for providing additional benefits to their customers.

In this context, during a 6-month internship, FNAC presented the author with a challenge: to investigate how the company could improve its loyalty partnership program, effectively incorporating its customers' preferences and optimizing its marketing strategies. This challenge was accepted with great enthusiasm, and, from it, the subject of this internship report emerged. The main objective is to understand consumer preferences regarding the partnership program by using communication channels to boost FNAC's loyalty partnership program.

Understanding this, it is extremely relevant to investigate these preferences to, on the one hand, increase awareness about FNAC's partnership program and, on the other, generate more engagement with it. The study therefore aims to answer the following research question: How can the incorporation of customer preferences and the use of optimized marketing strategies improve FNAC's loyalty partnership program? To clarify this question, it was investigated through a rigorous methodological approach, which included the analysis of primary and secondary data.

This study becomes relevant in today's context since companies can expand beyond the common offers of a loyalty program within the company's doors and expand out of doors through loyalty partnership programs. These represent a unique opportunity for companies to extend the value they offer their customers through strategic collaborations with other brands or services. In addition, understanding consumers' preferences is a way for them to feel more valued by accessing a wider range of advantages, encouraging recurring consumption, and fostering long-term relationships.

This internship report is organized into two main parts. Part I is dedicated to the literature review and is divided into three chapters. Chapter 1 begins with an exploration of the concept of consumer loyalty, analyzing the main theories and models that explain brand loyalty

behavior. In addition, the term and evolution of loyalty programs are explored through a chronological overview, highlighting the changes that have shaped this initiative over time. This chapter also discusses the different types of loyalty programs that a company can implement. It then explores the various types of rewards offered by companies, both tangible and intangible and analyzes their effectiveness using consumer behavior models. The effectiveness of these loyalty programs is also discussed, considering various factors that can influence it. To close this chapter, some marketing and communication strategies are discussed in order to understand how to increase engagement with loyalty programs.

Moving on to Chapter 2, it focuses on marketing partnerships, highlighting the importance of strategic collaborations for the success of brands. It details the key factors that make a partnership effective, such as the establishment of common objectives, alignment of values between brands, a careful selection process, and also the internal dynamics that companies need to adopt to ensure that partnerships are integrated smoothly into their marketing strategies. This chapter also explores the different types of marketing partnerships a company can adopt.

Chapter 3, which closes Part I, examines the impact of partnerships within loyalty programs, revealing how collaborations between brands can strengthen customer loyalty. This section also delves into some practical strategies considered relevant to the study, so that these can be optimized to maximize customer engagement and retention

Opening Part II, Chapter 4 focuses on the internship at FNAC, describing the activities carried out. It presents the history and positioning of FNAC in the Portuguese market, followed by a detailed description of the author's functions during the internship. To close the chapter, a brief contextualization of FNAC's problem/challenge is given in order to fully understand the study.

Chapter 5 details the relevance of the study and the research question, the objectives of the study, and the methodological choices and research design. Considering that FNAC was the company studied in this internship report, in addition to the main objective of the study (to identify and analyze the preferences of FNAC members regarding Loyalty Program Partnerships), four other specific objectives were established: (1) to investigate the best partnership strategies used by other companies to increase members' engagement with the program, (2) to understand the perceived value of the FNAC partnerships for the loyalty program members, (3) to understand the communication preferences of FNAC members

regarding the partnership program, and (4) to propose practical guidelines to strengthen existing partnerships and expand the scope of the FNAC loyalty program partnerships.

The methodology of this study was based on the collection of qualitative data, through direct observation and benchmarking, and quantitative data, through a questionnaire. On the one hand, direct observation aims to gather information on the company's internal processes regarding the partnership program, and on the other, benchmarking aims to analyze different companies in Portugal with partnership programs similar to FNAC's and their strategies for promoting customer engagement with the program. In this sense, the questionnaire intended to understand in practice the preferences and needs of FNAC members about the partnership program and the communication made, as well as to understand their level of awareness and engagement with the program.

In Chapter 6, the primary and secondary data are presented and analyzed. The results of the direct observation and benchmarking are presented first, followed by the analysis of the data from the questionnaire sent to FNAC members. Finally, Chapter 7 presents a detailed discussion of the data, contextualizing the findings in the light of the literature review and offering suggestions based on the findings. It was concluded that members are not properly informed about the partnerships, resulting in low awareness and consequently low engagement with the program. Communication is, therefore, one of the most important factors to improve in the partnership program. The study will end with the limitations and suggestions for future research and the conclusions drawn from it.

## **PART I - LITERATURE REVIEW**

### **CHAPTER 1: CULTIVATING LOYALTY: UNDERSTANDING CONSUMER BEHAVIOR & LOYALTY PROGRAMS IN THE RETAIL INDUSTRY**

#### **1.1 Customer Loyalty**

The retail industry is growing on a global scale and since it is so competitive, retailers must retain existing customers (Kolte et al., 2022). Therefore, companies have come to realize that building an ongoing and profitable relationship with their customers is usually more profitable than casual, sporadic contact (Grönroos, 2007). Thus, the importance of customer loyalty for the performance of a business has become increasingly important today.

Customer retention is now fundamental since winning over new customers costs between 5 and 7 times more than keeping existing ones in the company (Kotler & Keller, 2015), therefore it is well recognized that a company's profitability is positively related to loyalty of its consumers (Hofman-Kohlmeyer, 2016). For this reason, more and more brands are seeking to establish long-lasting relationships with their customers, since the attachment to the brand is more favorable than winning new customers, resulting in greater profitability (McMullan & Gilmore, 2008; Hofman-Kohlmeyer, 2016).

However, it is necessary to understand what customer loyalty is in the context of the retail industry. Arantola (2000, p. 46) defines customer loyalty as “the proportion of consumer’s expenditure devoted to a store, attitudes to the store, sequences of purchase in the same store or hybrid measures”.

According to Tabaku and Zerellari (2015), there are two dimensions of customer loyalty: behavioral and attitudinal. The authors argue that the vast majority of studies on customer loyalty point to customer behavior and changes when they become loyal to a brand. From this point of view, only consumers who always buy from the same company are considered loyal. However, this categorization has been widely criticized by different authors since this dimension should not be seen independently of the attitudinal dimension. Only the behavioral indicators of loyalty do not accurately represent the entire framework of reasons why the customer buys (Tabaku & Zerellari, 2015).

Attitudinal loyalty, on the other hand, explains why people choose certain products or services, i.e., it is seen as a psychological connection between the customer and the brand. Authors have defined attitudinal loyalty as “an attitude, preference, intention to buy, desire to recommend the service provider to other potential customers, commitment to continue to buy at the same service provider, and strong relationship with him and encouraging others to use the service.” (Tabaku & Zerellari, 2015, p. 81) However, this approach has also generated criticism, since this dimension alone can hardly ensure that the customer who has the attitude to buy will continue to do so in the future (V. Kumar & Shah, 2004).

Therefore, Dick and Basu (1994) were the first to defend the joint analysis of the behavioral and attitudinal dimensions, claiming that this aggregate approach allows for a better assessment of loyalty and its antecedents and antecedents and consequents.

According to Dick and Basu (1994), loyalty can be classified into four categories, taking into consideration a pattern of repeat purchases and a favorable attitude towards the purchase.

1. Loyalty: is when the consumer has a high attitude and high repurchase behavior towards a particular brand.
2. Latent loyalty: when a consumer exhibits low repeat behavior because of situational or environmental factors but still has a strong preference or attitude toward the brand.
3. Spurious loyalty: is when a customer buys the same brand repeatedly without thinking it has any distinguishing qualities from the others. Periodic repurchase may take place when there are no other options available or when a decision is made in accordance with prior purchasing patterns.
4. No loyalty: occurs when consumers do not differentiate between brands and behavior.

However, Rowley (2005) goes further and proposes a model to further subdivide the categorization of Dick and Basu (1994), presenting the 4 C's of customer loyalty: captive, contented, convenience-seekers, and committed. This model applies to customers who are loyal in both attitude and behavior to the brand.

1. Captive: because they have no other option, this customer keeps buying or using the product or service. When it comes to his attitude, he's “*neutral to the brand, with experience of the brand which does not cause them to perceive the brand in a negative light*” (Rowley, 2005, p. 576)

2. Convenience-seeker: Their choices are usually linked to their routine and they make low-investment purchases, but “*engage in regular repeat purchase transactions associated with the brand*” (Rowley, 2005, p. 576). For this reason, they don't develop any particular attitude towards the brand, even though their choices are associated with their convenience.
3. Contented: This consumer evaluates products based on their usefulness, but the fact that they have already been involved with a brand represents an opportunity for them to build a relationship with this consumer. For this reason, the consumer has a positive attitude towards the brand and may recommend it if requested.
4. Committed: This consumer rarely considers other brands for his purchases, and in terms of attitudes, he recommends them through word of mouth and shares his experience with other customers or non-customers.

With this model is possible to understand more deeply the behaviors and attitudes of loyalty that certain consumers will have towards a brand (Rowley, 2005).

Furthermore, the literature points to several factors that have a positive influence on customer loyalty, namely satisfaction, commitment, consumer behavior, trust (Gómez et al., 2006), perceived quality (Javadein et al., 2008), security (Ruiz-Molina et al., 2009), reward systems (Yi & Jeon, 2003), and loyalty programs (Yi & Jeon, 2003; Meyer-Waarden, 2007), which will be covered in more depth in the next chapter.

## **1.2 Understanding Loyalty Programs**

### **1.2.1 Loyalty Programs: Definition and Evolution**

Today, consumers have an abundance of products and services at their disposal. It is therefore essential for companies to understand what influences their consumers' behavior so that they can understand how to differentiate themselves from their competitors (Har-Yusuph et al., 2022). For this reason, loyal customers are a valued asset in the retail marketplace, since these consumers who remain and repurchase with a retailer are more likely to buy more and often and do not mind paying higher prices (Corbishley et al., 2023). Thus, one of the most widely used marketing techniques to attract and retain consumers is loyalty programs that can offer various financial or non-financial benefits to a brand's consumers (Corbishley et al., 2023).

The origins of loyalty programs can be traced back to the 20th century when they proliferated in the retail and airport sectors. The emergence of frequent flyer programs by airlines in the 1980s marked the beginning of the most modern type of customer loyalty programs. Following the 1978 Airline Deregulation Act, many airlines found it difficult to gain a competitive edge (Belli et al., 2022). It was in 1981 that American Airlines launched the world's first electronic rewards program - called American Airlines AAdvantage - and the truth is that after forty years it is still the leader in the category of the world's largest loyalty program, with more than 67 million members (Belli et al., 2022). Intending to develop strong relationships between consumers and brands, and improve brand quality, several companies quickly followed the airline's lead and introduced loyalty programs capable of personalizing rewards based on their customers' purchase history into their strategies.

Nowadays, loyalty programs are the most widespread Customer Relationship Management (CRM) tool employed across industries and markets globally. The CRM was the result of a change in mentality from product-oriented marketing to consumer-oriented marketing (Meyer-Waarden, 2001). Thus, Relationship Marketing can be defined as "an approach which focus on the customer, where the firm seeks to create long term business relations with the existing prospects and customers " (Evans & Laskin, 1994, p. 440).

Swift (2008, p. 95) defines CRM as a

philosophy and a belief in understanding customers, determining needs (many times without the customer stating them), delivering to those needs, driving new opportunities, forging strengthened relationships and loyalties, analyzing past actions and behaviors, predicting future actions and reactions, and providing executives with new knowledge for decision-making.

According to Orbis Research (2019) by 2024 the global loyalty management market is projected to have grown by 23% from its 2018 valuation of USD 2617 million (Dorotic et al., 2021). They have grown in popularity as a manner of providing something that may make customers want to maintain a relationship, especially in the retail industry (Corbishley et al., 2023).

It is important to note that many terms, such as customer reward programs (Sällberg, 2010), frequency reward programs (Blattberg et al., 2008), loyalty card programs (Smith & Potter, 2010), and loyalty schemes (Rowley, 2004), may be used equally to refer to loyalty programs by different authors. Nonetheless, all of these terms are included under the umbrella term

"loyalty program" in this study, since, according to the literature analyzed, it is the term with the greatest consensus among authors.

However, it is important to first understand what these loyalty programs are and how they can be defined. A loyalty program is a powerful tool for businesses to better understand their customers' preferences and purchasing behavior. Besides promoting and communicating new product launches, loyalty programs' marketing tools and value propositions help brands to encourage consumers to choose their products more often and spend more when making purchases. Additionally, loyalty programs allow businesses to directly communicate with consumers about promotions that offer opportunities for upselling and cross-selling (Kunitzky, 2011).

Also, it is a relationship management strategy that gives customers incentives or rewards to ensure loyalty to the company (Kolte et al., 2022). According to Negi (2022), a loyalty program, by definition is "an effort to build a marketing strategy that first recognizes and then rewards customers who engage or purchase with a brand on a regular basis" (Negi, 2022, p. 2). Furthermore, Henderson et al. (2011, p. 258) define loyalty programs as "any institutionalized incentive system that attempts to enhance consumers' consumption behavior over time beyond the direct effects of changes to the price or the core offering." However, Meyer-Waarden (2008, p. 89) defines loyalty programs from a marketing perspective, defining them as "an integrated system of marketing actions that aim at making customers more loyal by developing a personalized relationship with them". Similarly, Kolte et al., 2022 define a loyalty program as a relationship management strategy that gives customers incentives or rewards to ensure loyalty to a business or a current store. Olivier and Burnstone (2014, p. 3) describe it as a "structured marketing intervention that rewards and encourages specific customer behavior (transaction value, purchase frequency, basket spread/product cross-holding and tenure) which is beneficial to the program owner or sponsor". Similarly, Stauss et al. (2005) characterize a loyalty program as refund incentives designed to change the perception of recurring customers and build enduring relationships. Additionally, Dorotic et al. (2011) defend certain characteristics that are inherent in a loyalty program, such as sustainably building loyalty by rewarding members for behaving in a particular manner.

Thus, through the various definitions of loyalty programs, it is possible to understand that there is a consensus that these programs try to build customer loyalty and retain them to make them loyal customers of a brand.

In highly competitive markets, pricing strategies like loyalty programs serve as "deal stealing" tools, effectively lowering average prices and increasing consumer satisfaction. In the retail sector, due to the lack of product differentiation, competition has become an important factor, inducing customers to make a habit of receiving discounts (Gu et al., 2022).

From the consumer's point of view, the main motivation for joining a loyalty program is related to the financial advantages, such as coupons and discounts (Gorlier & Michel, 2020). However, Loyalty programs provide numerous advantages to companies that use them as a marketing strategy (Maksuti & Maksuti, 2023). Customer retention is one of the most important advantages, since customers who participate in loyalty programs are more likely to make repeat purchases than those who do not (V. Kumar & Shah, 2019). Loyalty programs additionally help companies learn about their customers' interests and behavior, helping to collect customer data by creating databases that can be used in marketing campaigns (Belli et al., 2022). When a consumer makes a purchase, the company records the transaction in its database. This data can be used to identify the best customers and to customize the products and services offered to specific customer groups. Pricing, promotions, and inventory management may all be simplified by the knowledge of members' purchasing patterns. Marketers can assess the effectiveness of promotions by using the database of a loyalty program, which is based on customers' additional purchases and usage (Berman, 2006). Therefore, businesses can establish marketing strategies and make informed inventory decisions by analyzing data obtained through loyalty programs (Ramanathan, 2016). In addition, they can make customers loyal, leading them to choose the competition less often (Belli et al., 2022).

In this way, loyalty programs are becoming an increasingly used CRM marketing tool to retain and build customer loyalty through benefits, so that clients choose them over the competition (Kolte et al., 2022).

### 1.2.2 Types of Loyalty Programs

Loyalty programs are becoming an increasingly popular tool across industries, including hotels, financial services, and retailers (Belli et al., 2022). Therefore, over time various types and categories of loyalty programs have been developed and used by different companies with different objectives. Berman, (2006) used the classification based on the complexity of the program and distinguished four main categories. It illustrates in a structured way the various forms in which companies can benefit from loyalty programs and what kind of rewards can be

given to their customers. The author identifies 4 types of loyalty programs. Berman (2006) suggested the following typology of loyalty program types (Figure 1):

- Type 1: members receive an additional discount at the register;
- Type 2: members receive 1 free when they purchase  $n$  units;
- Type 3: members receive rebates or points based on cumulative purchases;
- Type 4: members receive targeted offers and mailings.

According to Berman, (2006) Type 1 is the most basic format in which any customer receives a discount on a selection of products, by using their membership card at a point-of-sale terminal. However, while this format can be seen by most retailers as a type of loyalty program, the author argues that this is not a true loyalty program since it is open to all customers and each of them receives a discount despite their purchase history. For this reason, this is a type of loyalty program widely used by supermarket chains. According to the author's research, there are quite a few limitations to this type of loyalty program. Firstly, this type of program ends up not rewarding loyal consumer behavior, but only card ownership and does not encourage customers to repeat purchases from that brand, since all consumers receive the same discount regardless of their purchase history (Berman, 2006).

Concerning type 2 of loyalty programs defined by Berman (2006), this represents the programs of companies that offer 1 unit of a product with the purchase of  $n$  products at full price. Generally, in this type of loyalty program, the consumer manages their discounts, usually through a card that is marked for each purchase the consumer makes and, when the required number of purchases is reached, they become eligible for the free product or service, like hairdressers and some restaurants. However, the author identifies some limitations of these types of programs. Firstly, since they are similar to quantity discounts, they are based on the total number of purchases made by customers and not on their frequency of purchase. Berman (2006) further defends that this type of program, although fairly easy to implement, is also very easy for competitors to imitate and surpass. Finally, the author identifies the biggest problem with these programs, since companies are unable to acquire any record of their customers' data, which makes it impossible to have more personalized communication and to offer different offers to each customer.

Type 3 loyalty programs, unlike types 1 and 2, are based on the consumer's purchase history and require the existence of a database that can track the customer's purchases and points. Berman (2006) explains which sectors of activity are most likely to use this type of program,

such as the hotel industry, retailers, and airline companies. In addition, this type of program involves partnerships with other companies such as hotels, or car rentals to facilitate the accumulation of customer points and offer a greater variety of rewards. However, one of the limitations of these loyalty programs presented by the author is the fact that marketers communicate in the same way to all consumers, which means that they are unable to develop a close relationship with their customers.

Finally, the type 4 loyalty programs established by the author are also based on the accumulation of points, but unlike type 3 programs, they can offer targeted and personalized communications based on the purchases made by their members. However, this type of program requires a well-developed database and analysis to achieve its objective.

That said, according to Berman (2006) if on the one hand type 1 aims to have a greater number of members in its program, types 2, 3, and 4 also aim to increase the total number of purchases made by consumers through additional discounts or free items when the consumer reaches a certain level.

However, a few other examples of classifications will be presented in this paper. None of these individually might be the only correct answer, however, they can contribute to a better understanding and discussion of the complexity of defining different loyalty programs. If, on the one hand, Berman (2006) suggests distinguishing loyalty programs by their complexity, there are other authors with different perspectives on how loyalty programs can be differentiated. For instance, Butscher (2002) proposes that programs should be differentiated considering the target group they aim to impact.

According to Butscher (2002) what mainly differentiates these two types of programs is their target group. Thus, two fundamental questions must be answered to determine the loyalty program's target group: Should the program target all current customers, or just particular groups? and Should it solely target current customers, or should it also target potential new customers?

As Butscher (2002) noted, loyalty programs' overall objective inherently influences any choice made regarding the target group within the current customer base. In this way, unlike Berman (2006), Butscher (2002) considers that there are only two types of loyalty programs: limited and open.

As far as the limited programs defined by Butscher, (2002) are concerned, they are not open to all types of customers. They usually have to go through a process usually defined by charging an annual or subscription fee. In addition, there may also be certain criteria that customers have to meet in order to join this type of program, such as a certain volume of purchases per year. The author states that by making this selection, despite reducing their number of members, companies can make their program have a better influence on consumers and ensure that those who join are part of the primary target group. (Butscher, 2002)

In contrast, open loyalty programs can be joined by any customer and usually don't have as formal application procedures as limited programs. This type of program does not require the payment of any annual fees and often only requires the customer to purchase to become a member, without having to fill in any kind of form to join. Butscher, (2002) argues that companies that use this type of program are usually companies whose products aren't strong enough to develop a limited program, as it wouldn't attract enough members. In this way, open programs allow these companies to establish a larger membership base.

Finally, the author explains some of the benefits of both programs, concluding that when it comes to limited programs, they allow for much more focused communication with the main target group, which increases their effectiveness in converting customers. However, for Butscher (2002) the different types of loyalty programs are directly related to the objective and approach of each company. The author states that limited loyalty programs end up being better for companies that want to reward their top customers, have a more focused approach, and have a smaller budget. On the other hand, open loyalty programs are more beneficial for companies that don't have in-depth knowledge of their consumers or potential consumers, have a larger budget, and take a more general approach to their customers.

Hoffmann (2013) took two important points from Felser (2007) and Wulf et al. (2001) regarding the advantages and disadvantages of limited programs proposed by Butscher (2002). On the one hand, the construction of access barriers could give the impression of exclusivity and thereby fulfill a function of prestige for members. On the other hand, high membership fees may discourage valuable customers. Hoffmann (2013) also mentioned that one of the limitations could be that customers might become resentful of the fees since there is an exclusive circle from which they are excluded. Moreover, a program's cost-effectiveness is not always enhanced by a smaller membership, and, on the plus side, the membership fees do, certainly, contribute to the operating expenses of limited programs.

Furthermore, Hoffmann (2013) also questions some definitions of Butscher's (2002) categorization, namely “Why, without considering its capabilities, should it matter whether the company prefers a general or a focused approach? Should not the actual situation determine the appropriate approach?” (Hoffmann, 2013, p. 68)

However, many authors propose different classifications for the different types of loyalty programs. A further example of categorization is the one by Rowley (2004). The author proposes a different way of categorizing loyalty programs, differentiating them by their area of operation, such as Retailer schemes; Coalition schemes; Financial services schemes; Online schemes; Frequent flyers or frequent travel schemes; and Geographically based schemes. However, this categorization has come in for some criticism, with Hoffmann (2013) arguing that this classification does not follow a clear pattern, since despite focusing on sectors of activity, the geographical category “almost seems like it received its own category only because it did not fit anywhere else.” (Hoffmann, 2013, p. 62).

Negi (2022) distinguishes loyalty programs by the type of reward they offer their members, dividing them into Monetary Rewards; Points system; Tier System; Charge an Upfront Fee for VIP Benefits and Non-Monetary Programs around Customer's Values. Regarding monetary rewards, the author argues that these are programs in which the company offers incentives to its members in the form of money, which can include cash-back strategies, discounts, or cash prizes. Secondly, loyalty programs with a points system are one of the most common, in which more frequent customers receive more points that can later be redeemed for various prizes, such as gifts or discounts. Regarding Tier System programs, the author argues that it is a hierarchical program in which as members climb the loyalty ladder their rewards also increase. The Charge an Upfront Fee for VIP Benefits program is more suitable for companies with recurring purchases, as it only requires an annual payment and the member can then collect points with their purchases. Finally, Non-Monetary Programs around Customer Values, according to the author, are programs in which members are rewarded with some form of benefit other than money (Negi, 2022).

Despite these countless possible classifications and categories to distinguish loyalty programs, as Butscher (2002) states "whether you call your loyalty program a 'customer card', 'customer club', 'frequency program', 'bonus program' or 'VIP program' does not really differentiate the type of program." (Butscher, 2002, p.50).

Thus, although the different types of loyalty programs have an impact on consumer choice, in a market with an increasing number of brands, the rewards that a program offers its members are increasingly important in their choice of purchase (Jean & Yildiz, 2011).

### 1.2.3 Loyalty Programs Rewards

Loyalty programs with reward systems based on the customer's purchase history have been widely adopted by companies to establish a commitment and capture the loyalty of their customers (Richelsen et al., 2008; Rowley, 2004). According to the study carried out by Jean & Yildiz (2011), there is a direct correlation between the impact of rewards on consumers' purchasing buying behavior.

However, it is important to discuss two aspects of the rewards offered by loyalty programs. On the one hand, how the consumer is rewarded and, on the other, what kind of response these rewards elicit (Jean & Yildiz, 2011). However, these two aspects are related, since consumer responses can vary depending on the type of reward offered (Dowling & Uncles, 1997).

According to the literature, loyalty program reward systems can be divided into 3 different categories (Dowling & Uncles, 1997; Yi & Jeon, 2003; Jean & Yildiz, 2011; Keh & Lee, 2006).

Firstly, rewards can be distinguished between direct and indirect rewards (Dowling & Uncles, 1997). Direct rewards correspond to benefits that support the value proposition of the product or service offered to consumers. For example, coupons offered by supermarket chains for future purchases can be considered a direct reward. According to the authors, indirect rewards do not have a direct link to the product or service provided by the company but add value for the customer. For example, some rewards offered by airlines, such as high-tech products and gourmet products, for customers paying with the company's credit card (Dowling & Uncles, 1997).

Regarding the second possible classification for the type of rewards, it is possible to distinguish between immediate and delayed rewards. Concerning immediate rewards, these are offered to consumers immediately after their first purchase. In contrast, delayed rewards are only offered to consumers after they have made a certain number of purchases (Yi & Jeon, 2003; Keh & Lee, 2006).

Finally, the third classification is based on the nature of the rewards, i.e., whether they are tangible or intangible. Tangible rewards consist of something of a material nature, such as discounts, vouchers, and gifts. As for intangible rewards, these consist of non-material benefits, such as personalized information or the feeling of the consumer being more favored than others.

Similarly, Meyer-Waarden (2007) classified the benefits of participating in programs into three categories: economic (based on discounts), psychological (the sense of community), and sociological (prestige or recognition, exclusive treatment).

From another point of view, Gorlier and Michel (2020) pointed out that the type of benefits offered by loyalty programs can be divided into special rewards versus mundane rewards. In the case of special benefits, the customer has an experience of novelty and excitement, and the authors argue that these are unusual and rather rare. As for mundane rewards, the authors describe them as part of the customer's everyday life and, therefore, do not provoke excitement on their part. In this way, the more the reward is perceived as extraordinary, the more special it becomes for the customer, and, on the other hand, the more mundane it is, the more it is perceived as ordinary and does not cause the feeling of excitement (Gorlier & Michel, 2020).

Mimouni-Chaabane and Volle (2010) observed that today's loyalty programs reflect a person's intangible needs. The authors, therefore, proposed that members of a loyalty program obtain the following benefits: "utilitarian benefits (monetary savings), hedonic benefits (exploration and entertainment) and symbolic benefits (recognition and social benefits)" (Mimouni-Chaabane & Volle, 2010, p.32).

Utilitarian benefits include the value associated with financial advantages, such as monetary savings resulting from discounts or vouchers. Similarly, Allaway et al. (2006) suggest that financial advantages are a customer's main motivation for joining a loyalty program.

Hedonic benefits are non-material, experiential, emotional, and personally gratifying benefits. In this way, they can become relevant to a loyalty program through two dimensions: exploration and entertainment (Mimouni-Chaabane & Volle, 2010). For example, consumers may be looking for variety and innovation, products that provide them with sensory stimulation and excitement (Venkatraman & MacInnis, 1985), something that newsletters or personalized communication can address.

Finally, symbolic benefits are the extrinsic and intangible advantages that are related to the need for social approval, recognition, and self-esteem (Mimouni-Chaabane & Volle, 2010). Drèze and Nunes (2009) found in their study that when top clients of a loyalty program look at the hierarchical structure below them, it influences their perception of exclusivity, making them feel more valued and special compared to the other customers in the hierarchical level below.

However, recently there have been more and more trends developed thanks to technological advances that make loyalty programs more attractive from the perspective of the end consumer. A good example of a new type of approach to loyalty programs is gamification. Companies and customer relationship management programs have increasingly embraced this type of reward with game components in their strategy (Hwang & Choi, 2020). Thus, in the business world, this type of approach refers to “designing products and services to provide gamelike experiences to create value and prompt more positive responses from customers” (Hwang & Choi, 2020, p.365).

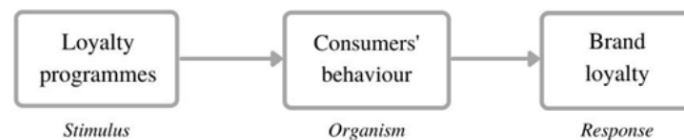
Many loyalty programs are associated with a membership card that gives members advantages. However, in recent years there has been a tendency to digitize these cards, associated with the use of branded apps to support loyalty programs, since they can “enhance the portability, interactivity, and accessibility of loyalty points.” (Son et al., 2020, p. 1). In the study carried out by Hwang and Choi (2020) on Starbucks' gamified loyalty program, a bingo game in the brand's app, the authors concluded that gamified loyalty programs achieve greater consumer loyalty compared to conventional programs since the rewards offered in this type of program are more experiential and effective than conventional ones, which culminates in an increase in consumer loyalty towards the loyalty program and the brand itself. In addition, the authors also concluded that gamification enhances behavioral intentions, namely a greater intention to participate in the loyalty program, an increase in loyalty towards the program, and an increase in the intention to download the mobile app, something crucial for loyalty programs and mobile marketing contexts (Hwang & Choi, 2020).

When a consumer receives points on their card, they feel rewarded, increasing the likelihood of repeating their purchasing behavior and, on the other hand, the loss of points becomes a negative reinforcement that encourages the customer to use the points available within a certain time imposed by the company (Jean & Yildiz, 2011). So, basically, after a member of the program has received a reward, possibly it will result in a behavioral learning reinforcement due to the reward (Meyer-Waarden, 2008).

But after all, what kind of reward causes the best change in consumer buying behavior?

Based on the stimulus-organism-reaction (S-O-R) theory of Blackwell et al. (2006), it is possible to understand the existing link between how loyalty programs and their rewards can affect the purchasing behavior of members. In their study, the authors understood that the rewards offered to customers generate internal cognitive treatments, such as motivation, learning, and decision-making processes in their purchases, to subsequently encourage and stimulate them to buy, as illustrated in Figure 1. One behavioral change that is closely associated with the rewards offered in loyalty programs is the increase in purchases made. However, this change in purchasing behavior only occurs if the consumer perceives the rewards as higher than their costs (Meyer-Waarden, 2008).

*Figure 1. S-O-R model of retailers' consumer behavior.*



*Source: Adapted by Bonagas & Vu (2022, p. 19)*

As Chandon et al. (2000) point out, there are valid reasons for companies to favor the utilitarian benefits of monetary rewards over other rewards, since they are simple to comprehend and, since they are instrumental, they provide the kind of utility consumers frequently seek for (Jin & Huang, 2014; Ruzeviciute & Kamleitner, 2017). Furthermore, neuroscience evidence supports the monetary rewards' alleged power. Financial incentives seem to activate the brain's dopamine centers or reward centers, more than symbolic rewards do (Strombach et al., 2015). Thus, monetary cues can act as a strong motivator and potentially resemble addiction-like behaviors (Hammermann & Mohnen, 2014). Also, monetary incentives can help and induce changes in effort and attention to the task (Strombach et al., 2015).

However, when talking about loyalty programs, some authors suggest that, given that loyalty programs are about relationships, nonmonetary rewards may be equally successful as monetary rewards (Ruzeviciute & Kamleitner, 2017; Johnson, 1999).

Thus, Cognitive Learning Theory, which refers to the psychological impact that loyalty programs have on their members, suggests that loyalty programs can change consumer behavior in such a way that they develop feelings and affection toward the company (So et al., 2015). In this way, rewards such as exclusive events for members, privileged access, and personalized

gifts reinforce this cognitive behavior since the consumer feels grateful for the special treatment they are receiving (Liu, 2007).

A psychological approach by Jeffrey and Shaffer (2007) defined that social reinforcement is one of the advantages that people see in non-monetary rewards. This social reinforcement can be traduced in the consequence of the trophy value of non-monetary rewards. Then if this argument by Jeffrey and Shaffer (2007) holds true, non-monetary prizes might appeal to people's emotions in a stronger way than money (Hammermann & Mohnen, 2014).

Thus, according to Wulf et al. (2001), tangible rewards have a positive effect on behavioral loyalty. For this reason, both hard (tangible) and soft (psychological or emotional benefits) rewards can be effective. The first (hard reward) contributes to increasing consumer satisfaction, while the second (soft reward) contributes to consumer loyalty (Costa, 2022).

Therefore, it can be said that "a major reason for the success of any loyalty program lies in the aspect that is the most salient to customers, namely, the rewards they receive" (Ruzeviciute & Kamleitner, 2017, p.114). Thus, the entire utility of program incentives is represented by reward attractiveness, which includes the economic worth of program awards, reward options, and reward availability for customers (So et al., 2015).

### **1.3 Effectiveness of Loyalty Programs**

Despite the popularity and extensive use of loyalty programs, several authors discuss and question "Do loyalty programs really work?" (Berman, 2006; Dowling & Uncles, 1997; Steinhoff & Palmatier, 2016; Belli et al., 2022; Leenheer et al., 2007). Moreover, while the literature on this subject emphasizes the many benefits of these programs, it also exposes some doubts about their effectiveness. Therefore, although loyalty programs "have become a key component of customer relationship management" (Kivetz & Simonson, 2003, p. 454) numerous loyalty programs have failed. Their financial performance rarely meets the expectations placed on them (Henderson et al., 2011), even though there are a lot of companies that offer them, and their customer membership rates are high (Berman, 2006).

Effectiveness is now a widely accepted metric for assessing how well loyalty programs are performing, however, there are two alternative perspectives on how the effectiveness of loyalty programs can be measured (Jean & Yildiz, 2011). In the first one, from a static standpoint, the marketing operation's effectiveness is evaluated at its conclusion (Clark, 2000), so, when a

loyalty program produces the desired outcomes, it is then considered effective. Conversely, from a dynamic standpoint, the marketing operation's efficacy is evaluated in real time. It is integrated into a procedure that seeks to maximize the operation's outcomes (Kahn & Myers, 2005). From this angle, a loyalty program is successful if the best outcomes can be achieved through monitoring and controlling how it operates. This method goes beyond simply stating that a program is effective; it enables us to comprehend why it is effective (Jean & Yildiz, 2011).

According to Dowling and Uncles (1997), the more common outcomes expected from programs by marketers for existing customers are to:

Maintain sales levels, margins, and profits (a defensive outcome to protect the existing customer base); Increase the loyalty and potential value of existing customers (an offensive outcome to provide incremental increases in sales, margins and profits); and Induce cross-product buying by existing customers (this maybe defensive or offensive) (Dowling & Uncles 1997, p.4).

Moreover, Magatef and Tomalieh (2015) argue that loyalty programs are expected to increase revenue by motivating consistent usage, while simultaneously fostering deeper relationships with customers to mitigate the risk of consumers choosing another competing company to purchase from. However, there are still many loyalty programs that don't meet these expectations and objectives (Berman, 2006).

There are several points of view on the effectiveness of loyalty programs. Partch (2004) claimed that if all companies are forced to offer loyalty programs, they will increase operating costs since they will be adding expenses for program administration without gaining an advantage in the marketplace since every company has them. Dowling and Uncles (1997) also pointed out that a loyalty program is unlikely to fundamentally alter customer behavior, particularly in established competitive markets.

Other researchers, on the other hand, claim that loyalty programs can boost brand loyalty by increasing switching costs and increasing operational revenue by preventing pricing rivalry (Yi & Jeon, 2003). Furthermore, the advancement of database technology has significantly helped businesses identify loyal customers and helped them reward the right customers. Also, in their review of 40 years of loyalty programs, Belli et al. (2022) argue that a loyal customer base is a valuable asset to companies since loyal customers are believed to be less price sensitive and more profitable, more committed and tolerant of a company's downsides, and resistant to

competitive offers. Thus, the term Customer lifetime value is increasingly relevant since the longer a company has a loyal customer, the more profit it brings in the long term, i.e. the more value the customer has for the company (Dandis et al., 2023). It is therefore essential to develop a loyalty program that is effective in retaining these valuable consumers for companies (Belli et al., 2022).

Thus, Szczepańska and Gawron (2011) state that loyalty program effectiveness can be defined “by the degree with which a scheme fulfills a set of clearly outlined objectives.” (Szczepańska & Gawron, 201, p.97). The authors further explain the company’s internal strategies that can be used to contribute to the success of the loyalty program including:

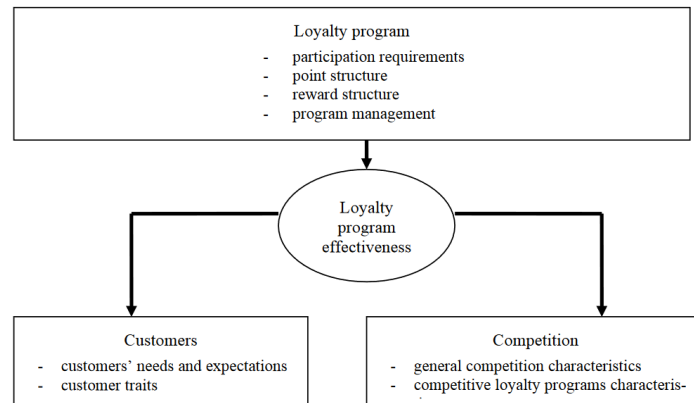
program participation requirements (convenience of participation, cost of participation); (ii) program point structure (the convenience for the customer of point issuance and point collection); program reward structure (including points value, variety of reward options, choice and availability of rewards, brand-reward congruence, reward form: cash versus free products); and program management (capturing and analyzing consumer intelligence, organizational support, position of loyalty program in a firm’s overall marketing strategy) (Szczepańska & Gawron, 2011, p.97).

Furthermore, some external factors can contribute to the success of loyalty programs, although they often cannot be completely controlled by the company. Namely,

consumers’ needs and expectations (consumer’s usage levels, consumer’s need to stand out, etc.); consumers’ generic traits and characteristics (demographics, current and expected shopping orientation, variety seeking, price sensitivity); competitive environment characteristics (firm’s market position, product sustainability, and expandability, market segmentation); and competitive loyalty programs characteristics (loyalty program saturation, loyalty program differentiation, loyalty program awareness) (Szczepańska & Gawron, 2011, p.97)

In Figure 2, the authors show the structure and factors that affect the effectiveness of loyalty programs, where factors such as consumers, competitors and the structure of the loyalty program itself are the three main factors that will dictate the effectiveness or non-effectiveness of the program (Szczepańska & Gawron, 2011).

Figure 2. Factors affecting loyalty program effectiveness.



Source: Szczepańska & Gawron (2011, p. 98)

Furthermore, some critical factors can disrupt or prevent consumer engagement with loyalty programs, such as the “lack of involvement in the program of all departments, too few rewards for program participants, slow implementation of promised benefits, too complicated way of communicating about the program, and expectation of immediate benefits from the program” (Szczepańska & Gawron, 2011, p. 98), convenience, and concerns about benefits and privacy (Noble & Phillips, 2004).

Convenience is one of these critical factors that can influence the loyalty program’s effectiveness since it refers to how the consumer perceives the program as favorable and easy to access. It also includes the waiting time spent by the consumer to fill in the forms and receive the reward. When the consumer doesn't see the program as easy to access, they end up losing interest in the program and make no effort to cooperate (Noble & Phillips, 2004). Another factor that also prevents consumers from getting involved in a loyalty program is when they consider that the challenges outweigh the benefits of using it. If the consumer doesn’t see the financial advantages of using the loyalty card, they end up discouraged from continuing to use it (Ashley et al., 2011).

In this way, loyalty programs can also have negative consequences for the companies that offer them to their customers (Kang, Brashear, et al., 2015). Namely, the latent financial risk that refers "to the potential negative financial effects of a customer leaving the company due to their loyalties to a loyalty program" (Kang, Brashear et al., 2015, p. 465). This risk refers to customers who are only loyal to the benefits of the program and may switch to one of the competitors if its benefits are more attractive. According to the authors, this risk can occur when a change in the benefits of the loyalty program causes customer dissatisfaction.

Therefore, it can be concluded that the effectiveness of loyalty programs relies heavily on customers recognizing satisfactory benefits from the loyalty program. If so, they participate and become more involved in its strategies and thus develop their loyalty to the program, continuing to use it (Kang, Alejandro et al., 2015).

In addition, it is also important that companies aside from offering attractive benefits to their customers, also focus on building a strong emotional and affective bond with them, namely by appealing to the social aspects of the program such as the feeling of community (Rosenbaum et al., 2005), or by highlighting perceptions of its value in general (Bolton et al., 2000). In this way, according to Kang, Brashear et al. (2015) it is possible to create a connection and identification between the customer and the company, the customer-company identification (CCID) which is "an affective and sociological basis for the development of lasting customer-company relationships and customer loyalty" (Kang, Brashear et al., 2015, p.465).

#### **1.4 Marketing Strategies for Increasing Engagement with Loyalty Programs**

Loyalty programs are currently present in large companies all over the world, yet these programs can have little or no impact on consumer buying behavior, if not employed properly (Duffy, 2005). However, as mentioned above, marketing becomes a fundamental tool when it comes to the success or failure of a loyalty program, as it can be used to achieve its final objectives (Berman, 2006).

Consumers are increasingly looking for new ways to meet their needs, and marketing seeks, according to Kotler, "to meet needs by generating profit" (Kotler et al., 2011, p.3). That said, communication professionals are constantly challenged to deal with more demanding consumers with different expectations.

Today we live in the era of values, where "instead of treating people simply as consumers, marketers treat them as full human beings: with a mind, heart and spirit" (Kotler et al., 2011, p. 4). Consumers are increasingly looking for companies and brands with which they identify and that are governed by the same values. For this reason, for today's society and consumers, it is not enough that marketing seeks to sell products. Consumers are increasingly demanding and seek to relate and identify with the brands' values and mission (Haller et al., 2022). Therefore, it is necessary to understand what consumers expect from brands and live up to their

expectations. More than buying products, consumers seek to establish a relationship with brands (Mateus, 2018).

Moreover, the fact that brands want to establish a relationship with their consumers and make them interested in them has led to the emergence of the concept of engagement in marketing (Pansari & Kumar, 2017). Thus, companies have been changing their focus from "selling more" to connecting emotionally with their consumers. Pansari and Kumar (2017) suggest that engagement occurs "when a relationship is satisfied and has emotional bonding, it then progresses to the stage of engagement" (Pansari & Kumar, 2017, p. 295). But after all, what is customer engagement? According to Hollebeek (2011, p. 790), customer brand engagement can be defined as "the level of an individual customer's motivational, brand-related, and context-dependent state of mind, characterized by specific levels of cognitive, emotional, and behavioral activity in direct brand interactions". On the other hand, Bowden (2009, p. 65) defines customer engagement as a "psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of a service brand, as well as the mechanisms by which loyalty may be maintained for repeat purchase customers of a service brand." Thus, according to the conclusions drawn from the study of Raeisi (2017) engaged customers result in greater value creation for the brand, greater customer satisfaction, and consequently leads to customer loyalty to the brand.

However, rather than understanding which strategies are most effective for promoting engagement with loyalty programs, it is first necessary to understand what engagement is in the context of loyalty programs. Bruneau et al. (2018, p. 48) defined engagement with loyalty programs as "customers' behavioral manifestations toward a company's loyalty program, beyond purchase". In their study, Bruneau et al. (2018) proposed an approach to understand how loyalty programs work, through engagement, which can lead to customer engagement with the company. Therefore, the authors present 6 behaviors that demonstrate the level of consumer engagement with loyalty programs (Figure 3). Arcas and Gil (2022), further explained that the authors created a hierarchical scale in which the first level requires less effort from the consumer and therefore less engagement. On the other hand, the last level is where consumers put the most effort and therefore show the most engagement with the loyalty program (Arcas & Gil, 2022).

1. Proactive card usage: refers to the frequency with which consumers use their loyalty card when making a purchase;

2. Receptivity to information: refers to whether the consumer is willing to receive and interact with information and communication regarding the program, e.g. newsletters;
3. Points redemption: refers to whether the consumer is aware of the points they have available on their card and whether they use them to redeem the purchase;
4. Purchase behavior adaptation: refers to whether the consumer changes their purchasing behavior to benefit from the advantages of the loyalty program, for example buying one more product to receive more points;
5. Information sharing: refers to word of mouth, i.e., if consumers communicate voluntarily about a company's loyalty program with other people in their circle;
6. Searching for information: refers to whether the consumer wants to learn more about the loyalty program.

*Figure 3. Loyalty program engagement behaviors.*



*Source: Arcas & Gil (2022, p.149) adapted from Bruneau et al. (2018)*

Thus, through this study, it is possible to understand that if the consumer reaches the last level, they are more involved in the program, and the fewer steps they take and the less effort they put in, the less involvement they have (Bruneau et al., 2018).

With this transformation and increasing competition among brands for client loyalty, the necessity to create unique value has grown. As a result, modern loyalty programs seek more creative approaches to engage their customers (Arcas & Gil, 2022). Therefore, understanding how companies can use marketing to increase customer engagement in their loyalty programs is crucial to see how programs can be optimized to attract and retain customers (Kecsmar, 2022; Pansari & Kumar, 2017).

Claycomb and Martin (2002) highlight the importance of regular communication suggesting that organizations should avoid letting long periods pass without contacting customers, since regular contact with the customer reduces the perceived risk associated with the purchase.

Communication with the consumer should be planned from the first contact and should aim to get to know the customer better and always be in contact with them to strengthen a relationship of trust (Moutella, 2002). Kotler (2000) stresses that communication should be an interactive dialog between companies and customers which should take place during the pre-sales, consumption, and post-sales phases.

According to Vadhrya (2020), digital marketing strategies have proved increasingly effective in acquiring consumers for a brand and increasing the loyalty of existing consumers. In this way, if well implemented, these strategies can increase the customer retention rate and consequently increase the company's profit. Therefore, certain marketing strategies can be used to optimize loyalty programs and consumer loyalty. Vadhrya (2020) argues that strategies such as email marketing, social media marketing, video marketing, content marketing, SMS marketing, and blogging are effective when it comes to building customer loyalty and increasing customer retention.

According to the author, email marketing has proven to be one of the most effective strategies when it comes to increasing consumer loyalty, as it is a way for companies to keep in touch and inform about news and important information for targeted consumers. In this way, the author argues that by using email marketing, companies must consider 3 essential factors to help build loyalty to the company. Firstly, use this strategy to send special customer-only promotions, secondly to maintain contact with the customer, and third to educate them about the business (Vadhrya, 2020).

In addition, the author also argues that social media is currently becoming more and more relevant in the competitive market for companies, since, if used correctly, it has the potential to significantly increase company profits and is a great way to increase customer loyalty. Vadhrya (2020) points to two major benefits of social media regarding consumer loyalty. Firstly, social media helps to build deep and long-lasting relationships with consumers, since by sharing relevant and engaging content, brands can show their consumers that they genuinely care about them and reinforce that they are the only brand they need in that field. Secondly, social media can also significantly improve customer support. The author points out that social media can greatly help a business increase loyalty, as people tend to be more loyal to companies that provide good customer support. Brands can use social networks such as Facebook or Twitter to respond to their customers and solve problems at the click of a button (Vadhrya, 2020).

Therefore, the key for social media channels to be effective in loyalty programs is for brands to be active and interact with their consumers. (Vadhrya, 2020)

In this way, content marketing becomes another very useful tool to position the brand as an expert in its field, and to help engage the audience and keep them interested in the offers, thus contributing to greater loyalty. Content marketing can include articles, blog posts, reports, videos, or even the development of a community where customers can interact with each other (Vadhrya, 2020).

According to Vadhrya (2020), video marketing has proven to be a very effective content marketing tool for building trust and credibility with consumers, as it can help build a deeper connection with consumers, which is fundamental for retention. However, the author points out that this type of content needs to be relevant to customers to generate greater engagement. Thus, video marketing today is very dependent on social media marketing, since, as previously mentioned, it is the most effective way of communicating with customers.

Furthermore, blogging can contribute greatly to customer loyalty, since its main objective is to create relationships and establish the brand as a credible source of information (Vadhrya, 2020).

Nowadays, communicating via text messages has become increasingly common and, as a result, brands have also started to communicate with their consumers via SMS. According to Vadhrya (2020), SMS can be the perfect tool for launching a loyalty program, since most people read the messages within seconds of receiving them. However, care must be taken, as SMS can be seen as a more intrusive tool, as it is a very personal communication method for customers. Therefore, it should only be considered in circumstances that are necessary or very targeted and beneficial for consumers, such as special customer-only discounts and exclusive event invitations (Vadhrya, 2020).

Furthermore, the development of mobile applications for brands can also be seen as a potent marketing tool for increasing consumer engagement, as they make the brand much more accessible to the consumer, as they can access it anytime, anywhere. In this case, the use of apps has become almost indispensable these days for companies with loyalty programs, as it is an easier and faster way for consumers to obtain all the information about their program by opening just one app (Kim & Kim, 2022). Thus, within apps, communication strategies have been diversifying, including mobile push messaging (Bies et al., 2021). Hence, according to the authors' findings, unlike traditional communication devices, mobile push messaging is a highly

effective tool to ensure continued program engagement among participants who installed the app and improves performance for the different stakeholders (including partners). However, Bies et al. (2021) point out the factors such as targeting and timing can affect the effectiveness of the communication regarding redemption and spending.

Another more recent way of generating engagement in programs is the gamification experience. Gamification is "a form of motivational design that applies elements and mechanics common in games to non-game contexts" (Arcas & Gil, 2022, p. 146) and has emerged as a way of increasing the effectiveness of many loyalty programs (Hwang & Choi, 2020). In this way, if companies can create a gaming experience in which players (known as customers) are highly attracted, this will result in greater consumer involvement in the loyalty program (Arcas & Gil, 2022).

Finally, another technique widely used in loyalty programs to increase their members' engagement is partnerships with other companies, as Berman (2006) also mentioned in types 3 and 4 of loyalty programs, as it promotes customer cross-buying from partners and has a positive effect on the number of purchases made on the core business (Lemon & Wangenheim, 2009)

However, despite the techniques used, it is essential that companies are able to match their customers' preferences and factors such as the content and the channel through which it is transmitted are crucial to the success of a marketing strategy (Shirai, 2022). In addition, the author also emphasizes that these preferences, both in terms of content and communication channels, can vary according to the target generation of consumers (Sobreiro, 2021).

It is, therefore, possible to understand that many marketing strategies can be employed to make a brand's consumers more involved in its loyalty programs, including marketing partnerships, a strategy that is becoming increasingly important in today's competitive market (Hall, 2022; Lemon & Verhoef, 2016), contributing to increasing brand loyalty (Abou-Shouk & Soliman, 2021).

## **CHAPTER 2: STRATEGIC PARTNERSHIPS: BUILDING EFFECTIVE B2B MARKETING PARTNERSHIPS**

### **2.1 Understanding Marketing Partnerships**

The term "strategic partnership" emerged in the 1990s, when some companies realized that cooperation was an important way to achieve faster growth, talent, and credibility in the market. Companies therefore began to share their resources (information, technology, commitments, opportunities, risks, and knowledge) in an attempt to differentiate themselves in such an unstable and competitive market (Cavalcante, 2010).

Companies can gain a competitive advantage without necessarily competing directly with others. Implementing a cooperation strategy can enhance the company's competitiveness (Fauziyyah & Sukarno, 2018). Therefore, marketing partnerships are becoming increasingly important in today's budget-conscious marketing landscape. Brands should collaborate to leverage their strongest assets and prioritize marketing partnerships in their marketing strategy (Kunitzky, 2011).

However, in order to proceed with this chapter, it is first necessary to distinguish between marketing and business partnerships. While business partnerships relate to the joining or merging of companies, in marketing partnerships each company remains independent (Kunitzky, 2011). According to the author, marketing partnership strategies "are about connecting for the purposes of supporting each other's marketing objectives—not for the purpose of fusing entire businesses together to make them one" (Kunitzky, 2011, p. 4).

Thus, the author defines marketing partnerships as

A collaboration of two or more organizations with the intent to develop a mid-term or long-term marketing program designed to meet each of their respective business goals. The need for a partnership marketing program exists when one organization can accomplish their goals more effectively by leveraging the complementary strengths of another organization pursuing a like customer base (Kunitzky, 2011, p. 3).

On the other hand, Hall (2022, pp. 197–198) defines marketing partnerships as the "collaboration with a person or business with the purpose to carry out some form of marketing; the reason for collaborating with these partners is that they can contribute value in some form". Similarly, according to Impact.com report, the company defines marketing partnerships as "a collaborative relationship with another business or an individual that is mutually beneficial to both partners and helps both reach their objectives. These partnerships are a creative, transparent, and relational way to reach new communities of potential customers." (Impact.com, 2021, p. 4).

According to Belleme (2017), effective marketing partnerships are formed when two or more organizations collaborate and support each other's marketing initiatives to achieve mutually beneficial results. Thus, marketing partnerships are win-win opportunities that benefit everyone involved while providing a measurable Return On Investment (ROI). For a partnership to be effective, it should include a relationship-building component. As both parties succeed, the relationship can grow stronger, leading to even more significant benefits (Belleme, 2017).

However, partnership marketing does not replace other marketing strategies. Rather, this type of marketing activity is complementary, relying solely on the assets and marketing vehicles of the marketing partnership's members to provide greater value to all (Kunitzky, 2011). Thus, marketing partnerships can bring many benefits to companies that adopt this strategy (Gibbs & Humphries, 2009).

Kotler and Armstrong (2008) argue that it is increasingly challenging for a company to create value for its consumers and establish strong relationships with them. Marketing partners, therefore, become an indispensable and differentiating factor. For this reason, one of the most significant advantages that partnerships can bring to a company is added value (Hall, 2022). Additionally, partnerships can become a value driver for companies as there can be a collaboration with another company with a similar or complementary consumer target. Thus, through partnerships, it is possible to add value to one company while providing value to the other party (Hall, 2022). For example, a marketing partnership offers companies access to the partner's network and existing audience (Belleme, 2017). This increases awareness while it contributes to building trust since it leverages some of the audience's trust and connection with the partner company or brand (Belleme, 2017).

In a market with increasingly aggressive competition, it can be challenging for brands to reach new audiences on their own, as it takes time and effort to win the trust of new consumers (Belleme, 2017). Thus, according to the author, partnership marketing becomes useful, as it can be seen as a "stamp of approval" in the company for people who are not familiar with it. If partnerships are effectively promoted, it is possible to gain an audience and become part of the partner brand's consumer community (Belleme, 2017). Fauziyyah and Sukarno (2018, p. 160) also argue that partnership marketing can "build mutually satisfying long-term relationships with constituents to earn and keep business".

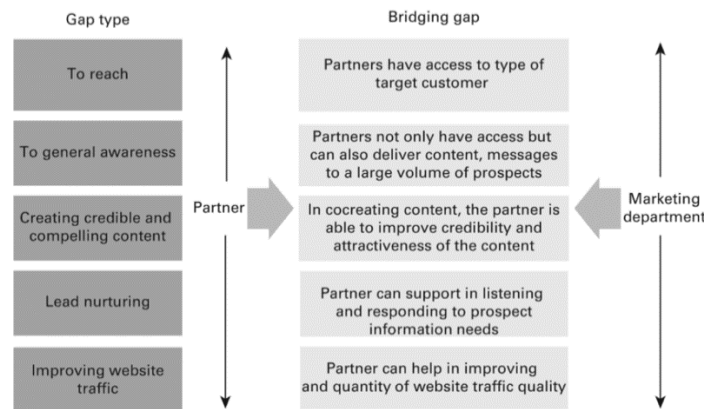
Also, the report presented by Impact.com suggests that marketing partnerships can have a positive impact on brand awareness and equity. By partnering with influential brands, companies can reach customers more frequently, stay top-of-mind, and encourage repeated purchases (Impact.com, 2021). Additionally, unique partnerships can give companies a first-mover advantage, helping them capture market share faster than their competition. Marketing partnerships can also improve company conversion rates by driving highly relevant and high-intent visitors, who are more likely to convert compared to other channels (Impact.com, 2021).

Impact.com (2021) states that a successful partnership is one in which a brand introduces itself to another brand's customers, resulting in mutual benefits such as revenue growth, increased brand awareness, customer retention, and many other advantages. The partner brand must position itself in a way that it can capitalize on the trust that customers have for the original brand. The report presents an example of a successful marketing partnership between Airbnb and Qantas Airlines. Airbnb has entered a strategic business development partnership with Qantas Airlines, enabling travelers to book an Airbnb stay while booking a flight from Qantas.com. This partnership is presented on the Qantas website as "Fly There, Live There." (Impact.com, 2021).

Qantas has teamed up with Airbnb to introduce the home-sharing platform to its customers, particularly those who are not yet familiar with the service. As part of the partnership, Qantas customers would receive a reward for trying out Airbnb for the first time. Additionally, existing loyal Airbnb customers could also benefit from the offer. This collaboration aimed to provide a seamless travel experience and a wider range of accommodation options for Qantas customers (Impact.com, 2021). Thus, according to the report presented by the company, marketing partnerships can increase a company's revenue by as much as 28% if they are built effectively.

Furthermore, in his work, Hall (2022) provides an overview of how B2B collaborations can help companies address their gaps by working together, as shown in Figure 4.

Figure 4. Bridging market gaps.



Source: Hall (2022, p. 198)

It is therefore possible to conclude that marketing partnerships can bring countless advantages to the companies that establish them. However, for such partnerships to succeed in becoming an asset for the company, it must establish a concise and structured partnership development process to establish effective and beneficial partnerships for the business and to meet their previously established objectives (Hall, 2022).

## 2.2 The 4 PS to successful Marketing Partnerships

Successful marketing partnerships are not linear, nor is there a 100% reliable strategy that defines that a partnership will be successful. However, this chapter will present the 4 P's model of successful marketing partnerships, developed by Kunitzky (2011). The model chosen to address this topic was that of Kunitzky (2011) since in the existing literature it is the most relevant to this project as it includes strategies that can be adopted later in this study.

The model seeks to answer the following questions: How will companies take advantage of partnership marketing? and How is it possible to collaborate with partner brands and take advantage of their assets and skills to achieve pre-established goals?

The model focuses on 4 key stages for companies to be able to build marketing partnerships effectively, which will be explored in greater depth below.

1. Plan for success;
2. Profile the brand;
3. Produce the partner brand criteria;
4. Prepare the tools.

### 2.2.1 Plan for Success

In this step, the author argues that defining clear and measurable objectives should be the first step for companies to develop a successful partnership marketing program. Thus, Fauziyyah and Sukarno (2018) also state that companies that intend to collaborate with others should always keep their own objectives in mind.

Moreover, Kumar et al. (2021) argue that every marketing strategy “should include expected degrees of accomplishment on at least one scope of execution like volume improvement, profit commitment, or return on investment throughout expressed time-frames” (Kumar et al., 2021, p. 14). Similarly, Googins and Rochlin (2000) claim that defining clear goals has been one critical success factor for partnerships.

Also, according to Hall (2022), there are other important factors to consider when determining if two parties are a good fit for a partnership. This includes understanding each other's goals and whether they can support each other in achieving them. For instance, one company may be focused on lead generation while the potential partner is more interested in building brand awareness. Ultimately, a partnership is about exchanging value and both parties agreeing that this exchange is beneficial for everyone involved (Hall, 2022).

Therefore, Kunitzky (2011) considers it crucial in this first step that companies answer a series of questions to structure their partnership program. First of all, companies should ask themselves what they want to achieve with their marketing partnerships, i.e. they should list the results or objectives with a finite projected timeline for when they will achieve them. The author argues that a good way to structure these objectives is to combine shorter-term and longer-term objectives. Moreover, the author argues that, although success cannot be guaranteed, creating measurable and tangible objectives can certainly increase the chances of success (Kunitzky, 2011).

In addition, at this stage, companies need to answer other questions such as: "What type of marketing partnership will the company use and why will it be attractive to other companies?"; "How many partner brands does the company intend to have?" or even "What type of brands will the company partner with?". Competitors? Companies that complement their own?" (Kunitzky, 2011).

The author therefore believes that answering these questions is essential to the success of the marketing partnership plan. Furthermore, he believes that it is at this stage that companies

should list the strategies they intend to use to achieve these already defined objectives, such as increasing brand awareness, retaining customers, cross-selling, or up-selling... in order to move on to the next step (Kunitzky, 2011).

### 2.2.2 Profile the Brand

In the Profile the Brand step, the author argues that companies need to consider the characteristics that define their brand. In other words, understanding how the brand is positioned in the market and what it stands for, its intrinsic values and what makes it unique and different from others, and how it provides solutions that meet the needs of its consumers are important prerequisites for building successful partnerships (Kunitzky, 2011).

In order to establish partnerships effectively, the company needs to consider these aspects so that it can align itself with partner companies that share the same brand values. Therefore, at this stage, it is necessary to take an introspective look at the brand itself to find partners that make sense for the target audience (Kunitzky, 2011).

Thus, the author considers it crucial in this step that companies develop a brand profile that is conveyed and perceived by their target audience and include the relevant demographic and behavioral information, such as buying patterns and other characteristics. Also, when developing the brand profile, the company needs to define the marketing assets it aims to use in its partnerships (Kunitzky, 2011).

### 2.2.3 Produce the Partner Brand Criteria

Hall (2022) questioned: How does one go about identifying the right partners to reach the right customers? Kunitzky (2011) answers this question with the step Produce the partner brand criteria, which he defines as the “standards by which a partner can be judged and they can help to pick the right partners for a brand” (Kunitzky, 2011, p.158). In other words, the company needs to list the criteria that it considers important for a partner brand. As Belleme (2017) emphasizes, when brands collaborate with a partner, whether for a short or long term, it is critical to work with those who share the same values and have a connection to the company's primary target audience. This is important to ensure a successful partnership (Belleme, 2017).

Hall (2022) also recommends two different strategies that are considered effective in the process of selecting the right partners. For the author, one way to address the issue is by creating a detailed buyer persona that represents the company's target audience and outlines their media preferences, memberships, and key influencers who can sway their decisions. This persona

should also include information on consumer behavior that could provide valuable insights into how to reach these partners indirectly.

Another way to approach identifying the right potential partners, according to the author, is to consider their scale and strength. For example, do they have a strong brand, a large customer database, or access to a specific target audience? According to Hall (2022), answering these questions can help companies to identify partnerships that offer the greatest potential for success.

Similarly, Kunitzky (2011) argues that when deciding on the right partner for a company, some aspects that should be considered include the size of the opportunity, relevance to your business, geography, mutuality, and growth potential.

Kunitzky (2011) suggests a scale that companies can use to select their partners effectively. This strategy involves assigning a level of importance to each potential partner and placing them on a scorecard. By doing so, it becomes possible to analyze which companies score higher or lower on certain characteristics that are important to a company in its partner. The author provides an example of this scale for a dentist company that is searching for partner brands (Figure 5).

*Figure 5. Sample Prospective Partner Brand Criteria.*

Rank	Measurement/Criterion	Yes	No	N/A	Y	N	Score
1	The brand is widely recognized within the industry				5	-5	0
2	The brand is widely recognized on a national level				5	-5	0
3	The brand has a strong reach to the primary target market (dentists)				4	-4	0
4	The brand has a strong presence in prominent geographic areas				4	-4	0
5	The brand enhances our proposition to the primary target market (dentists)				3	-3	0
6	The brand is a clear leader in its respective category (media, distribution, etc.)				3	-3	0
7	The brand is relevant to the business of dentistry (sells to dentists)				2	-2	0
8	The brand has a head office in the United States				2	-2	0
9	The brand uses the right vehicles and channels to promote our proposition				1	-1	0
10	The brand has an online component to their business and it's a focus for their business				1	-1	0

*Source: Kunitzky (2011, p.158-159)*

This scale helps to categorize partner brands into four different groups based on their potential. “Great prospects” are those with a score between 23 and 30, indicating that they possess the majority of the desirable characteristics the company is looking for. These are the partners that the company should prioritize and work hard to establish and maintain partnerships with (Kunitzky, 2011). “Good prospects” have a score between 15 and 22, “average prospects” have a score between 8 and 14, and “poor prospects” have a score between -30 and 7 (Kunitzky, 2011).

Similarly, Hall (2022) has introduced a tool that can assist in choosing the most suitable partners for a brand, as illustrated in Figure 6.

Figure 6. Partnership selection table.

Main objective of marketing partnership:		
	Marketing Partner 1	Marketing Partner 2
How objectives are met		
Top 3 criteria of partner selection		
1. Define criterion 1 here	Green	Green
2. Define criterion 2 here	Orange	Green
3. Define criterion 3 here	Red	Green
Value to marketing department		
Overall rating on a scale 1–5 (where 5 is great, 1 is poor)	3	5
Value to partner in collaborating with us		

Source: Hall (2022, p. 209)

According to the author, this tool functions by assessing the overall objectives of the brand and then evaluating how well a potential B2B marketing partner aligns with those objectives based on objective fit, criteria fit, and value contribution. The first step in choosing a partner company is to determine the main criteria that should be met. The company must then evaluate potential partners on a color scale (green, orange, or red) based on these criteria. The final rating is determined after considering all these factors. This tool uses a scale of 1 to 5, where 5 indicates partnerships that will bring the most value to the company, and 1 indicates partnerships that will not bring any value to the company (Hall, 2022).

Thus, while the first approach of Kunitzky (2011) is more specific and reliable, with established and tested criteria, the second one of Hall (2022) is more flexible and adaptable for companies.

### 2.2.4 Prepare the Tools

“You can’t develop marketing partnerships without the tools that will allow you to establish the right relationships” (Kunitzky, 2011, p. 159). In this step, the author presents an overview of

tools companies can use to close partnerships, such as a Partnership Application Form, Partner Development Pipeline, Partner Pitch Deck, Partner Snapshot, and Partner Agreement.

Firstly, the Partnership Application Form aims to “evaluate any incoming requests for partnership to see if the brands are a good fit for the business” (Kunitzky, 2011, p. 159). The author suggests that it's not enough for a company to simply identify the brands it wants to partner with and try to do so. It is equally important to establish a process for profiling incoming partnership requests as they approach the company. In order for this form to be effective, it needs to contain some fields for partner companies to respond to, such as their line of business, business information, a list of their main competitors, and sales numbers (Kunitzky, 2011).

The Partner Development Pipeline is a tool designed to monitor the progress of potential partners and keep track of where the company stands concerning them. The partner's brand name, their level of interest, contact information, the partnership marketing program, the partnership stage (prospecting, pitch presentation, negotiation, working towards closure), the number of customers they have, and how many they plan to market to are just a few of the fields that can be included in the tool (Kunitzky, 2011).

Furthermore, to establish a marketing partnership, it is crucial to create a Partner Pitch Deck. This deck is a presentation that will be shown to the potential partner brand. This presentation aims to generate interest in the partner companies and move from prospecting to negotiation. The pitch should contain essential information such as an updated profile for the brand, a positioning statement, facts about the partner brand and how it relates to the company, the reason for getting in touch with the potential partner, details about the company's products and audience, and the details of the role of the brand in the partnership (Kunitzky, 2011).

Regarding Partner Snapshot is “a tool that a company can use to evaluate the opportunity with the potential partner brand internally to decide whether it is ready to go forward with a partner agreement” (Kunitzky, 2011, p. 163). The partner snapshot should include the essential contact details of the partner brand. It should also contain a summary of the deal for establishing the marketing partnership, which should cover the opportunities, associated costs, forecasted revenue, critical timelines, and marketing value. Both brands' marketing commitments and obligations, as well as their expectations, should be outlined in the snapshot. Additionally, the partner's background and the primary risks of both doing and not doing the deal should be included (Kunitzky, 2011).

The Partner Agreement is also a crucial step towards establishing a marketing partnership. As Hall (2022) recommended, it is advisable to have a written agreement or contract at the beginning of the partnership, which clearly outlines the expectations of both parties. This can also serve as a protection for each party when sharing information, particularly in cases where content co-creation is involved. Once the agreement is in place, it acts as a green light for the co-creation process, allowing for investments of technologies, people, and time in content creation (Hall, 2022). Thus, Kunitzky (2011) argues that this agreement should include fields such as the definition of the marketing partnership; the obligations of the two parties; trademarks and branding; marketing plans to be carried out with the partnership; the duration of the partnership; how the analysis of the partnership's performance, tracking and reporting will be carried out. Hall (2022) further adds that partnership tests can be carried out in small marketing actions to ensure that both parties are happy with the outcome of the partnership.

Once a company has completed all the necessary steps in establishing a partnership program, it is considered ready for success, according to Kunitzky (2011). However, Hall (2022) emphasizes the importance of evaluating B2B partnerships by assessing their performance and effectiveness through specific Key Performance Indicators (KPIs) for each partnership. These KPIs must be tailored to the objectives defined for each partner company. This will allow for an assessment of whether the partnership is achieving the objectives previously established in the first step. Additionally, Hall (2022) argues that this evaluation should always include quantitative aspects such as the number of purchases and conversion opportunities, as well as qualitative aspects such as areas for improvement, as illustrated in Figure 7.

Figure 7. Partnership evaluation table.

Main objective of marketing partnership:		
Quantitative	Target	Actual
KPI 1 e.g. Number of sales-ready leads		
KPI 2 e.g. Opportunity conversion		
KPI 3 e.g. Associated pipeline and/or revenue		
Qualitative		
Key qualitative negatives in collaborating		
Key qualitative positives in collaborating		
Focus improvement areas		

Source: Hall (2022, p.210)

Based on the Impact.com report, monitoring and analysing the results of partnerships is a crucial step for optimizing them in the future. Long-term partnerships can offer more benefits over time. For instance, if a partner is delivering a significant number of new visitors who end up converting, but do not receive any commission because they are not the last click, the contract

needs to be adjusted to reward the partner properly, so they can continue delivering new prospects (Impact.com, 2021). Therefore, the report suggests optimizing the overall partner mix and ensuring a diverse range of partnerships that contribute value throughout the entire customer journey (Impact.com, 2021).

### **2.3 Types of Marketing Partnerships**

There is no agreement among authors in the existing literature on the various types of partnerships companies can form for marketing purposes. However, different companies may find different types of partnerships suitable for their business models (Hall, 2022). Although marketing partnerships are already a widely used strategy in companies, there is still not much literature on the various types of marketing partnerships that can be established. Therefore, this topic will primarily be based on the work of two major authors in this field Hall (2022) and Kunitzky (2011), supplemented by other authors who advocate for various partnership techniques.

So, how can a company choose the right type of partnership? In his study, Kunitzky (2011) suggests that the most effective partnership model depends on a variety of factors, including a company's ability to manage and support the partnership, the nature of its business, the products and services it offers, its budget, and how it typically communicates with existing and potential customers.

According to Hall (2022), marketing partnerships differ in terms of the marketing objective and the channel used to achieve those objectives. Thus, the author differentiates between partnerships:

1. SEO partners;
2. Content syndication partners;
3. Blogging partners;
4. Telemarketing partners;
5. Business communities and associations;
6. B2B sponsorships;
7. Speakers as partners for webinars and podcasts.

Concerning SEO partners, the author argues that this type of partnership takes place when a partner brand's website can provide quality backlinks to the brand's website, in order to obtain higher quality and more relevant traffic (Hall, 2022). According to the author, SEO partnerships

can take different forms, such as “bloggers, online publications, online companies offering services related to your area, membership associations, trade associations, business listing websites and many, many more.” (Hall, 2022, p. 200).

Secondly, content syndication is when a brand places its content on the website of a third party. Thus, it's possible to reach new prospects and get them more interested in the brand's content at an earlier stage of the buyer's journey (Hall, 2022). Syndicated content can come in many forms such as “articles, infographics, reports, recordings, podcasts, although some work better than others in B2B, such as white papers, webcasts, articles, and infographics” (Hall, 2022, p. 200). Thus, the author argues that this type of partnership aims to reach a larger group of people while targeting a specific audience. It is also possible to add credibility to the shared content since it is on a different company's website (Hall, 2022).

Blogging partners refer to when a company leverages bloggers to help promote its products and services, as a kind of influencer (Hall, 2022). According to the author, this partnership is a way of strengthening and improving the brand's reputation among its target audience. As well as building relationships with its customers and consequently increasing likes, shares and traffic to its social media channels and website.

Regarding telemarketing partners, the author states that it “can be used to generate and nurture leads, to qualify prospects better, to conduct marketing research, or to ensure the marketing database is up to date.” (Hall, 2022, p. 203). Another form of partnership marketing is business associations or communities. In this type of partnership, companies can adopt strategies such as co-creating content, or collaborating through webinars or events (Hall, 2022).

Regarding B2B sponsorships, they can take diverse shapes, occasionally extending into unconventional territories, such as sports events (Hall, 2022). While these may appear consumer-centric at first glance, it's essential to recognize that sponsors can also draw customers to them. The author gives the example of sports events since they could serve as an analogy for business themes, such as linking better-performing products or services to aspects of sports performance (Hall, 2022).

Finally, speakers as partners for webinars and podcasts are another form of marketing partnership identified by Hall (2022). According to the author, since webinars and podcasts have proven to be one of the top-performing formats that drive lead generation, this becomes a relevant type of partnership for some companies. This type of content format has proven to be

useful in attracting leads, as prospects are more willing to provide their personal information, such as email or contact details, to have access to the content of the webinar or podcast (Hall, 2022).

However, Kunitzky (2011) has a different perspective on marketing partnerships. According to the author, marketing partnerships can be divided into 10 different models.

1. Distribution marketing partnerships;
2. Added-value marketing partnerships;
3. Affinity marketing programs;
4. Affiliate marketing networks;
5. Content marketing programs;
6. Sponsorship marketing;
7. Licensing programs;
8. Co-marketing;
9. Store within a store and co-branded stores;
10. Loyalty marketing programs.

In distribution marketing partnerships, the author explains them as

the primary partner brand is the one that owns the product, has the means by which to get it to the end customer and transacts with the end customer and owns that relationship, while the secondary partner brand is responsible for marketing to their customers, which then become customers of the primary partner brand. (Kunitzky, 2011, p. 10).

According to the author, after forming the partnership the secondary partner brand receives financial rewards from the primary partner brand for distributing marketing collateral through different revenue models. According to Kunitzky (2011), distribution marketing partnerships involve a partnership between two brands, where one is responsible for advertising and other forms of marketing while the other provides the product to customers with attractive offers. This helps to add value to consumers' lives and supports the partner's business. The goal is for each brand to leverage its strengths in selling and marketing to achieve mutual benefits. Partner brands need to create new products together and strategize their launch, utilizing each other's ideas and inputs (Kunitzky, 2011). According to Beech (2020) giveaways, increasingly used by brands, are an example of this type of partnership, in which there is a partnership between two brands to give something of value to their consumers. In-store demonstrations are also a very common example, when people in a store are promoting a product from another brand. In this

type of partnership, one brand utilizes another brand's distribution channels to market its own products and services. This form of partner marketing allows the primary brand to save time, money, and effort that would otherwise be spent on building relationships by taking advantage of the relationships that the secondary brand has already established (Beech, 2020).

Prior research has highlighted the importance of partnerships in generating value creation (Panda, 2016). Regarding added-value marketing partnerships, Kunitzky (2011) defines them as “where a primary brand has the ideal product or service to complement a secondary brand with an attractive value proposition, which will allow the primary brand to reach underserved audiences through the secondary brand’s ability to target them effectively.” (Kunitzky, 2011, p. 13). This type of partnership can provide customers with an exclusive gift that cannot be obtained elsewhere, thereby delivering unique value to the end customer. There are striking similarities between an added-value partnership and a distribution marketing partnership, with the only difference being that a distribution marketing partnership can exist without offering any added value (Kunitzky, 2011). However, in the case of an added-value partnership, it is not possible to establish such a partnership without the channel distribution element between the two participating brands (Kunitzky, 2011).

The author provides an example of how Starbucks and computer brand Bell collaborated in Canada. Whenever a customer turned on their laptop at a Starbucks cafe, they would receive a beneficial offer. Starbucks had partnered with Bell to provide free wireless internet service to anyone who opened a Starbucks-Bell wireless account through the Starbucks website. This offer was particularly valuable for loyal Starbucks customers (Kunitzky, 2011). Essentially, partnerships are valuable when two or more brands come together to share their resources and co-create value, addressing major challenges and effecting systemic change for mutual benefits (Haque et al., 2020).

Thus, creating value for customers is a top priority for brands to grab their attention in a highly competitive market (Filho et al., 2024). Thus, affinity marketing programs are also an effective way of creating value for their members (Filho et al., 2024). According to Jacob and Koide (2006, p. 4), affinity marketing is an established marketing strategy that “uses consumers’ affinities to organizations and causes to sell a spectrum of products and services”. According to Kunitzky (2011), this type of partnership involves using partner brands to offer special deals to program members. The program owner and operator provide marketing and promotion to the partner brands in exchange for their participation in the program and offer exclusive benefits to

members. Thus, Greenyer (2004, p. 142) defines affinity marketing as a “collaborative marketing activity between brands, comprising an exchange between two or more like-minded companies in order to acquire or retain customers.” According to the author, partnering with a complementary brand can decrease marketing expenses and expand consumer reach by accessing new channels. This can create a reaction from the consumer that neither brand could achieve alone (Greenyer, 2004). Essential to brand partnering is working with companies that provide appropriate products and services. They must have an affinity with the core brand that makes the association acceptable to customers. The author argues that affinity marketing carries a common risk of weak partnership matches due to incompatibility, imbalance, or control issues. Consumers may also have a negative perception of the partnership, making it ineffective or even brand-damaging if poorly executed (Greenyer, 2004).

Brands that operate through e-commerce channels have realized that generalized advertising is no longer effective (Tanwar & Sahu, 2024). As a result, each company aims to develop a distinct approach to promoting its products to gain a competitive edge over its competitors. In this scenario, affiliate marketing has emerged as the fastest-growing method for acquiring customers through promotional activities (Tanwar & Sahu, 2024). But what are the affiliate marketing plans? Affiliate marketing is a “program that involves the customer visiting an affiliate website (also known as a publisher), and that website then referring the customer to a partner website (advertiser)” (Kunitzky, 2011, p. 20). When a customer takes a certain agreed-upon action, like filling out a form, making a purchase, or subscribing to a service, through the partner website (advertiser), the partner website pays a commission to the affiliate (publisher) for referring that customer (Tanwar & Sahu, 2024; Kunitzky, 2011). Affiliate marketing is a marketing strategy that aims to promote and sell products or services through the Internet. It involves providing extra distribution access to advertising in exchange for a commission (Kamboh & Zamir Kamboh, 2021). The main goal of this strategy is to drive online traffic and create transactions from internet consumers (Kamboh & Zamir Kamboh, 2021). By utilizing affiliate marketing, e-commerce, and online businesses can leverage their network of partners, consisting of thousands of websites, to reach potential customers who visit those sites (Kunitzky, 2011).

“Users want to read, learn about, watch, or experience” (Świeczak, 2012, p. 133). Content marketing programs can be defined as “a marketing technique which involves creating and spreading contents valuable from the point of view of recipients of the content, aimed at

drawing attention and thus engaging a community gathered around a particular target group” (Świczak, 2012, p. 133). These programs should create engaging content that is relevant to the audience and drives customer actions, such as purchases (Kunitzky, 2011). However, although brands can create content on their own, they also can choose to partner with other brands to leverage their content and redistribute it to consumers other than their own (Kunitzky, 2011). For content marketing to be effective, the content needs to be reliable, high-quality, and valuable enough to meet the needs and expectations of the recipient (Lieb, 2012). It's also important to define the target audience that the content is intended for so that the information can be tailored to introduce the recipient to the brand, product, or service being promoted (Lieb, 2012). By doing so, the message can provide the recipient with benefits that satisfy their needs and expectations, making it more likely that they will engage with the content (Świczak, 2012). Kunitzky (2011) provides an example of the search engines in this type of partnership. It has become more prevalent to access a search engine like Google or Yahoo! and find content from news pages, blogs, or stories published on various portals.

Another form of partnership used by companies is sponsorship marketing. According to Krstić and Đurđević (2016) sponsorship represents “connecting an organization with an individual or a certain event (usually sports or culture event), to promote the organization, its products or services.” (Krstić & Đurđević, 2016, p. 76) Sponsorship is a valuable marketing tool that helps companies connect with their customers and stand out in a cluttered communication environment (Şekerkeya, 2020). For this reason, this type of marketing partnership is widely used at events, especially sports events, with brands that share values or even their target audience (Kunitzky, 2011). The primary objective of sponsorship is to showcase a company's image, products, or services by associating them with a favorite event, cause, or sports team. For the partnership to be effective, sponsors must determine the awareness of their presence among the target market, analyze the attitude towards them, and evaluate the impact of their sponsorship activities (Şekerkeya, 2020). Essentially it is “a strategy or tactic to drive brand awareness and expose the name of a given brand to the public by affiliating with another brand and their product” (Kunitzky, 2011, p. 25).

As mentioned above, building customer loyalty is challenging, especially in today's hypercompetitive market. Creating consumer admiration, passion, and affiliation with a brand is nearly impossible without a lot of effort (Kunitzky, 2011). Therefore, according to the author, the few brands that manage to reach this level must capitalize on it. This is where licensing

programs can be useful (Kunitzky, 2011). Some brands collaborate with experts in different areas to expand their product range and offer additional services through licensing. By doing so, they can accumulate assets and provide more options for their customers or fans (Kunitzky, 2011). Samantha Taylor, a licensing manager for Mattel in Canada who is knowledgeable in licensing programs, has identified three crucial factors when considering a suitable partner for a licensing agreement: Market opportunity, finding a good fit with their business strategy and partnerships, and assessing the marketer licensee's comprehension of the market (Kunitzky, 2011).

Companies must develop innovative methods to enhance their competitive edge and distinguish themselves from their rivals (Grieco & Iasevoli, 2017). Thus, according to the authors, alliances such as co-marketing are common to obtain a greater competitive advantage and overcome barriers to their development and growth. This type of marketing partnership refers to the “process by which two or more partners jointly develop initiatives at analytical, strategic or operative levels to fulfill marketing objectives through customer satisfaction” (Grieco & Iasevoli, 2017, p. 972). Similarly, Kunitzky (2011) defines co-marketing as “a type of marketing partnership where two or more companies create and jointly develop a new product, service or brand and then use joint marketing efforts to promote it to the target audience” (Kunitzky, 2011, p. 35).

According to Herhausen and Schoegel (2014) co-marketing alliances have three key characteristics. Firstly, the primary objective of these alliances is to increase consumer awareness of the benefits offered by the participating brands. Secondly, co-marketing alliances are typically formed between companies whose products complement each other in the marketplace. Lastly, the motivation to form such alliances arises from consumer demand, which results from preferences for mutual products (Herhausen & Schoegel, 2014). Kunitzky (2011) provides an example of the collaboration between Nike and Apple to create the Nike-iPod sports kit. The two brands joined forces to develop a wireless sensor, embedded in Nike shoes, which transformed the iPhone or iPod into a personal trainer by transmitting information to the Apple device. Consequently, users could monitor their time, distance, pace, and calories burned during workouts. Then, users could sync their iPod or iPhone with their computer to transfer workout data, enabling them to review performance history, set goals, and even challenge others to virtual races.

Another form of brand partnership, according to Kunitzky (2011) is the store within a store and co-branded stores. According to the author, a store within a store is “a partnership in which one retailer leases a section of their store to another brand to run another retail operation from.” (Kunitzky, 2011, p. 37). In this collaboration, the vendor shop retains autonomy over a designated section of the store, exclusively sells a specific brand, and is meticulously designed to embody the brand's image (Jerath & Zhang, 2010). In this way, brands can leverage this type of partnership to reach new markets and generate awareness more cost-effectively (Jerath & Zhang, 2010). Essentially, the concepts of store-within-a-store and co-branded stores are unique to retail markets and bring numerous advantages. They facilitate cost-sharing for prime real estate leases, enable cross-promotion of products between the partnering brands onsite, and attract additional foot traffic, potentially capturing customers who are visiting for other purposes (Kunitzky, 2011).

Finally, the author argues that there is one more type of marketing partnership - Loyalty marketing programs, which will be discussed in more depth in the next chapter.

## **CHAPTER 3: BEYOND POINTS AND MILES: THE POTENTIAL OF LOYALTY PROGRAM PARTNERSHIPS**

### **3.1 Understanding Loyalty Program Partnerships**

The ability of companies to adapt to changing market conditions and provide customers with sophisticated solutions is becoming increasingly crucial (Meyer-Waarden, 2008). Companies need to go beyond their competitors by creating the tools needed to modify their strategies and products, and in the end, they need to reconsider their current business models in order to face and respond to these growing trends (Pimenta, 2017).

Thus, customer acquisition and retention have considerable effects in all markets, especially in retail. Since there is substantially greater competition in today's marketplace, most marketers believe retaining loyal customers is essential to boosting sales and achieving overall success (Dawkhar, 2016).

Due to the diversification of information technology and consumer demand, the concept of loyalty program partnerships has gained widespread recognition. It has gradually expanded from its initial implementation in aviation, telecommunications, finance, and retail sectors, to all other markets (Tian & Qin, 2016). Therefore, as mentioned above, customer loyalty

programs are fundamental to retaining and building customer loyalty to a business (Bombaij & Dekimpe, 2020). According to Kunitzky (2011) there are two primary types of loyalty programs: proprietary programs and partnership programs. Proprietary programs are in-house programs that might have some coalition partners. On the other hand, partnership programs involve a strategic partnership with an existing program, such as a reward miles program.

Similarly, Lemon and Wangenheim (2009) argue that in a typical loyalty program, customers earn points (or other forms of reward) in return for purchases of the firm's core service offering. However, in loyalty programs that incorporate partnerships, consumers can earn additional points in the company's loyalty program through purchases made at its partners.

One example of a successful loyalty program partnership in Portugal is between Galp, a leading energy company, and Sonae, a top retailer that owns the large Continente supermarket chain (Pimenta, 2017). According to the author, this partnership was formed for several reasons. The cooperation between two major retail companies will lead to increased traffic in both directions. With Sonae making over 100 million contacts annually, they can refer customers to Galp, and Galp can in turn refer customers to Sonae. Secondly, this partnership ensures national coverage for both companies. Thirdly, it is a simple mechanism that is difficult to replicate. Finally, there is a cost-sharing between the two companies. Overall, this partnership has been a successful endeavor for both Galp and Sonae (Pimenta, 2017).

Therefore, Tian and Qin (2016) argue that loyalty program partnerships are a new kind of relationship marketing program. According to Dorotic et al. (2011), a loyalty program partnership refers to a program where "multiple firms jointly participate in one program and members can earn and/or redeem a reward from participating firms" (p.229). Additionally, Dawkhar (2016) defines loyalty program partnerships as "a form of loyalty program which includes a coalition of two or more than two companies with a specialized operator independent of the coalition partners that manages the loyalty program" (p. 2). Moreover, Lemon and Wangenheim (2009) explain that in loyalty programs partnerships customers can purchase items from loyalty program partners to accrue additional points. The concept behind a loyalty partnership program involves multiple businesses joining forces to implement a joint loyalty program. The goal is to attract and retain shared customers through mutual recognition of loyalty programs. Ultimately, this type of program serves as a marketing tool that benefits all parties involved (Tian & Qin, 2016).

Partnerships in loyalty programs offer the promise of gaining new customers and reinforcing loyalty to the focal partners (Dorotic et al., 2021). According to the authors, the main benefit of partnership loyalty programs is that members can earn points and redeem rewards across all participating partners. This provides members with convenience, faster point accumulation, and more redemption options (Dorotic et al., 2011; Berman, 2006). Studies show that loyalty programs with partners are more popular than single-vendor cards, accounting for 52% of loyalty program participation in the UK (Dorotic et al., 2021).

According to Berman (2006), through multi-partner or coalition loyalty programs, partnership loyalty programs can enhance each organization's unique strengths and weaknesses while lowering the cost of establishing and maintaining a loyalty program system. In order to find cross-selling opportunities, partner brands can also access each other's databases.

Moreover, according to the study conducted by Tian and He (2016), factors such as perceived benefits, convenience, and risk attributes affect consumer attitudes and their willingness to participate in loyalty program partnerships. However, the traditional approach of each firm launching its own loyalty program can be flawed, as customers end up with numerous loyalty cards, and each membership card's points can only be redeemed for a limited number of companies. Therefore, this approach may not attract customers and becomes less effective. In contrast, the concept of loyalty program partnerships greatly improves customer satisfaction, making it more likely for customers to participate and exchange points. As a result, loyalty program partnerships have been widely adopted (Tian & He, 2016).

Furthermore, Lemon and Wangenheim (2009) conducted a study and found that cross-buying from a loyalty program partner (who is not a part of the core service firm) has a positive impact on the number of purchases made from the core service. The study also revealed that partners who offer a strong fit with the core service (companies that are somehow related to the interests of the program members) tend to reinforce the customer's relationship and behavior more than the ones that have a weaker fit.

However, according to Kutlu (2015), brands can also risk negative associations from consumers due to the actions of the partner brand. Negative associations can arise, resulting in a loss of distinctiveness in the consumers' minds. This can lower evaluations and attitudes towards a brand due to its association with a partnering brand. The author provides the example of a service failure by a co-branding partner. In this situation, companies can be inadvertently

negatively affected by the incident. Therefore, brands need to choose their partners carefully, and before any company makes a brand partnership decision, the potential benefits of the alliance should be weighed against its possible risks (Kutlu, 2015).

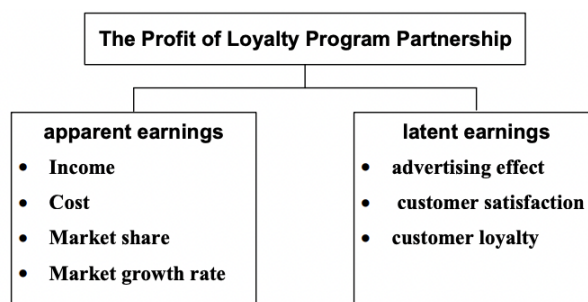
Despite the possible risks, partnerships in loyalty programs are recognized as the most economical and efficient contemporary global business development strategy, making it a modern approach. Therefore, companies are increasingly forming loyalty program partnerships to achieve marketing benefits to improve their competitive position and reduce costs (Tian & Qin, 2016).

### 3.2 The impact of Loyalty Program Partnerships on Customer Loyalty

But why should companies choose to have partnerships in their loyalty programs? According to Dawkhar (2016), partnership loyalty programs are considered an effective tool for customer loyalty in various markets.

Tian and He (2016) explore the benefits that a company can obtain by implementing loyalty program partnerships with other brands. The authors divide these profits into two different categories: apparent earnings and latent earnings, as illustrated in Figure 8.

Figure 8. Profit of loyalty program partnership.



Source: Tian & He (2016, p. 290).

According to the authors, the apparent earnings are the reasons why a company decides to implement partnerships in its loyalty program. Joining a loyalty program partnership can bring numerous benefits to a company. Firstly, it can increase the company's income by sharing customers with other corporate partners in the alliance. Secondly, the alliance can reduce the cost of the corporate, which is an essential source of competitive advantage. Thirdly, by joining the partnership, the company can increase its market share. Sharing enterprise resources is a significant factor that attracts corporations to join the alliance. On the one hand, companies within the alliance can share their customer base, maintain existing customers through the advantages of partnership loyalty programs, and attract new customers. On the other hand, it

can further expand market share, enhance management, reduce costs, and increase revenue. Fourthly, joining the alliance can lead to an increase in the market growth rate and a competitive advantage, which enables enterprises to win more market share. This increased market share can raise the market growth rate. At the same time, joining the alliance can reduce competition among enterprises and enhance cooperation (Tian & He, 2016).

In addition, Tian and He (2016) present three aspects categorized as latent earnings of loyalty program partnerships. Upon joining the loyalty program partnerships, businesses can enjoy a wider range of marketing and advertising information. This includes expanded advertising content compared to before the formation of the alliances. By leveraging the advantages of the advertising alliance, companies can expand their awareness-raising efforts. Additionally, other companies that are advertising can mention information about the partnership, which can lead to spillover effects for the partners. This kind of advertisement spillover effect is a crucial aspect of the benefits brands can gain from participating in loyalty program partnerships. Secondly, the addition of new companies to the program can offer more choices and redeeming options for customers. This can enhance customer satisfaction. With more points that can be used across multiple businesses, customers are more likely to be loyal to the alliance and the participating brands. Also, by joining a large and well-known company it can improve perceived customer value and satisfaction. Furthermore, the loyalty program itself is a marketing tool that aims to improve customer loyalty. Partnerships within the program can extend it and better obtain customer loyalty since customers who accumulate points in the alliance become linked to long-term customers and enterprises. Therefore, with a wider range of product choices and redeeming options, customers are more likely to remain loyal to the alliance and the participating enterprises. This increased customer loyalty is an added benefit for businesses participating in the alliance.

Also, Berman (2006) suggests that partnership loyalty programs can effectively increase customer loyalty. Such programs also have the potential to boost sales and profitability by offering varying points in different companies. Furthermore, the programs encourage consumers to increase usage by providing additional benefits associated with higher tiers.

Moreover, Lemon and Wangenheim (2009) argue that the duration of a partnership can also have an impact on consumer loyalty. This becomes an important factor as consumers may resort to partners multiple times. Thus, the duration of a partnership can influence a consumer's trust and commitment to the partner brand and consequently the core service. Therefore, according

to the authors, the partnership's duration can have a positive impact on the behavioral manifestation of consumer loyalty.

Furthermore, based on the findings of Yoo's (2006) study, loyalty program partnerships positively impact customer loyalty, making it a competitive advantage to improve and sustain loyalty, resulting in business growth. However, the study emphasizes that these strategic alliances alone cannot guarantee customer loyalty and should not be considered the sole source of it. Therefore, the study indicates that the value creation factors resulting from strategic alliances are just one aspect that influences customers' loyalty decisions.

### **3.3 Strategies for Effective Loyalty Program Partnerships**

Since the previous chapter covered some advantages that such programs can bring to the companies that implement them, this topic will address some strategies considered relevant to this study that can be used to enhance the engagement of loyalty program members with its partnerships.

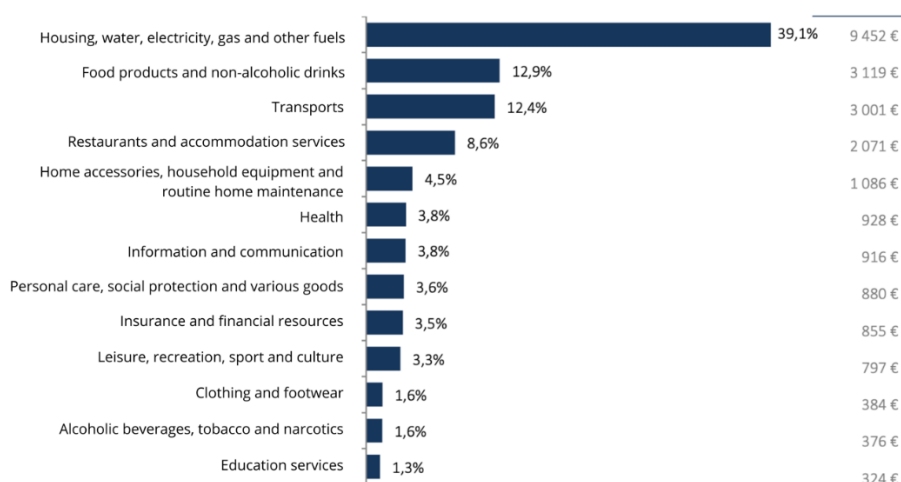
According to the Principle of Least Effort “an individual will exert the least amount of effort to perform a task or obtain a goal” (Wang et al., 2018, p. 317). Thus, according to the authors, the factors of time and effort required will determine the customer's perception of the convenience of the loyalty program partnership. Reducing the perceived time and effort required in engaging with a partnership loyalty program delivers convenience, it will influence customer satisfaction and quality evaluation outcomes. It is, therefore, essential that the members of a program have convenient information about it (Wang et al., 2018).

Thus, the authors emphasize the strategies that this type of program must follow to increase its members' engagement in the program. Currently, according to Wang et al. (2018), mobile apps play a fundamental role in a brand's regular communication with its customers. This has become one of the most convenient forms of information for a brand, since consumers can access information at the click of a button, consult the rules and offers available, as well as receive personalized information based on points spent and purchase history. Therefore, a mobile app allows a partnership loyalty program to transmit all the necessary information to its customers, while reducing time and effort on their part. This enables a loyalty program to efficiently transmit necessary information to customers, fostering a better understanding of the program's value and increasing their participation intentions (Wang et al., 2018).

Moreover, Celuch et al. (2015) emphasize that one of the best ways consumers can engage with a brand is through their feedback. According to the authors, customer feedback can be both positive and negative. It can provide valuable insights into what a company is doing right and wrong. According to Robinson (2013) in the hierarchy of valued customer behavior, satisfied and repeat customers are “good”, customers who promote and defend the brand may be “better”, but customers who provide feedback to improve or create future value for the organization, thereby bolstering its competitive advantage, may be “the best”. Therefore, customer feedback is essential for a brand as it allows it to examine if and how it is satisfying its customers, know customer perceptions, learn what the customers want and need, and discover what they know (Celuch et al., 2015). According to Service Fusion's (2021) study today 92% of customers read online customer reviews, with 88% trusting those reviews as much as a personal recommendation. Thus, positive experiences shared in these reviews can significantly influence potential consumers by evoking positive emotions and building brand trust (Bhandari & Rodgers, 2017). Therefore, companies must incorporate customer feedback into their marketing and growth strategies, including feedback on their partnerships. According to the Service Fusion's (2021) report, one common strategy used by companies is to distribute Net Promoter Score (NPS) surveys. The NPS measures the percentage of customers who would recommend the company to others, using a scale from 0-10. These surveys provide valuable customer insights about customer loyalty and offer an opportunity to request customer reviews 9/24/2024 9:21:00 PM.

In addition, the creation of value for the loyalty program member's life is also a key factor when it comes to the engagement the member will have with the partnerships (Currency Alliance, 2021). In its report, the company points out that establishing partnerships with different sectors can be one of the ways to create value for the customer. It is therefore essential to analyze a household's spending, so that brands can understand which partners will allow members to remain active in the partner program. In the study, the company presents the categories in which most consumers spend their money. Thus, according to INE - Instituto Nacional de Estatística (2023), in 2022/2023, Portuguese family spending (Figure 9) was mainly centered on categories such as household expenses, food, transport, restaurants, and hotels. Therefore, if a brand partners with certain companies in each category, it can engage around 50% or plus of its consumer base (Currency Alliance, 2021).

Figure 9. Household Spending in Portugal.



Source: INE - Instituto Nacional de Estatística (2023, p.2).

Therefore, one strategy for understanding which brands are essential to partner with is asking 10 of the most frequent consumers and 20 of the least frequent consumers which brands they shop at every month. With this strategy, it will be possible to reveal a list of relevant potential partner brands (Currency Alliance, 2021).

Finally, one of the most important strategies for ensuring the success of loyalty program partnerships is Partner Relationship Management (PRM). According to Dent (2006), PRM it's about "understanding the needs of one's business partners and satisfying those needs to the best of one's ability while building trust between the two parties" (p.4). To facilitate this, there are partnership management platforms available to help manage relationships with partner brands. Partnership management platforms are "software that automate the discover and recruit, contract and pay, track, engage, protect and monitor, and optimize stages." (Impact.com, 2021, p. 20). The introduction of partnership management platforms allows businesses to streamline partnership workflows across different types of partnerships, such as affiliates, influencers, and strategic loyalty partnerships, using a common framework known as the partnership life cycle (Impact.com, 2021). According to the company's report, this allows businesses to scale their partnership programs more efficiently. However, although these platforms can be extremely effective when it comes to managing relationships with partners, before choosing a suitable platform to implement, it is necessary to ask questions such as: "Does the platform facilitate team unification?; How robust is the reporting?; Can this platform function as a centralized point of contact? Does the platform allow for flexible contracting with partners?" (Impact.com, 2021, p. 21). Therefore, the ideal partnership management platform should incorporate five core

elements to increase partner engagement: personalized access; mobile responsiveness; personalized communication; localization; access, and utilization tracking (Sanyal, 2016).

It is therefore possible to understand some of the strategies that companies, in an increasingly digital and technological world, can adopt to increase customer engagement in their loyalty program partnerships. As a result, they will be able to increase their base of loyal customers and increase the effectiveness of their loyalty program (Vadhrya, 2020; Berman, 2006; Yoo, 2006). The next chapter will provide a better understanding of the FNAC brand and its partnership loyalty program.

## **PART II – INTERNSHIP AND EMPIRICAL WORK**

### **CHAPTER 4 COMPANY BACKGROUND AND INTERNSHIP DESCRIPTIVE**

#### **MEMORY**

#### **4.1 Company Background**

##### **4.1.1 FNAC Group**

###### **a) Origin and evolution**

In 1954, Max Théret and André Essel founded the group *Fédération Nationale d'Achat des Cadres* (FNAC). The idea stemmed from their passion and curiosity for cinema and photography, and the founders aimed to popularize culture and technology. They sought a different kind of commerce, one that was aimed at the greatest number of people and not just the elite — a consumer-friendly business, based on the freedom and responsibility of sellers (FNAC Website). At first, the offer was presented through the creation and distribution of a shopping magazine. Since the magazine did not feature photography articles and was not well-received by the market, Max Théret and André Essel decided to open a photography store called Photo Ciné Club ML. This store was eventually incorporated into FNAC and contributed to setting the brand apart permanently (FNAC DARTY Website).

In 1957, the group opened its first physical store on Boulevard de Sébastopol in Paris, offering the brand to the entire community. Low prices, fast delivery, and repairs are the keywords of the store, which have remained the same to this day. More than a decade later, in 1969, the second store opened in Paris on Avenue de Wagram (FNAC DARTY Website).

In 1974, the brand began selling books in stores. The opening of the third store in Paris, Montparnasse, marked the essence of the brand, as it was the first store to have a forum dedicated to cultural events. In the following years, the brand opened its first stores in countries such as Belgium in 1981, Spain in 1993, Portugal in 1998, Brazil in 1999, Italy and Switzerland in 2000, and Qatar and the Ivory Coast in 2015. FNAC expanded further, opening stores and establishing its presence in a total of 16 countries (Santos, 2021).

In 2009 and 2011, the brand introduced two significant innovations that distinguished it from other retailers in terms of its offerings and expertise. These were the Marketplace area, where other sellers could utilize the brand's website to sell various product categories including furniture, decoration, DIY, and sports equipment; and the launch of Kobo by FNAC, the first digital E-reader, which positioned the brand as more specialized in the publishing industry (Santos, 2021; FNAC DARTY Website).

**b) Brand logo**

In 1969, the brand created its first logo (Figure 10). It was characterized by simple lines and colors and remained unchanged until 1985. In 1985, the brand incorporated the color yellow into the logo, which has remained a characteristic feature to this day. The logo was presented in a straight square format, and the calligraphy remained the same, but the color of the letters was changed to white and slanted. Then, in 1997, the brand decided to change its logo again (Logos-World, 2024). This time, the square was placed at an angle and the letters were arranged horizontally. This change reflects FNAC's commitment to differentiation, embracing change, imagination, and creativity (Santos, 2021).

Figure 10. Evolution of FNAC logos.



Source: Logos-World (2024)

**4.1.2 Darty Group**

In 1957, the Darty (Figure 11) brand was established by the brothers Natan, Bernard, and Marcel Darty. They introduced the first television and radio retail offer in Montreuil, France. In 1968, the brand opened its first store specializing in household appliances, which was ground-breaking at the time and marked a genuine commitment to extending the useful life of

products. By 1973, Darty launched the “Contract of Confidence”, which guaranteed the best price and service. This offering became the brand's benchmark. By 1975, Darty achieved the goal of having the largest warehouse in Europe to sell household appliances. In 1988, the Darty group reached 100 stores in France, and repairing appliances at the end of their useful life is a priority for the brand, even acquiring a company (Dacem, in 1984), to easily obtain parts for repairs. Darty went digital with the launch of its website darty.com in 1996, followed by the launch of telephone assistance and the e-commerce site in 1999. In 2006, Darty innovated by offering its operator services. The Dartybox offered telephony, Internet, and television. In 2014, forty years after creating the “Contract of Confidence”, Darty launched Bouton Darty, which offered an after-sales service within everyone's reach. This connected device allowed customers who had subscribed to the service to access telephone support for all household products purchased at Darty or elsewhere. It was simply needed to press the button to receive a priority call 7 days a week, 24 hours a day (FNAC DARTY Website).

*Figure 11. Darty Logo.*



*Source: FNAC DARTY Website*

#### 4.1.3 Group FNAC Darty

In 2016, the FNAC group acquired Darty, leading to the creation of the FNAC Darty group (Figure 12) in 2018, formalizing the merger of two iconic and popular brands. This merger made FNAC Darty the leader in omnichannel retail in Europe. The group is pursuing a strategy of expanding its stores and market presence, with more than 880 FNAC Darty stores now operating in 12 countries. In addition to this, the group has made successive acquisitions of Nature & Découvertes, WeFix, and Billetreduc.com, anticipating social changes and adapting to the increasingly digital nature of businesses to meet new consumer expectations (FNAC DARTY Website).

*Figure 12. FNAC Darty Group Logo.*



*Source: FNAC website*

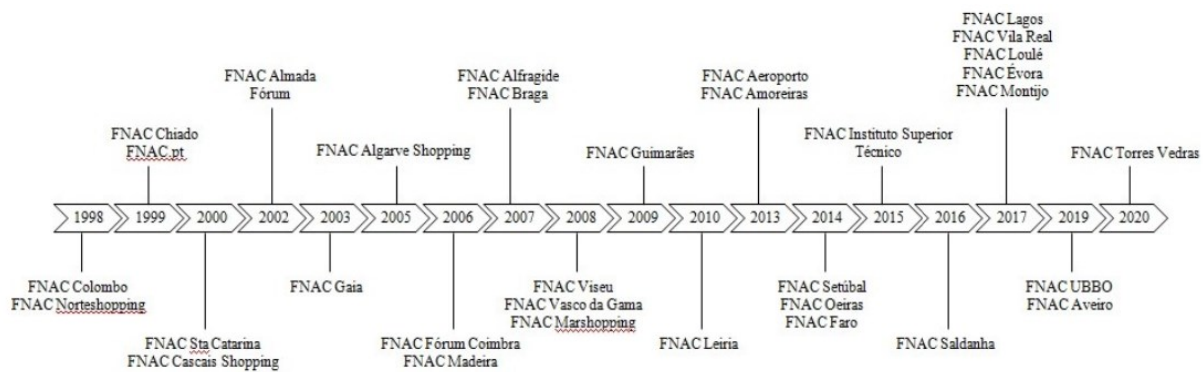
The FNAC Darty group aims to be a leader in the areas where it establishes its stores, contributing economically, socially, and culturally through its services. It offers access to cultural events and supports local movements and causes. The group's motto is "To commit to educated choices and sustainable consumption". The brand is dedicated to promoting a more sustainable economy by offering responsible products and services. They advocate for recycling, recovering and reusing equipment, and reselling items, all in the effort to reduce waste. The brand has introduced an innovative reparability index and publishes an annual After-Sales Service Barometer. They also regularly update their product selection with "The Darty Sustainable Choice" and have launched Darty Max, a subscription-based repair service for household appliances. These initiatives are examples of the brand's commitment to sustainability (FNAC DARTY Website; Santos, 2021). Lastly, the group provides customers with information to make informed and conscious purchases, which can be obtained from customer support platforms, product labels, after-sales services, and other sources (Santos, 2021).

#### 4.1.4 FNAC Group in Portugal

##### **a) Origin and evolution**

On February 28, 1998, FNAC Colombo opened its doors as the first store in Portugal. From 1998 to 2024, FNAC has expanded, operating 35 stores in Portugal (Figure 13), as well as offering PC-Clinic Powered by FNAC and Clínica FNAC services. These services encompass repair, configuration, parts replacement, and diagnostics for computer and telecommunications devices. Furthermore, FNAC provides the option of delivery to the store or home collection for over 6 million items available for purchase online. In 2021, FNAC Darty opened its first Nature & Découvertes store at the Amoreiras Shopping Center in Lisbon. In 2023, FNAC Portugal also acquired the German chain MediaMarkt's stores in the country and purchased one of Portugal's best-known bookstores, Livraria Barata.

Figure 13. FNAC stores in Portugal in chronological order until 2020.



Source: Santos, (2021, p.72)

FNAC has both physical stores and an online store. Since its establishment, fnac.pt has distinguished itself by offering features that simplify the online shopping process for customers. The website allows customers to check the stock availability in each physical store, locate the nearest FNAC store, place orders online, and choose to pick up their purchase at the most convenient store within one hour. Additionally, the website offers the Click&Collect service, which enables customers to place an order and pick it up within one hour at the store of their choice.

In addition, FNAC Portugal has its headquarters in Lisbon (Amoreiras) and a warehouse in Alverca where all the product stock arrives, and orders are processed. It also has internal departments for Business Management, Commercial Management, Financial Management, E-Commerce, Logistics, Supply Chain, Stores, Marketing and Communication, and Human Resources.

### b) Mission, Vision, and Values

A brand's DNA is all the elements that enable it to differentiate itself, and this analysis is carried out through knowledge of the brand's essence. Included in this essence are the brand's Vision, Mission, and Values (Santos 2021).

FNAC has a cultural, social, and environmental role to play, and it takes responsibility for this commitment. It provides a platform for the unseen, promotes culture, supports causes, and gives a second life to its products. This is its purpose: to have a voice with an impact on the world. In a world marked by excessive information and consumption, FNAC believes that brands are primarily responsible for changing this scenario. FNAC is a different brand and wants to lead a change in society, creating a culture of sustainability and appealing to a more conscious view of consumption and the world. Today, FNAC is an active agent in society, focused on building

the future. That's why every day, it cultivates sustainability, informed choices, new trends, and diversity. It strives to be a unique brand for different people, cultivating the difference (FNAC website).

The Vision is the goal, will or belief that the brand wants to achieve in the short, medium, or long term, with the essence of a positive or moral message for consumers and employees (Santos 2021). The company has a vision to inspire a changing world through a passion for culture and innovation. FNAC, in all its messages and communication actions, appeals to "*Cultiva a diferença*", in other words, to change the world through a passion for innovation and culture. This message makes it possible to communicate a brand that allows difference and makes it happen, inspiring the world with passion and taking a positive view of differences (FNAC website).

The Mission can be distinguished by the way the brand wants to achieve its Vision. More practically, it's what the brand presents to its consumers, in material or immaterial form, reflecting its differentiation (Santos 2021). Thus, FNAC's mission is to commit to informed and responsible choice and consumption, making access to technology, culture, and leisure more widespread (FNAC website).

Brand values are the main pillars by which the brand defines itself and behaves, structuring the way it works and establishing a two-way relationship between employees and consumers: "Commitment", "Passion", "Respect", and "Innovation", which must be fully embraced and demonstrated daily by all of the company's professionals. These values represent the principles and beliefs that guide the brand's actions (Santos 2021; FNAC website).

### **c) FNAC Card**

FNAC Card is the brand's loyalty program, with incentives including special discounts, personalized payment terms, exclusive offers and more. This card gives all members of the brand's loyalty program access to check their balance, available vouchers, and purchase history (Miguel, 2018).

In 2023, the brand's loyalty program was updated to offer greater benefits to its members. Since last year, members have been able to use their balances on purchases starting at one euro, both in physical stores and online. In addition to the brand's discounts, members also have access to specially marked products and campaigns in which they receive a 1% reward on all products, something that was not available before. The new program includes photo lab services, with

members earning 5% of the price on their FNAC card. Additionally, members can enjoy free shipping on purchases over €15 for items sold by FNAC at fnac.pt for delivery in mainland Portugal. Regarding books, the new program offers even more benefits, including an immediate 10% discount. Regarding FNAC Clinics, in order to further promote equipment repairs and achieve its sustainable goals, FNAC is providing members with a 5% discount on repairs with Cardboard. Additionally, FNAC holds the "Adherent Days" campaign twice a year. During these campaigns, in addition to the aforementioned advantages, exclusive discounts are offered on select items for FNAC Card holders (Blog FNAC Expert, 2023).

In addition, members can also use the FNAC Card App with features such as information on their card balance, access to their purchase history, exclusive quizzes games and campaigns, and payment with MBWAY without having to provide their telephone number. One of the most important focuses for FNAC is the importance they give to culture, so the FNAC Culture agenda has also been integrated into the app so that members can always be aware of showcases, workshops, or launches taking place at their nearest FNAC, with the possibility of adding it to their cell phone calendar (Blog FNAC Expert, 2019).

The FNAC Card offers its holders the ability to enjoy benefits outside FNAC through partnerships with various brands. Card members can receive up to 50% discounts on over 100 partners in different areas, including accommodation, well-being, culture, family activities, training, and travel. Additionally, they can enjoy reduced prices on park tickets, movies, and telecommunications packages. FNAC aims to encourage its members to dedicate their free time to culture, leisure, well-being, and family activities by providing exclusive advantages that only members can benefit from (Blog FNAC Expert, 2023). In addition, a specific section has also been added for FNAC Card Partners in the App, with the aim of making it easier to discover all the places where it is beneficial to be a FNAC Card Member (Blog FNAC Expert, 2019).

#### **d) New communication approach**

FNAC is a Portuguese love brand known for its global vision and ability to share it. As a result, FNAC has the responsibility to take the lead in managing brand awareness, communication, and projecting the brand image in its products and services. This entails overseeing strategic aspects, consumer relations, and the brand's reputation and social impact. With these objectives in mind, FNAC launched a new communication initiative in 2021 with the goals of making a meaningful impact, maintaining consistency, and creating lasting memories. The initiative also aimed to uncover truths and humanize personal connections in an increasingly digital world.

For this reason, in 2024 FNAC launched a new campaign that aims to demonstrate this (Figure 14). At a time when we are seeing great advances in the field of Artificial Intelligence (AI), FNAC launched the campaign with the motto "Our intelligence has a heart". The campaign emphasizes that it's good to count on the human (and not artificial) intelligence of experts to help customers make decisions with heart. It therefore aims to remind people that, however powerful it may be, technology is no substitute for human emotion and knowledge. The employees in the brand's stores are specialists passionate about their areas of expertise and offer customers personalized, quality advice based on their experience, wisdom, and intuition. According to Inês Condeço, FNAC's Marketing and Communications Director, "this campaign values what sets us apart as a brand, which is the human component and knowledge of our employees, and which allows us to offer our customers a unique and memorable experience" (Marketeer, 2024).

Figure 14. Examples of street and Instagram communication from the "Our intelligence has a heart" campaign.



Source: FNAC's social media.

The brand has been emphasizing the expertise of its employees in its communication. FNAC employees are presented not just as experts, but also as friends and advisors to customers. Whether in TV commercials, main campaigns, special actions, or on social media, the expert employee is always available to provide advice and help customers make the best choices. This approach makes the brand's relationship with customers more personal and human.

## 4.2 Internship Descriptive Memory

### 4.2.1 Context

The curricular internship developed in partnership between UCP - Faculty of Human Sciences and FNAC Portugal took place over 6 months, starting on September 4, 2023, and ending on March 10, 2024. The stipulated hours were 8 hours a day, from 9 am to 6 pm. The internship took place in a hybrid system in which attendance at the office was required 3 days a week and 2 days could be spent remotely working.

The internship was integrated into the Marketing and Communication department, specifically on the CRM - Customer Marketing team, composed of 7 members (4 marketing people and 3 customer intelligence people), and I was in the marketing area. The department is formed by around 50 employees and trainees and is divided into seven teams - Brand (in charge of brand campaigns), Digital (responsible for the digital content of brand campaigns, suppliers, and themed or current content), Culture (managing social actions such as competitions, fundraisers, public relations, cultural events in person or on social media), Multimedia (developing multimedia content), Partnerships and Advertising (handling supplier campaigns and partnerships monetization), Design (creating all store and online visuals), and CRM (responsible for customer communication through newsletters, FNAC card, SMS's, FNAC App, etc.).

#### 4.2.2 Activities developed

##### 4.2.2.1 Weekly meetings

Every week we had meetings scheduled on the same days to meet with different teams. The purpose of these meetings was to discuss possible actions and check in on current and future campaigns, which could lead to clarifications or exchanges of ideas or joint actions.

##### **a) Focus**

Every Monday, there was a meeting called "Focus" that involved all the teams in the Marketing and Communications department. This meeting served to report on the main and most relevant work of all the teams for the upcoming week. The meeting followed a specific order: it included announcements of the previous week's results, updates on the Brand team's campaigns, updates on supplier campaigns, upcoming content to be published by the Digital team, weekly planning by the Design team, newsletters and SMS planning overseen by the CRM team, projects by the Multimedia team, and actions planned by the Culture team.

On Fridays, at the end of the day, everyone had to update the Focus PowerPoint, which was a file shared on the brand's online network, with the campaign(s) they were going to start the following week. In the presentation, the following information needed to be present at all times: the designation of whether it was a Pre-Sale, Launch or Fnac Sugere; dates; the name of who was in charge of the campaign; the title of the campaign; a visual of the campaign; and the campaign plan; prominence on fnac.pt and the location of these prominences on the site (example: banner on the homepage, mosaic, etc.); CRM action (highlight in the newsletter, highlight in the FNAC app, SMS, etc.); Digital action (social media, Google Discovery Ads,

Promoted Post, etc.); Content developed every week (weekly news articles or for the product - FNAC expert articles); or highlighting the product on Rádio Comercial's program, O Homem Que Mordeu O Cão, with Nuno Markl (a program sponsored by FNAC).

At these meetings, I would often present the SMS campaigns that were to take place that week. Therefore, on Friday I would prepare the presentation, having to update the PowerPoint slides presented at the previous Monday's meeting, and on that Monday, I would present the campaign/s during the meeting.

### **b) Brainstorming CRM + Design**

The Communication Moment meeting consists of two teams: the customer marketing (CRM) team and the design team. This weekly meeting is held on Thursdays to bring together the teams to brainstorm creative ideas for the upcoming week's newsletters.

The meeting was divided into 2 different moments. Firstly, the CRM team got together and brainstormed the various ideas that each member had for each themed newsletter, looking for inspirations, interesting templates, and discussing the ideas until a final idea was reached. In the second part, the design team joined the meeting to review the ideas from the CRM team. They assessed the feasibility of the ideas considering their availability and the tools at hand. Based on their feedback, the CRM team might need to adapt their ideas to align with the design team's input, always considering their creative ideas as well.

Moreover, the level of creativity required for a newsletter varies depending on its type. For instance, for a themed newsletter (e.g. Valentine's Day), all team members were encouraged to generate unique and creative ideas. However, for a promotional or campaign kick-off newsletter, the team had to use a specific layout and template that had been preapproved by other teams. Although the meeting only occurred once a week, all members were encouraged to think of creative ideas beforehand to present at the meeting for the upcoming newsletters.

As far as my participation in these meetings is concerned, like all the members I would gather ideas that I thought were interesting and relevant to the newsletters in planning, and at the meeting I would present the different ideas of template, copy, and structure that I had idealized aiming to narrow them down to a single idea.

### **c) CRM + CI Newsletter**

As with the previous ones, this meeting occurred weekly on Thursdays. The attendees mostly consisted of the CRM team, which includes the CI (Customer Intelligence) team and the Customer Marketing team. Occasionally, the Marketplace team also participated in the meeting.

The primary goal of the meeting was to reach an agreement between the two main CRM teams regarding which database subscribers would be affected by the different newsletters scheduled for the following week. During the newsletter planning, the two teams attempted to identify the customer segments previously established by the CI team that would make the most sense to target, to maximize the results of the newsletters (such as open rate, clicks, and conversion).

During these meetings, the Marketplace manager would occasionally participate to request featuring their products in the newsletters. For instance, if they had a specific product they wanted to prioritize, they would make their request to the Customer Marketing team in these meetings.

Regarding my involvement in the meeting, initially, it was limited because I lacked sufficient knowledge of the customer bases targeted for each type of newsletter. However, as time passed, I was able to suggest specific customer segments to target, considering the content of the newsletters to be sent.

#### **4.2.2.2 CRM Campaigns**

During my 6-month internship, one of the tasks I carried out the most was planning and executing campaigns previously established by the Brand team and DP (Commercial Department), the department with permanent contact with the supplier. At the beginning of my internship, I was only responsible for developing the copy for the CRM communications. However, about a month into the internship, I became responsible for sending out many CRM communications, such as push notifications in the FNAC app and the FNAC Card app, highlights in the FNAC Card app and SMSs.

There was a planning process for each communication channel that was based on the requests from the Brand, Partnerships, Advertising, and Culture teams. As I gained experience, I took on the responsibility of organizing the planning to accommodate all the communication requests from the teams. I made sure that the planning was feasible for both me and the teams, and that it didn't overwhelm the client with too much communication.

##### **a) Push notifications**

Push notifications are the well-known notifications that app users receive to encourage them to buy a certain product or service. Practically every day the CRM team had push notifications to send to those clients who had the FNAC app and also the FNAC Card app (only for members of the brand's loyalty program), (Figure 15).

At the beginning of the internship, I was responsible for developing the copy for communications, which needed approval from the team leader. As I gained experience with the tools, I also took on the responsibility of developing the copies and sending push notifications. Before sending the notifications, I followed a specific process. I would consult an Excel sheet, called "CRM planning" containing push notification communications, app card highlights, and SMS, to determine which campaigns to push. I usually did this about two days before the push notification determined date. After that, I would write the copy and send it for approval. Once approved, I used the sending platform to test the push notification for both Android and iPhone to ensure correct linking to the product, page, or campaign of the app. After confirming everything was correct and the link was working, the push notification was sent to customers.

*Figure 15. Examples of Push Notifications sent to the FNAC app and FNAC Card app.*



*Source: Author's own elaboration*

## **b) SMS Marketing**

There were three types of SMS campaign: brand campaign SMS, SMS for new FNAC Card members and SMS for Apple and Samsung returns.

SMS was one of the most important communication channels for CRM. Not only was it the only channel that had an associated cost, but it was also one of the channels through which we could target the customers we wanted to impact with certain campaigns.

As for the brand's SMS campaigns, these were also included in the planning and the sending process was very similar to the previous one. However, for this form of communication, we needed the help of the CI team to extract the contact bases for each of the campaigns and indicate the mobile numbers of the customers we wanted to impact with the SMS. It was necessary to develop the copy and ask for approval not only from the team leader but also from the director of the marketing department. Once I had confirmation, I went to the sending

platform and uploaded a file with just the team's mobile numbers and the copy to confirm that the link was working and that the text was error-free. After this confirmation, the SMS was sent to all the customers in the database sent by the CI team.

As for the SMSs for new FNAC Card members, these were sent out every Monday at 8pm. The main purpose of these was to inform new members who had joined the FNAC card that week of the possibility of installing the FNAC Card app and keeping track of their balance, purchase history and enjoying specific campaigns for FNAC members. Thus, the copy of this SMS was standard and was sent to different subscribers every week. The sending process was similar to the previous one, except that only my mobile number was included in the list of subscribers to receive the communication so that I could be sure that it was sent correctly at the stipulated hours.

Finally, the Apple and Samsung trade-in SMS was also sent with the aim of meeting the company's sustainable objectives, so instead of customers throwing away their used devices, they knew they could take them back and buy a new one at a better price. For this SMS, the number of customers targeted by this communication had to be approved by the service team. Although this SMS also had standard copy, with the help of the CI team it was possible to identify the equipment and its model so that the message was more targeted and personalized for each customer.

### **c) App Card Highlights**

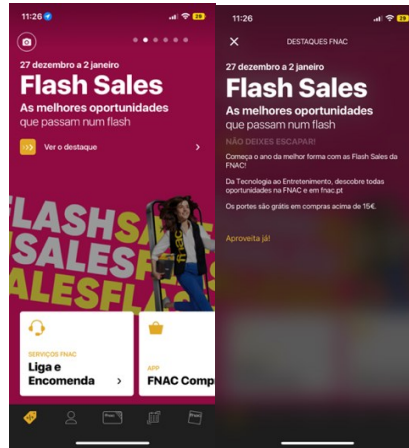
The highlights of the FNAC card app consisted of a carousel of campaigns on the app's home page. These campaigns can be either relevant to the customer due to their benefits or exclusive to FNAC card members.

All highlights that were not exclusive campaigns for FNAC members (Figure 16) were requested via email by the Brand, Partnerships and Advertising, or Culture teams. Once requested, the CRM team evaluated whether the highlight was relevant to the client and, if so, they were placed on the day the campaign started and removed on the final day of the campaign. Since FNAC has multiple campaigns running simultaneously, these highlights were created at least 3-4 times a week.

Since the highlights were image-based, the design team had to adjust the visuals of the campaigns to fit the format of the highlights in the app. To make sure everything was ready on

time, a request was sent to the team about a week in advance. After adapting the campaign design to the required format, I created the text and submitted it for approval. Once approved, I used the FNAC card app update tool to upload the highlight and confirmed the campaign link.

Figure 16. Example of a brand campaign highlight in the FNAC Card app.



Source: Author's own elaboration at FNAC Card app.

#### d) FNAC Card Contests

The FNAC Card contests are a marketing initiative created by FNAC in collaboration with its FNAC Card partners (Figure 17). These activities were established in partnership with specific organizations like Lisbon Zoo, Zoomarine, and others, as well as the FNAC Ticket Office, to distribute tickets to various events and shows.

The FNAC card contests are designed for FNAC card members and serve as a marketing technique to promote partnerships within the FNAC community. These contests are typically initiated by partners via email to commemorate special occasions such as Father's Day or Mother's Day, as well as to highlight new offerings from their brand. Upon the partner's request, the design team was briefed on the visuals required for the contest. Once the visuals were ready, it was launched on the platform and submitted to the partner for approval, and the dates for participation were set. Upon approval, the contest was uploaded to the FNAC website.

In addition, we consulted the CRM media planning for the contest since the partners requested a push notification and a highlight in the FNAC Card app to increase visibility. After setting the dates for the push and the highlight, we sought approval from the partner. Lastly, we needed to request a slot in the Digital team's Instagram story planning to boost participation in the contest.

Figure 17. Example of a FNAC and Lisbon Zoo contest.



Source: Author's own elaboration at FNAC Portugal (2024.)

### e) Communication planning

The CRM team was responsible for organizing various communication channels. They followed two types of planning, depending on the specific communication channel. Firstly, the team had a newsletter plan that outlined the newsletters to be sent out during the week. The plan was divided into days, themes/campaigns, and the customer base to be impacted. Additionally, the team also had specific planning for other CRM communication media such as push notifications, app card highlights, and SMS.

During the initial phase of the internship, my responsibilities were limited to sending push notifications and app card highlights. However, after approximately 3 months, I also took on the task of managing the planning for these communications. This entailed planning push notifications, app card highlights, and SMS based on requests from various teams including the Brand team (for brand campaigns), Partnerships and Advertising (to promote specific suppliers), Culture team (for upcoming events), and the CRM team (for exclusive member campaigns, FNAC card partnerships, and contests). Thus, the different slot requests for inclusion in planning were formalized by email and, after analysing the dates of the different campaigns and the communications already included in planning, a date was assigned to the desired campaign.

However, it was essential to keep in mind that although we had several campaigns running simultaneously, it was essential not to overwhelm the client with communication. Therefore, it was often necessary to work with the different teams to manage how to balance the number of

campaigns and communications being sent out with the client's interest in these communications.

### 4.2.3 FNAC Card Partnerships

Since the project to be developed for this internship report was related to the FNAC card partnerships, I learned how the partnerships worked from the start of the internship and was given this responsibility.

My job was to help the partnerships manager. To this end, during the internship I was responsible for maintaining a dialogue with the partners, holding meetings with them, establishing new partnerships, and developing communications to promote them.

Since I was in charge of CRM media (except newsletters), it was my job to send promotional communications to partners regularly, through push notifications and highlights on the FNAC Card app, as shown in Figure 18.

Figure 18. Examples of communications sent about FNAC partnerships (Example of Dig-In).



Source: Author's own elaboration

As such, I needed to be in constant contact with them so that they would approve both the push notifications and the highlights on the app card. Regarding the newsletters, one is sent out once a month dedicated to the FNAC Card, highlighting the benefits of being a member, one of which is partnerships. Therefore, every month I was also responsible for coming up with a creative and different idea for this newsletter, always highlighting partnerships as one of the biggest advantages.

On the other hand, during my internship, I also helped to establish new partnerships. In this process, an initial meeting was held where the two companies introduced themselves and I presented FNAC, its loyalty program, and its existing partnerships. At the end of the meeting, the percentage discount that both parties agreed to offer FNAC card members and the

communication channels that the partner was interested in FNAC promoting was presented. If both parties agree to the conditions presented at the meeting, the partnership is made official by signing a contract with all the conditions previously established.

In addition, one of the first challenges I was given involved creating a proposal to improve the partnership landing page on the FNAC website, as the current page is significantly outdated and no longer reflects FNAC's brand visuals (Annex A). Therefore, during my internship, I carried out in-depth research into other partnership pages, aiming to identify good practices and inspiration that could be applied. One of the suggestions for improving the page was to create a general landing page, presenting the general benefits of partnerships and all the categories available. Currently, when clicking on the FNAC card partnership page, the user is directed directly to the accommodation category, without going through a general landing page (Annex A). In response to this need, I developed this general landing page, as well as specific ones for the other categories (Appendix A and B). On the partnership landing page, new design suggestions were proposed to make the page more attractive and coherent for customers. The page was restructured to highlight all available categories: Travel, Accommodation, Activities, Well-being, Culture and Cinema, Family and Education. In order to improve the interactivity of navigation, when the cursor hovers over each category mosaic, it rotates and displays the advantages that members can obtain by using that category. Finally, a YouTube video from the official FNAC page was inserted at the end of the landing page, presenting all the advantages of having the FNAC Card. As well as highlighting the partnerships, the video also informs members about other benefits they may not be aware of.

Another task I was given was to redesign the FNAC Kids tab, which consisted of partnerships aimed at children to promote quality family time, one of the main purposes of FNAC's partnerships. However, over time, the CRM team realized that the FNAC Kids tab had lost its relevance, as the partnerships presented there were duplicated in other categories, such as "Family" and "Activities". As a result, I was given the task of organizing the partnerships in the FNAC Kids tab and redistributing the partner brands among the other categories, which allowed the tab to be eliminated. After completing this reorganization, it was necessary to enlist the support of the web team to implement the changes, since I didn't have direct access to make them. With the team's collaboration and proper communication of the necessary changes, the FNAC Kids tab was removed, and the partnerships were properly redistributed among the other categories, ensuring that the landing page remained cohesive and organized.

Finally, considering that an effective partner selection process is a crucial factor in the success of a partnership (Kunitzky, 2011; Hall, 2022), I developed a tool for selecting and evaluating new partner brands during my internship. Based on the literature review, Hall (2022) and Kunitzky (2011) proposed two distinct models, each with their own scales for evaluating potential partners. Although both are quite complete, I realized the need to adapt them to make their application more practical and in line with FNAC's day-to-day reality. I therefore created an adapted one that combines the best features of both, focusing on the practicality of use and ease of interpretation (Appendix C). Firstly, as in Hall's model (2022), it is necessary to identify the partner brand to be evaluated, along with the objective that FNAC wants to achieve with this partnership. Then, for each evaluation criterion, “Yes” (Y), “No” (N), or “Not Applicable” (N/A) must be selected and the corresponding score assigned. Once all the criteria have been assessed, the scores are added together to determine the brand's potential, according to the methodology proposed by Kunitzky (2011). Considering the sum of the values as in Kunitzky's model (2011), the partnerships can be assessed as Excellent Potential (between 30 and 23 points); Good Potential (between 22 and 15 points); Moderate Potential (between 14 and 08 points) and Low Potential (between 7 and -30 points). Each of these scores has been assigned a color to facilitate day-to-day interpretation, as in Hall's model (2022), green, yellow, orange and red respectively.

Thus, through this partner evaluation, it is possible to have a more structured and objective approach to the selection of new partner brands. It also ensures that partnerships are aligned with the company's strategic objectives. The adaptation of Hall's (2022) and Kunitzky's (2011) models aimed to create a more practical and easy-to-interpret system, to choose partnerships in a more agile and thoughtful way, something that had not been the case until then. Finally, by including criteria such as brand reputation, geographical presence, and market relevance, the model helps to identify and mitigate the risks of establishing partnerships that are not valuable to FNAC members.

#### **4.2.4 Other Activities/Functions**

##### **b) Management of FNAC Card points**

Since I was part of the Customer Marketing team, I was responsible for the FNAC Card. Every day I had the task of regularizing the points of the customers with the card, considering their purchases from the previous day. The card's points translate into a balance that customers accumulate and can later deduct from their purchases. Therefore, my first task in the morning

was to regularize these FNAC card points so that customers would have their balance updated after making a purchase and presenting their FNAC card.

In addition, whenever there was a campaign in which the customer accumulated more than the usual 1% or 5% provided by holding the FNAC card, it was also my responsibility to parameterize these campaigns in the company's software so that when the customer purchased that particular product, they could automatically enjoy the higher discount.

### **c) Customer retention**

Retaining FNAC Card members was one of the CRM team's main objectives. Therefore, various actions were implemented to increase the retention of these members in the loyalty program. It was therefore my responsibility to execute two functions to achieve this goal: retention campaign and IVR.

The customer retention campaign consisted of a campaign in which, upon payment of the FNAC card trianauty, half of the amount paid is transferred to the FNAC card balance to be deducted from future purchases. This process was carried out every week on Mondays, based on customers who had renewed their card the previous week. In order for this process to take place, the CC (Customer Care) team had to assist, contacting customers to renew their card and continue with their benefits. After contacting the customers, the CC team sent a list of the customers to be loaded, and I proceeded with the loading.

On the other hand, IVR was another technique used to try to retain as many FNAC card members as possible. However, this process, unlike the previous one, was a mechanized process that didn't require the CC team to call the members and was conducted once a month. In this process, a contact list of customers whose card was due to expire that month was sent to a platform. Once the file had been uploaded, the software sent automated calls to customers to remind them that their FNAC card would expire that month. As usual, to confirm that everything was correct, I put my mobile number at the end of the list of contacts sent to the platform to ensure that the list had been run in its entirety and that all the subscribers before me had received the call.

### **d) Customer incidents**

From the start of my internship, I was given the task of managing customer incidents. Consumer incident management involves analyzing customer complaints or problems relating to the FNAC Card (renewals, balance, cash-back, expiration date, cancellations...).

Complaints/problems relating to the FNAC Card were placed in a file by the CC (Customer Care) team, who spoke directly to the customer, and we proceeded to resolve them via the different FNAC Card management platforms.

It was, therefore, necessary to be on top of things on a daily basis, since resolving these problems meant guaranteeing the customer's happiness and ensuring that FNAC was helping its customers. This enabled me to gain a deeper understanding of the customers' needs concerning the card and suggest some improvements to the internal problem-solving processes.

#### **e) Reports and KPI**

Besides sending push notifications, SMS, and app card highlights, it was necessary to report on these actions and the return the brand got from sending them. Therefore, after becoming responsible for sending these communications, I was also responsible for reporting them and analyzing their KPIs.

Whenever one of these communications was sent, it was necessary to fill in the following information in a Report: Campaign start and end date, date sent, copy, link associated with the communication and associated tracking code. It was also necessary to take a screenshot after the communication had been sent and place it in a folder divided by week of the year. This allowed all communications throughout the year to be organized chronologically and with an image.

In addition, approximately one week after the communication had been sent (in order to give the data time to stabilize), I analyzed the KPIs for each communication sent. In particular, for push notifications, I analyzed the number of notifications sent, rebound rate, open rate, re-engagement rate and opt-in rate. For SMS, the tracking code associated with the link was used to analyze how many people clicked, how many made purchases, and the revenue generated. For app card highlights, it was also possible to analyze the revenue generated by the link associated with the communication.

I was also responsible for analyzing the download KPIs for the FNAC card app. As previously mentioned, every Monday an SMS was sent to new FNAC members to introduce the card app. For this reason, it was also essential to analyze how many people downloaded the app each week. So, every Monday for the Focus meeting (mentioned above) I analyzed how many new members had downloaded it.

### **4.3 Problem Contextualization**

FNAC has been facing challenges in managing and optimizing its FNAC Card partnership program. This program, which is crucial for enhancing customer value and fostering loyalty, is somewhat disorganized and lacking in innovation. As a result, restructuring the partnership program has become a top priority for the CRM team to enhance the member experience and maximize the benefits of the card.

One of the main problems identified was that the communication about partnerships has proved ineffective. Many FNAC Card members are unaware of the advantages to which they are entitled. Current communication is limited to a monthly newsletter, a few push notifications, and sporadic highlights on the FNAC Card app, which partners usually request to advertise specific promotions. Therefore, this fragmented and sporadic approach results in low member awareness and engagement with the partner program.

Another critical problem is the lack of feedback from customers on their experiences with partnerships. Without this feedback, FNAC is unable to assess which partnerships are most valued by customers and which need adjusting or even replacing. Therefore, this lack of data prevents effective analysis and informed decision-making, which could optimize the offer of partnerships.

In addition to the lack of feedback from customers, communication with partners is also insufficient. Currently, the interaction with the partners is mainly via email, which is not always efficient. Also, FNAC does not have access to relevant data provided by the partners, such as the number of people benefiting from the partnerships. This gap makes it difficult to assess the effectiveness and value of each partnership, making it impossible for FNAC to make the necessary adjustments to improve the program.

The partnership program has more than 100 partners and often includes small, geographically limited companies. This makes it difficult for members to perceive the value of the program, as many of these companies are not widely known. This, lack of renowned partners or national/international reach, culminates in the reduction of the program's attractiveness, affecting customers' perception of value.

Another issue is the fact that the partnership program has been stagnant, without many additions of new partners or innovative marketing initiatives. Communication remains the same, with no

introduction of new channels or formats that can attract and engage members more. For this reason, this lack of dynamism and innovation can be the reason why the program doesn't evolve with customers' needs and expectations.

Therefore, to overcome these challenges, it is essential that FNAC understands what really makes a difference in the lives of its consumers. Identifying the brands, partnership categories and communication channels most valued by members is crucial since it will allow FNAC to shape its partnership program according to its customers' interests.

## **CHAPTER 5: METHODOLOGY**

### **5.1 Research Relevance and Research Question**

As exposed in the Literature Review, loyalty program partnerships are a strategy companies can use to increase their customer's loyalty and willingness to participate in their loyalty program (Lemon & Wangenheim, 2009; Tian & He, 2016; Dawkhar, 2016). In addition, according to the study by Shirai (2022), consumers perceive partnership loyalty programs to be more valuable than single-brand loyalty programs. It is, therefore, vital to understand the preferences of loyalty program members regarding partnerships and the use of effective marketing and communication strategies to increase awareness and engagement of these partnerships among the brand's customers. Thus, as argued by Shirai (2022) by studying consumer preferences about partnerships in a loyalty program, it is possible to understand their perceptions about partnerships and how to improve them.

However, there has been limited research on partnership loyalty programs. Therefore, addressing this gap is important by exploring strategies to optimize these programs. This includes understanding consumer preferences regarding the partnership program itself, and the most effective ways to communicate them - the two central topics of the present study.

In addition, most of the studies on partnerships in loyalty programs highlight how companies can use these to their favor to increase the customer's loyalty (Yoo, 2006; Tian & Qin, 2016; Berman, 2006; Lemon & Wangenheim, 2009), reinforcing the relevance of more in-depth research on this subject, looking at the strategies that can be used to achieve this.

Hence, the research question that guides this study is:

*How can the incorporation of customer preferences and the use of optimized marketing strategies improve FNAC's loyalty partnership program?*

Partnerships can become even more valuable when companies integrate their customers' preferences into their strategies. This can increase the utilization of loyalty programs and make it much easier to retain customers. However, there is potentially an endless number of strategies that can be used for this purpose. Therefore, this internship report aims to identify the best marketing and partnership structuring strategies to enhance engagement within FNAC's loyalty program partnerships.

## **5.2 Objectives of the study**

After identifying the research question, considered the most crucial step in a study (O'Leary, 2018), since it defines the investigation, it is important to outline the research objectives linked to this investigation. Therefore, in line with the research question, the overall objectives of this Internship Report are:

1. To identify and analyze the preferences of FNAC members regarding Loyalty Program Partnerships

As the study focuses on loyalty program partnerships, it is crucial to understand the preferences of FNAC members for this program. Thus, this objective was defined as the main goal of the present study as it provides relevant insight into the needs and expectations of customers regarding FNAC's partnership program. This involves exploring various dimensions of members' preferences, including the categories of partners that interest them most, the partner brands they find most attractive, the preferred communication channels for receiving information about the partnerships, and the types of rewards they value the most. By understanding these preferences FNAC can adjust its partnerships to provide greater value and relevance to its members, resulting in a more effective and attractive loyalty program. Furthermore, by analyzing these preferences, it is possible to identify partnership opportunities that better align with customers' interests and lifestyles, promoting greater engagement and loyalty to the brand.

2. To investigate the best partnership strategies used by other companies to increase members' engagement with the program.

This objective is crucial to identify effective and innovative practices that FNAC can adopt and implement in its partnership program. This analysis focuses on the communication strategies, partnership categories, and partnership landing pages of reputable companies in the Portuguese market, allowing FNAC to draw conclusions about best practices and apply this knowledge to strengthen its partnership program.

3. To understand the perceived value of the FNAC partnerships for the loyalty program members

Lastly, this objective allows FNAC to identify which partnerships are most valued by members and why, providing critical insights into how these partnerships impact customer satisfaction and loyalty. This understanding can help FNAC prioritize and strengthen partnerships that offer significant tangible and intangible benefits to members and adjust or replace those that don't add as much value. Thus, this objective is essential for optimizing FNAC's loyalty program, ensuring that it is aligned with customers' expectations and needs, and consequently promoting stronger engagement and longer-lasting loyalty.

4. To understand the communication preferences of FNAC members regarding the partnership program

This objective aims to provide valuable insights for developing more targeted communication and marketing strategies, ensuring that information about partnerships reaches customers through the channels they prefer and in a way that is most impactful for them. By understanding these preferences, it will be possible to increase member engagement and awareness of the program, since by matching their preferences, they will have more information about the partnerships and how they can benefit from them.

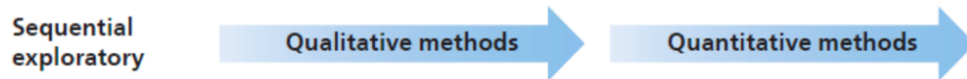
5. To propose practical guidelines to strengthen existing partnerships and expand the scope of the FNAC loyalty program partnerships

This objective aims not only to maximize the value of already established partnerships but also to identify new opportunities for collaboration that can enrich the experience of the program's members. By following some strategic guidelines, FNAC can better align its partnerships with organizational objectives, customer preferences, and market trends. This will not only strengthen the loyalty of existing customers but also attract new members to the program. In addition, by expanding the scope of the loyalty program, FNAC can diversify its partnership offers, becoming even more relevant and competitive in the retail market.

### 5.3 Methodological Choices and Research Design

The methodology chosen for this research was a sequential exploratory mixed-method approach (Figure 19). According to Tavares (2023, p. 23), by implementing this approach it is possible to “explore first to try to generalize later”.

Figure 19. Research design with Mixed Methods.




Source: Saunders et al. (2020) retrieved from Tavares (2023, p. 23)

The sequential exploratory strategy “involves a first phase of qualitative data collection and analysis, followed by a second phase of quantitative data collection and analysis that builds on the results of the first qualitative phase” (Creswell, 2009, p. 195). In this way, it was possible to collect qualitative data first, allowing support for the development of the quantitative method. The reasoning for gathering both types of data is that it “provides an expanded understanding of research problems” (Creswell, 2009, p. 203).

In the case of the present study, qualitative data is mainly collected to analyze and understand the best strategies related to partnerships used by other brands in the Portuguese market to understand some key points that FNAC could improve in its partnership loyalty program. Additionally, by analyzing the qualitative data obtained, it was possible to help develop the quantitative methods. On the other hand, the collection of quantitative data is also indispensable in the development of the study to achieve the project's practical objectives.

Furthermore, since the quantitative part of the research is conducted after the qualitative part, the findings from the direct observation and benchmarking (Phase 1) help shape the questionnaire (Phase 2). Table 1 outlines the reasoning behind the chosen research design, establishing the connection between the data collection methods and the primary research objectives they were intended to achieve.

Table 1. The Empirical Study: Phases and Research Goals

 <p>Improving FNAC's loyalty program through strategic partnerships: Incorporating customer preferences and optimizing marketing strategies</p>	<p><u>Phase 1</u> <b>Qualitative component</b> Benchmarking Direct Observation</p>	<ul style="list-style-type: none"> <li>• To investigate the best partnership strategies used by other companies to increase members' engagement with the program.</li> <li>• To propose practical guidelines to strengthen existing partnerships and expand the scope of the FNAC loyalty program partnerships.</li> </ul>
	<p><u>Phase 2</u> <b>Quantitative component</b> Questionnaire</p>	<ul style="list-style-type: none"> <li>• To identify and analyze the preferences of FNAC members regarding Loyalty Program Partnerships.</li> <li>• To propose practical guidelines to strengthen existing partnerships and expand the scope of the FNAC loyalty program partnerships.</li> <li>• To understand the communication preferences of FNAC members regarding the partnership program.</li> </ul>

### 5.3.1 Exploratory data

#### **Direct Observation**

During my internship, I had the opportunity to be physically present at the company that is the subject of this report. Direct observation played a significant role in meeting the research

objectives and hypotheses. This method allowed capturing behaviors, actions, and social interactions as they occurred and helped to understand their potential causes and consequences. Additionally, it helped to determine the contexts and spaces in which certain situations occurred. As this research is based on my internship experience, the observation method used was participant observation, involving direct and prolonged contact (Poulson et al., 1996). This method is relevant for complementing and supporting other research methods due to its unique characteristics (Quivy & Campenhoudt, 1995).

In the context of my research, I assumed the role of an active observer. This meant that I actively engaged with and participated in the environment and activities being observed. By integrating myself into the setting, I aimed to gather more detailed data that would not have been possible without this level of immersion. This approach was made possible through my internship at the company.

In this method, information was collected and analyzed to gain a more detailed understanding of the phenomenon being studied. Quivy and Campenhoudt (1995) suggest that data analysis can involve using documents, files, images, graphs, laws, publications, or tables. In this investigation, the objective was to collect internal data on the FNAC Card partnership program to comprehend its challenges, potential for enhancement, and possible applicable techniques.

Moreover, this method proved to be relevant to the present study because it enabled a better understanding of the processes carried out by the team to ensure that the partnership program was operational, namely participation in meetings with partners and potential partners and the communication methods used. Therefore, using this method was highly relevant as it provided a better understanding of the FNAC partnership program, and helped analyze viable options for improving the client marketing team and gather opinions from the team, contributing to the project's development.

### **Benchmarking**

Another qualitative exploratory data used in this study was the benchmarking. According to (Stapenhurst, 2009, p. 3), benchmarking can be defined as a “wide variety of activities that organizations undertake to compare their performance levels with others and/or identify, adapt, and adopt practices that they believe will improve their performance”. Furthermore, according to the author, there are several reasons why companies should consider developing a benchmark when aiming to improve internal processes, namely, it is a part of an improvement culture of a

company, it is a short-cut to the improvement process, is a driver for improvement, it is useful to solve problems, to justify a proposal and to target a competitor's weak points (Stapenhurst, 2009).

Thus, according to the author, different methods can be used to develop a benchmark. In the specific case of this study, the public domain method was used. "In public domain benchmarking, the benchmarker collects data from public sources, analyses it, and provides a report" (Stapenhurst, 2009, p. 20). In this study, a Benchmarking was conducted to analyze the strategies used by other top brands in their partnership programs in Portugal. The data was analyzed on the brands' websites, their social media (Instagram, Facebook, and TikTok), and their customers' feedback. The companies selected were those operating in Portugal, as it was more effective for the analysis to compare strategies that have already been implemented for the Portuguese public and have been successful.

### 5.3.2 Primary data

#### **Data Collection Instruments and Procedures**

The questionnaire is a method that uses a series of questions to gather quantitative data about people's opinions, behaviors, and attitudes toward social issues or phenomena. By coding the responses, the questionnaire can be answered by a large number of people, providing valuable insights into the studied population (Santos, 2021).

Therefore, Phase 2 of the research included an online self-administered questionnaire (Tavares, 2023; Creswell, 2009), and the study was cross-sectional since the data was collected at one point in time and the sample only participated once in the research, in this case in the survey (Creswell, 2009).

Once the survey was carefully designed to minimize interpretation errors, a pilot test was conducted. The goal was to ensure that all the questions were understood and answered as intended by the participants and also to validate the methodology. After receiving 10 responses to the survey and analyzing the feedback, adjustments were made to the structure and questions to achieve the desired final format. The completed survey was then distributed to the participants in digital form.

The questionnaire was distributed through a newsletter to all FNAC loyalty program members. As of June 2024, FNAC had around 700.000 members in their database. Despite the newsletter

being sent to all members, the response rate was only 0.0063%, yielding only 44 valid responses to the questionnaire. It was necessary to use alternative data collection techniques, such as posting the questionnaire on social media platforms like Instagram, LinkedIn, and Facebook groups, to access a more representative sample of the population. In addition, a highlight was also placed on the FNAC Card app, and a push notification was sent asking people to fill in the survey.

Given the characteristics of the questionnaire survey, this was the best technique for obtaining a large number of responses to the same questions, making it easier to analyze and draw group conclusions. This study aims to achieve a numerical representation, of a significant measure, that can be generalized. The questionnaire was available and active for 1 month and 7 days, from June 20 to July 27, 2024. In the end, 682 responses were obtained.

The questionnaire was divided into six sections: (1) Members' experience with FNAC (2) Awareness of current FNAC Card partnerships, (3) Communication of FNAC Card partnerships, (4) Improvement of FNAC Card partnerships, (5) Members' perceived value of FNAC Card partnerships, and (6) Demographic information. This data collection method aimed to review the experience of members with the FNAC card (questions 2-4) to later gather feedback from FNAC members and understand the level of awareness members have about FNAC Card partnerships (questions 5-13), their communication preferences for receiving information about the partnerships (questions 14-20), strategies to improve the partnership program and bring more value to members (questions 21-29), the current value FNAC members place on their partnerships (questions 30-32), and their demographic information (33-36). Some of the questions were also designed to gauge the satisfaction level of FNAC members with current partnerships and to find out what changes they would like to see in the program (questions 12, 13, 21, 22, 23, 24, 25, 26, 30, 31, 32).

The questionnaire was designed with three different paths that members could take, depending on their experience with the FNAC Card partnership program. Questions 1-4 were common to all participants. Path number 1 was designed for people who are not aware of FNAC's partnership program, i.e. those who answered "No" to question 5. Path number 2 was designed for people who have never benefited from the partner program (those who answered "No" to question 6). Finally, path number 3 was designed for people who are aware of the partnerships and have already benefited from them (those who answered "Yes" to questions 5 and 6). Thus, those who answered yes to these two questions were the participants who answered all the

questions in the questionnaire, since it wouldn't make sense to question the other participants who are not aware of or have never taken advantage of certain topics related to the partnerships.

The questionnaire was developed in Qualtrics and was only directed at people who were already FNAC Members (FNAC Card holders) since the study is specifically aimed at the members' perception of FNAC's partnership program. In addition, the questionnaire was also developed based on some questions that would be relevant to the organization, the literature review, and the findings of the qualitative component of the study. Special attention was paid to engagement with the partnership program, since its improvement was one of the main challenges of this project in the company. However, several others were also considered, such as satisfaction (Raeisi, 2017), awareness (Kunitzky, 2011), rewards (Dowling & Uncles, 1997), and feedback (Service Fusion's, 2021). When it comes to exploring members' preferences regarding the partnerships' communication, the focus was on the preferred channels and content (Vadhrya, 2020; Shirai, 2022).

To better evaluate and draw conclusions, the questionnaire included closed-ended questions (multiple choice, NPS, and Likert-scale questions) and a few open-ended questions to allow additional comments when necessary for a deeper understanding.

Data analysis was conducted using Qualtrics' generated graphics and Excel. Excel was used as a data processing tool, where invalid answers were excluded and the remaining answers to the questionnaire were analyzed. This platform was also handy for crossing data from different questions, in particular to understand whether certain demographic data (age) influences the communication preferences of FNAC partnerships. Moreover, responses to open-ended questions required content analysis so that they could be aggregated into themes (coded) to facilitate interpretation.

In addition, "the researcher has an obligation to respect the rights, needs, values, and desires of the informant(s)" (Creswell, 2009, p. 183). For this reason, this research considered ethical concerns, particularly regarding the quantitative part of the study. Complete anonymity was ensured for all participants who completed the questionnaire by not requesting certain biographical and demographic information, such as their names or contact details. Also, an informed consent form was included at the beginning of the questionnaire. The form provided information about the purpose of the study and included the researcher's contact details. This

way, participants were required to accept the informed consent before proceeding to the questionnaire. If this didn't happen, they were directed to the end of the questionnaire.

### **Sampling**

“Quantitative data often involve random sampling, so that each individual has an equal probability of being selected, and the sample can be generalized to the larger population.” (Creswell, 2009, p. 199). Thus, in this study, from a population size of around 700.000 FNAC members, it was possible to achieve 682 answers. Incomplete questionnaires were also eliminated to obtain the most rigorous sample, reaching a total of 630 valid responses. Considering a confidence level of 95% and a margin of error of 5%, 384 answers were required for the results to be statistically significant.

$$n = \frac{z^2 \times \hat{p}(1-\hat{p})}{\epsilon^2}$$
$$n = \frac{1.96^2 \times 0.5(1-0.5)}{0.05^2} = 384.16$$

*Note: z - z score;  $\epsilon$  - margin of error; N - population size (700.000);  $\hat{p}$  - population proportion (0,5 is used when no prior knowledge about the population proportion is known); n – sample size (384)*

Due to the division of the questionnaire by path, there is a different distribution of the sample according to their experience with the FNAC Card partnership program. Considering only the 630 valid responses, the distribution of the sample is as follows: Path number 1 with 272 participants; Path number 2 with 182 participants; and Path number 3 with 176 participants.

With the 630 valid responses to the questionnaire, it was possible to achieve a low margin of error - 3.9% - for a 95% confidence level. Additionally, the combination of the quantitative and qualitative components of this study ensured that representative conclusions could be drawn to improve the FNAC Card partnership program.

In this study, the sample was composed of men and women aged 18 to over 65 who were members of the FNAC Card. This included the four generations - Generation Z, Generation Y, Generation X, and Baby Boomers.

## **CHAPTER 6: RESULTS PRESENTATION**

### **6.1 Analysis of Exploratory Data**

#### **6.1.1 Direct Observation**

In the direct observation method, I used my experience during the internship to observe and critically evaluate the processes and practices related to FNAC's partnership program. This analysis involved several stages.

Firstly, I analyzed the landing page dedicated to FNAC partnerships. I found that the page was not in line with the brand's updated visuals and the FNAC brand book, identifying the need to make changes to improve its appearance and effectiveness.

During my internship, I also observed a significant lack of communication with partners. I realized that some partners are so old that FNAC is no longer sure if the partnership is still active, which has resulted in problematic situations such as customers complaining about trying to use partnerships that are no longer valid. This lack of ongoing communication highlights the need to establish more active and regular relationship management with partners, ensuring that all partnerships are consistently monitored and updated to avoid setbacks. In addition, this problem also arises from another that I have identified. I realized that FNAC does not have a Partnership Management Platform to monitor and evaluate the results of its partnerships. The absence of such a tool limits the ability to identify which partnerships are working well or poorly, making it difficult to make informed decisions about which partners to keep or dismiss, and which are generating the most value for FNAC members. This gap in the management infrastructure underlines the importance of implementing a solution that allows FNAC to optimize its partnership program more effectively.

Also related to the same topic, it was possible to observe that FNAC does not have a structured segmentation for its partnerships, although it already applies a segmentation to its customers. The company distinguishes the most valuable customers from those who generate less value, but this same principle is not used in the partnership program. The absence of specific segmentation for partnerships can represent a missed opportunity for FNAC, since not all partnerships have the same impact or strategic importance for the company.

Additionally, when planning communications and interacting with partners, I realized that communications were predominantly directed at the best-known partner brands, such as

Booking, Repsol, and Dig-In. This practice revealed that it was not feasible for FNAC to continue with more than 100 partners and carry out effective communications for all of them. This situation highlighted the need to rationalize the number of partnerships to ensure that communications are more focused and impactful.

I also analyzed the push notification reports sent by the FNAC card app to understand which types of communication generated the most clicks and visits to the partnership page. This analysis revealed that the most effective communications were those involving widely recognized partners with a national presence, as well as featuring the discount percentage in the first few words of the copy. This understanding was crucial to adjusting the communication strategy and maximizing the impact of the marketing campaigns.

Finally, I participated in the task of analyzing and identifying potential new partners. Based on existing partnerships and the interests of FNAC members, which include areas such as culture and cinema, I identified partners who could meet these criteria. Through this analysis, I drew up a list of potential partners with a wide geographical presence, which I considered relevant for future collaborations.

This data analysis through direct observation allowed me to gain valuable insights into FNAC's internal processes and identify specific areas for improvement, thus contributing to the enhancement of the partnership program.

### 6.1.2 Benchmarking

The objective of this method is to help FNAC identify areas for improvement in the loyalty partnership program. Therefore, different companies operating in the Portuguese market with partnership programs considered to be highly effective by both me and the FNAC partnership manager were chosen and analyzed. The companies analyzed in this benchmark were MbWay, Revolut, WTF (mobile service), ACP, and Continente. All these companies have in common a partnership program for their members which offers them advantages for being part of their loyalty program.

After selecting the companies, a series of variables considered relevant to the study and the final project were compared, namely:

- Communication strategies used to increase awareness and engagement;
- Reward system used;

- Duration of the partnerships (seasonal or permanent);
- Type of brands they partner with;

In relation to the first issue identified, FNAC currently uses only push notifications, highlights in the Card App, and newsletters as the communication channels to advertise its partnership program. These are the communication channels available to FNAC's CRM team. However, after analyzing various companies, it was concluded that these companies utilize a much wider range of channels, particularly social media, to promote their partnerships. According to (Faisal & Ekawanto, 2022, p. 200), “social media marketing has a significant positive effect on brand awareness, meaning that the higher marketing activities carried out through social media will increase consumer awareness”.

The analysis revealed that all the compared companies utilize their social media platforms, as well as other communication strategies, to promote partnerships. ACP's strategy primarily focuses on Instagram posts and stories. Meanwhile, WTF's communication strategy includes Instagram and TikTok posts and stories, YouTube advertising videos, and push notifications and SMS marketing. MBWay also uses push notifications and In-app promotions for partnerships, along with regular Instagram posts. Revolut relies on interactive Instagram videos and uses push notifications and newsletters. Lastly, Continente uses paper leaflets, website banners, SMS, App push notifications, and Instagram posts to promote its partnership program. Hence, based on the benchmark analysis, the recommendation for addressing this issue would be to invest in a wider variety of communication channels, especially focusing on FNAC's social media. However, in order to determine which communication channels would be most effective for FNAC members, it will be essential to conduct a survey. Finally, one of the strategies used by most of these brands to increase their audience's engagement with the partnership program is the possibility for them to leave feedback after using a partnership. Thus, other customers can consult these reviews, and this can increase their confidence in using them. However, this is not the case at FNAC, and therefore it was an issue that was considered when developing the questionnaire to understand whether or not it would be a beneficial strategy for the brand's members.

Regarding the rewards systems used, it was possible to conclude that most of the companies analyzed use direct discounts in combination with the accumulation of card points, except for Revolut, which only applies discounts based on cashback dynamics. FNAC currently uses direct discounts in most of its partnerships, while Repsol is the only partner brand that combines

direct discounts and card points accumulation. However, it is interesting to analyze which type of reward system FNAC members value the most, and for this reason, this is a topic that will be investigated in the questionnaire in order to arrive at a more conclusive answer.

Concerning the third problem identified, although FNAC has plenty of partner brands, they have remained the same for a long time. There was no recurring updating of partnerships to evaluate their effectiveness or to monitor them. Therefore, when comparing with the selected companies, it was possible to analyze that they relied on fixed partnerships, but also on seasonal ones, i.e., partnerships with brands considering the most appropriate time of year. Thus, the questionnaire will also assess whether this would be an important strategy for FNAC to implement, considering the preferences of their Card members.

FNAC has more than 100 partner brands for FNAC Card members. However, one of the problems identified was that the vast majority of these partners are small companies specifically located in a certain area of the country. Thus, it was possible to analyze that these companies ultimately brought no value to the members, as they didn't necessarily know the brands. Therefore, it was possible to compare with the other brands that were relying on larger companies present online or throughout the country in order to maximize the number of people who can benefit from these partnerships. In the case of ACP, it partners with brands such as Disney+, Hertz and Goldenergy. WTF has established partnerships with brands such as Uber, Uber Eats, Adidas and Taco Bell. MBWay has partnerships with brands such as Bolt Food, FlixBus or Cafés Jeronymo. Revolut, on the other hand, has a more complex partnership system in which members can book holidays, dinners or other activities directly with the brand and its associated partners via its website. It has partner brands such as Amazon, Nike, Dyson and New Balance. As for Continente, it has partnerships with mainly restaurant brands such as Pizza Hut, KFC and companies such as Galp. Therefore, based on the benchmarking, it is essential for FNAC to start forming partnerships with well-known larger brands. A questionnaire will be conducted to determine which brands FNAC members value most and are more relevant in the partnership program.

The chosen benchmarking was a highly relevant methodological choice for this study as it provided insight into the strategies employed by various companies with successful partnership programs. It was a crucial initial step in the project's development, offering a more in-depth understanding of partnership programs, some strategies to be implemented, and the necessary

improvements for FNAC's program. Appendix D summarizes the findings of the benchmarking develop.

### 6.2 Analysis of primary data

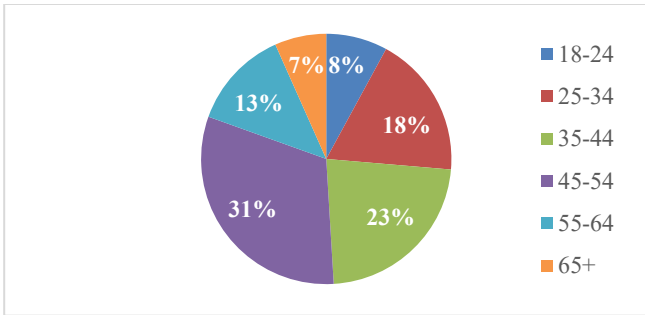
After presenting the findings of Phase 1 of this study, the primary data is displayed. This data will showcase FNAC's members' perceptions of the company's partnership program, their engagement with these partnerships, and their needs and preferences regarding communication on this topic.

#### Sample description

Biographic and demographic data were collected through the last section of the questionnaire – “Demographic information” –, corresponding to questions 33 to 36. These four questions collected data concerning participants’ age, gender, work status and level of education. Appendix E summarizes this information for the 630 participants.

Concerning the age of the participants (Figure 20), this reveals a varied sample in terms of age, with a distribution that spans several generations. The majority of respondents belong to the 45-54 age group (Generation X), representing 198 participants (31%), followed by the 35-44 age group (Millennials) with 143 participants (23%) and the 25-34 age group (Millennials) with 116 participants (18%). The 55-64 (Boomers II) and 18-24 age groups (Generation Z) include 81 (13%) and 50 (8%) participants respectively, while the 65+ age (Boomers I) group has 42 participants (7%). Even though the sample is diverse in terms of age, there is a predominance of Baby Boomers and Generation X.

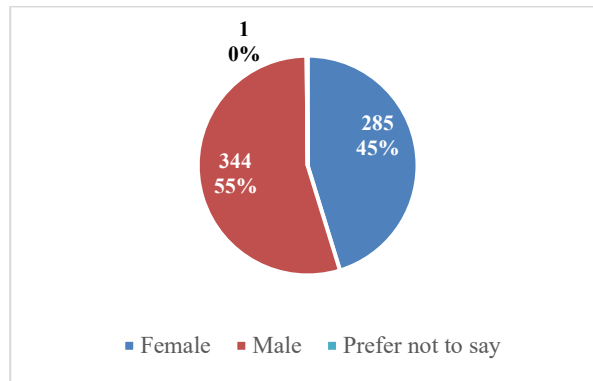
Figure 20. Age.



Source: Author's own elaboration.

Regarding the gender of the participants (Figure 21), there is a slight male predominance. Of the 630 respondents, 344 were male (55%), while 285 were female (45%). Only one participant chose not to state their gender, representing an insignificant fraction (0.2%) of the total.

Figure 21. Gender.



Source: Author's own elaboration.

By analyzing the participants' education level, it is possible to conclude that this is a diverse sample with a predominantly high level of education. Among the 630 respondents, the majority have a higher education degree. Specifically, 260 participants (41%) have a bachelor's degree, 130 (21%) have a master's degree and 68 (11%) have a postgraduate degree. In addition, 26 participants (4%) have a doctorate. In contrast, fewer participants reported lower levels of education. Only 143 participants (23%) have completed high school and 3 participants (0.5%) have only primary education.

Regarding the work status of FNAC Card members, a significant majority of participants are employed. Of the 630 respondents, 461 participants (73%) have a job, indicating that most members have a stable source of income. In addition, 71 participants (11%) are self-employed, and other groups include 49 participants (8%) who are retired. Students account for 31 participants (5%) and 18 participants (3%) are unemployed, reflecting a minority within the sample.

## Results

Now that the sample has been described, it is possible to analyze the responses to the five other sections of the questionnaire: “Members' experience with FNAC”, “Awareness of current FNAC Card partnerships”, “Communication of FNAC Card partnerships”, “Improvement of FNAC Card partnerships”, and “Members' perceived value of FNAC Card partnerships”.

### **Members' experience with FNAC**

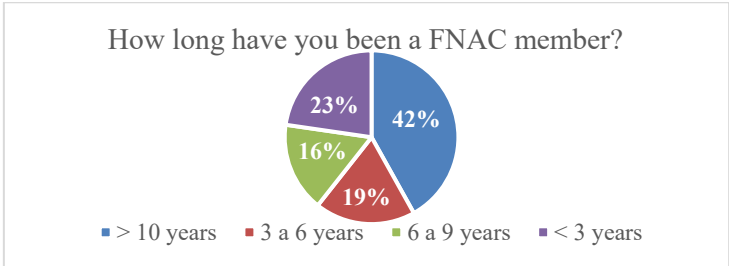
The main objective of this section is to understand the experience that FNAC members have with the brand, i.e. whether they are active members, whether they are dormant, in order to later

establish relationships with other questions in the questionnaire to reach more in-depth and valuable conclusions for the brand and for this study.

The first question of this section aimed to understand how long the sample has been a FNAC member (Figure 22). The main purpose of this question was to possibly relate to different questions in the questionnaire, mainly to understand which members, based on their time of membership, are most familiar with the program and to understand the changes that need to be implemented.

The majority of respondents, totaling 264 participants (42%), have been associated with FNAC for more than 10 years, which indicates that most members are FNAC’s loyal and long-term customers. Participants who have been with FNAC for less than 3 years represent 143 (23%). The intermediate groups include 118 participants (19%) who have been associated with FNAC for between 3 and 6 years, and 105 participants (16%) who have been members for between 6 and 9 years.

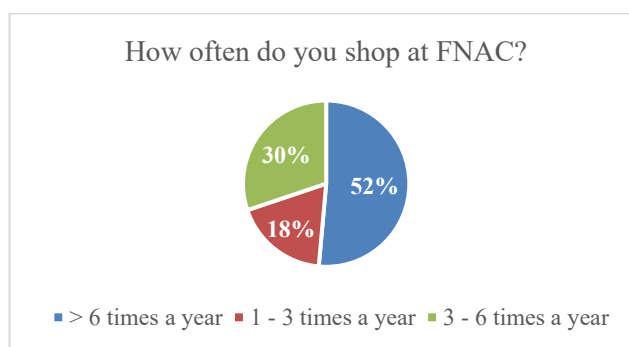
Figure 22. Question 2.



Source: Author's own elaboration

The next question concerns how often these members shop at FNAC (Figure 23). By analyzing it, it was possible to conclude that the majority of respondents, totaling 324 participants (53%), shop at FNAC more than 6 times a year. Members who shop between 3 and 6 times a year total 190 (31%), indicates that there is a significant group of customers with a moderate shopping frequency. Finally, 116 participants (19%) reported shopping at FNAC between 1 and 3 times a year. Although this group includes the brand's least frequent customers, it shows that they are still engaged enough to maintain their membership with FNAC.

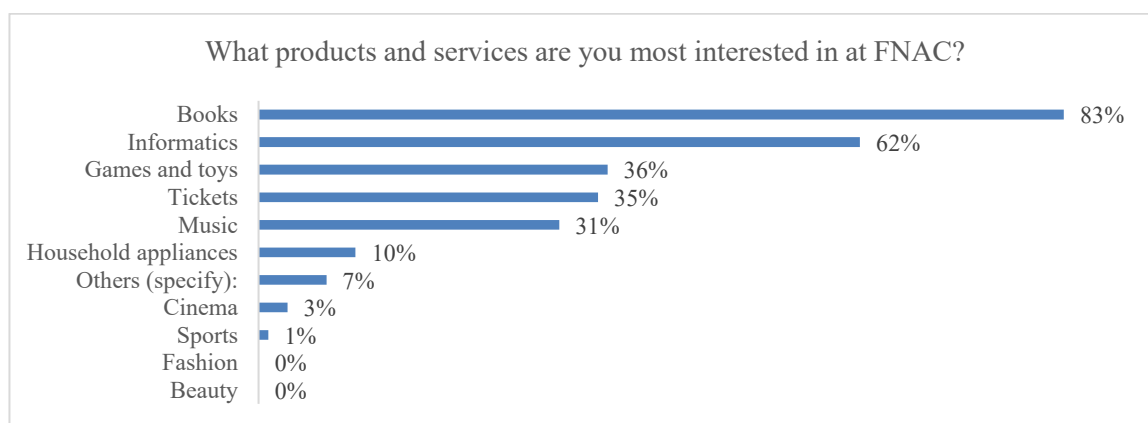
Figure 23. Question 3.



Source: Author's own elaboration

Finally in this section, question 4 (Figure 24) reveals that the books category is the most popular among members, with 532 participants (83%), followed by Informatics with 399 participants (62%). Other categories with significant interest include Games and toys and Tickets, each with 230 (36%) and 227 (35%) participants respectively. Music is also a relevant category, with 198 participants (31%); Household appliances interest 67 participants (10%), while Cinema attracts 20 participants (3%). The Sports and Fashion categories show the least interest, with only 6 (1%) and 1 (0%) participants respectively. The "Others" category was specified by 44 participants (7%), with varied interests such as Gaming (10), Photography (9), School supplies and stationery (8), among others. Therefore, the results show that literary and technological products are the most sought after by FNAC Card members, followed by entertainment items such as games, toys, and event tickets.

Figure 24. Question 4.



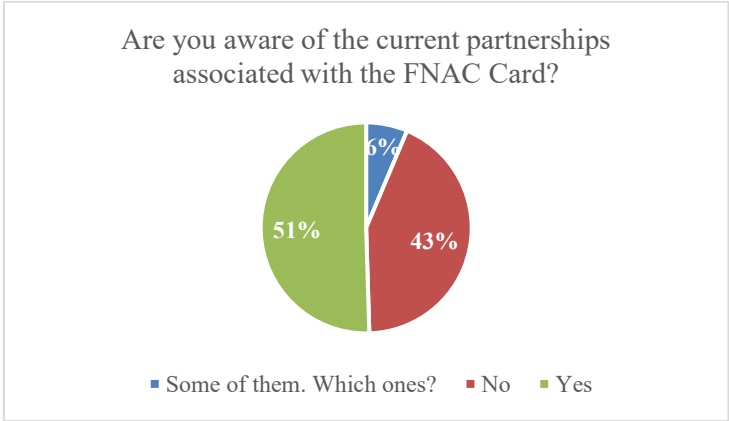
Source: Author's own elaboration

### **Awareness of current FNAC Card partnerships**

The first question in this section aimed to determine how many members of the sample are aware of the FNAC Card partnerships (Figure 25). This question had a dual purpose. On the

one hand, it gave a first impression of how FNAC is informing its members about its partnerships. On the other hand, through this question, it was possible to exclude members who are not aware of the partnerships from the other questions in this section and direct them to a different path in the questionnaire (path 1), since if they are not aware of the partnerships, they cannot be engaged in them. 318 (51%) are aware of the FNAC card partners. In contrast, 272 respondents (43%) are not informed about the partnerships network. A smaller group of 40 respondents (6%) have partial knowledge, indicating that they are aware of some but not all of the partners. Among those who were partially aware, the most recalled brands were Repsol (20 mentions), Booking (6 mentions), Lisbon Zoo (4 mentions), and AquaShow, DinoParque and Planetário, each with 1 mention.

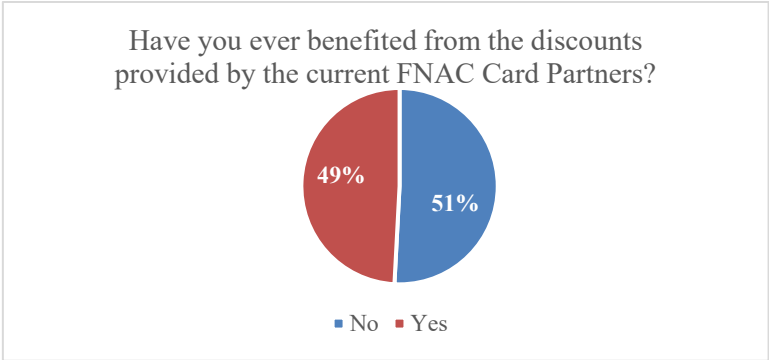
Figure 25. Question 5.



Source: Author's own elaboration

After filtering out the members who are aware (358 out of 630), the second question in this section aimed to identify the members who were aware of the FNAC partnerships, and whether or not they had already used them (Figure 26). Of the 358 respondents to this question, 176 (49%) said they had benefited from the discounts offered by the FNAC Card partnership network, while 182 (51%) said they had never used these benefits.

Figure 26. Question 6.



Source: Author's own elaboration

By analyzing questions 5 ("Are you aware of the current network of FNAC Card partners?") and 6 ("Have you ever taken advantage of the discounts provided by the current network of FNAC Card partners?") it is possible to draw some significant conclusions about the knowledge and use of FNAC Card partnerships among the respondents (Table 2).

Firstly, 43.17% of respondents (a total of 630) indicated that they were not aware of the partnerships (scenario A). On the other hand, 56.83% said they were aware of them (scenario B). This shows that, although the majority of respondents are aware of the partnerships, a substantial proportion are still not informed about the benefits available.

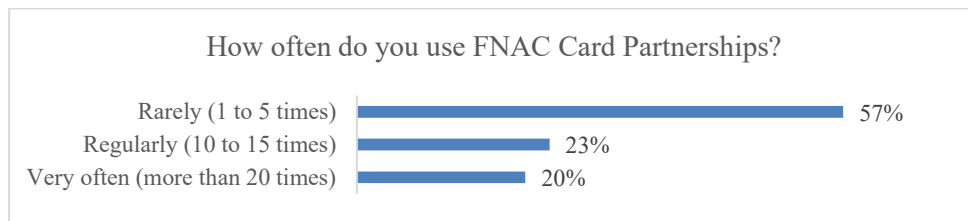
In addition, only 28.89% of respondents who are aware have used the advantages of the FNAC Card partnerships (scenario B.1). This means that almost half of the respondents (43.17%) are unaware of the partnerships (scenario A) and 72.06% of respondents do not take advantage of the partnerships, whether they know about them or not (scenario A + scenario B1). In other words, the overwhelming majority of the sample does not use the partnerships, even if they are aware of them. And only 27.94% of members are aware of the partnership program and use it (scenario B.2).

Table 2. Analysis of question 5 and 6

SCENARIOS	SAMPLE	REPRESENTATION	PERCENTAGE OF THE TOTAL
A	272	People who are not aware of FNAC Card Partnerships	43,17%
B	358	People who are aware of FNAC Card Partnerships	56,83%
B.1	182	People who are aware of FNAC Card Partnerships but don't use them	28,89%
B.2	176	People who are aware of FNAC Card Partnerships and use them	27,94%

The following question aimed to understand how often members use the partnership program (Figure 27). For this reason, this question was only shown to participants who were aware of the FNAC partnerships and had already used them, i.e., who answered “yes” to questions 5 and 6. The majority of the 176 respondents rarely use the partnerships offered by the FNAC Card. Specifically, 101 participants (57%) indicated that they only use the partnerships between 1 and 5 times a year. A smaller number of participants, 40 (23%), reported using the partnerships regularly, between 10 and 15 times. On the other hand, only 35 participants (20%) said that they use partnerships very often, i.e. more than 20 times a year. Although there is knowledge about the partnerships, the frequency of use is relatively low for the majority of members.

Figure 27. Question 7.

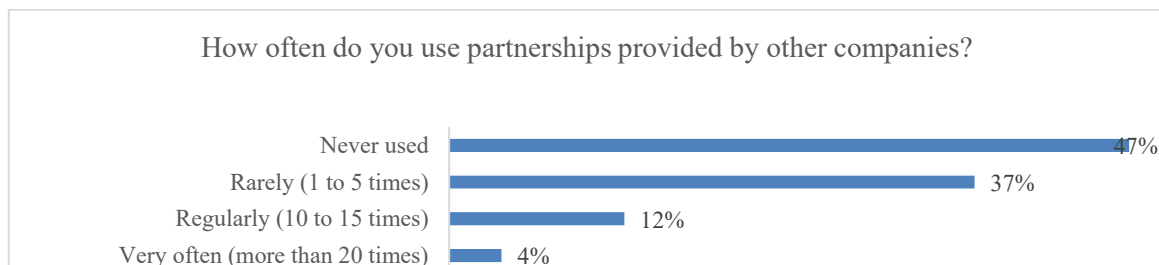


Source: Author's own elaboration

The next item aims to understand the frequency of partnerships provided by other companies compared to the use of FNAC partnerships (Figure 28). This is in order to determine whether the lack of use is due to a need for improvement in the brand's partnership program or if it's a tendency among the members not to utilize them.

This question shows that the vast majority of respondents never use partnerships provided by other companies. Specifically, 299 participants (47%) indicated that they never use partnerships offered by other companies, 231 participants (37%) reported that they rarely use these partnerships (between 1 and 5 times). Only 77 participants (12%) stated that they use partnerships from other companies regularly (between 10 and 15 times), and an even smaller number, 23 participants (4%), indicated that they use partnerships very habitually (more than 20 times).

Figure 28. Question 8.



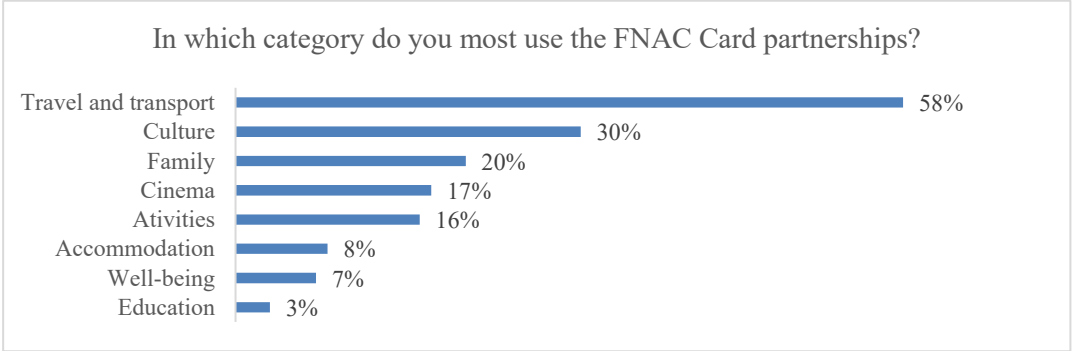
Source: Author's own elaboration

Comparing this data with the previous question, it can be seen that the use of FNAC Card partnerships is slightly more frequent, with 35 participants (20%) using FNAC partnerships more than 20 times, compared to only 23 participants (4%) who do the same with partnerships from other companies. However, the proportion of respondents who rarely use the partnerships is similar for both questions (57% for FNAC and 37% for other companies).

The next question in this section aims to understand which category of partnership is most used by FNAC card members (Figure 29). The data shows that the most popular category is Travel and transport, with 58% of participants (104 mentions) selecting it. This is followed by Culture,

which was chosen by 30% of participants (54 mentions). The Family category also stood out, with 20% of respondents (36 mentions). The categories Cinema (17%, 30 mentions) and Activities (16%, 29 mentions) are also quite popular, showing that a considerable number of respondents use the partnerships for entertainment and recreational activities. In contrast, the categories Accommodation (8%, 14 mentions), Well-being (7%, 12 mentions), and Education (3%, 5 mentions) are less frequently used by respondents.

Figure 29. Question 9.



Source: Author's own elaboration

The following question was asked to members in order to determine their Top of Mind partner, i.e. the recognition and recall of partner brands among FNAC Card members (Appendix F). When analyzing the answers to the question, it is clear that Repsol is the partner that stands out the most among the members. With 65.63% of responses (231 mentions) mentioning Repsol, this brand clearly dominates the minds of respondents, which indicates that Repsol has a strong presence and is highly recognized by FNAC Card members.

On the other hand, the other partners have a significantly smaller presence. Jardim Zoológico de Lisboa is the second most mentioned partner but with a much smaller proportion of 4.26% (15 mentions). Booking follows with 3.98% (14 mentions) and Cineplace with 1.42% (5 mentions). The remaining partners appear with even lower percentages.

Additionally, a very important insight that can also be drawn from this question is that the high percentage of "None" (13.07%, 46 mentions) is also significant. After the Repsol brand, this was the most mentioned option in the question, which means that a considerable proportion of members don't have a specific brand in mind when they think of FNAC Card partners, which may indicate a lack of familiarity or recognition of these partners.

The following question aims to understand which brands are most used by members in order to draw conclusions about which brands are working best as partners (Table 3). Repsol stands out

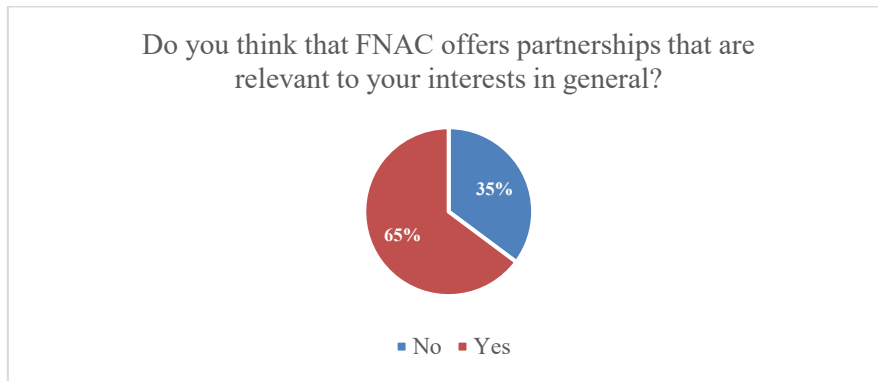
as the most used brand, with a total of 151 mentions (52%), which indicates that the benefits offered by the brand are widely valued by FNAC members. On the other hand, Booking.com is in second place, with 46 mentions (16%). Jardim Zoológico de Lisboa is the third most mentioned partner, with 33 responses (11%). Other brands, such as SEA LIFE, Zoomarine and Fitness Hut, also have a notable presence, with 8 (3%), 6 (2%) and 6 mentions (2%), respectively. The "Other" option registered 8 mentions (3%), revealing that there are a variety of other brands used, such as Cineplace and Oceanário. In contrast, Malo Clinic, Pacotes Planos Casa and Alberto Oculista have far fewer mentions, suggesting that, although still relevant, they are not as widely used as major partners such as Repsol and Booking.com.

Table 3. Question 11

Most used partners	Counting	Percentage
Repsol	151	52%
Booking.com	46	16%
Jardim Zoológico de Lisboa	33	11%
SEA LIFE	8	3%
Other (specify):	8	3%
Fitness Hut	6	2%
Zoomarine	6	2%
CCB	5	2%
Portugal dos Pequeninos	5	2%
Clínica Médis	5	2%
Zomato (novo Dig-in)	4	1%
Aquashow	4	1%
Alberto Oculista	4	1%
Teatro Nacional D. Maria II	4	1%
Pacotes Planos Casa	3	1%
Malo Clinic	1	0%

Question 12 aims to understand the extent to which FNAC Card partnerships meet members' interests. In this way, it will be possible to understand whether the network of partnerships is pleasing members or whether adjustments need to be made (Figure 30). The vast majority of members, totaling 232 responses (65%), believe that the partnerships offered by FNAC are relevant to their general interests. On the other hand, 126 members (35%) consider that the partnerships are not relevant to their interests. So, while the majority of members see FNAC's partnerships as relevant and valuable, there is a considerable proportion who do not share this opinion, which confirms the suspicions previously discussed with the FNAC team and represents a problem for the partnership program.

Figure 30. Question 12.

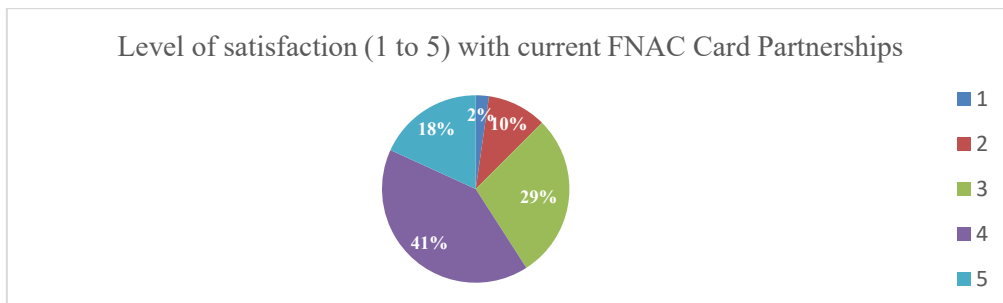


Source: Author's own elaboration

To close this section, this question aims to analyze the extent to which FNAC members are satisfied with the partnership program offered by the brand (Figure 31). A Likert scale from 1 (very dissatisfied) to 5 (very satisfied) was used for this question. As one can see in Figure 31 the responses shows that the majority of participants are generally satisfied. Approximately 41% of respondents (72 people) were "satisfied" with the partnerships (score 4), and 18% (32 people) were "very satisfied" (score 5). However, 29% of respondents (50 people) were neutral (score 3). In addition, the number of respondents who consider themselves "unsatisfied" (score 2) or "very unsatisfied" (score 1) is relatively low, having only 12% (22 people) of the total.

Subsequently, the overall average satisfaction of FNAC Card members can also be calculated so that it is possible to see more generally how satisfied they are. The overall satisfaction average is 3.63. This suggests that, on average, respondents are slightly above the neutral point, leaning more towards satisfaction. However, there is a clear indication that there are still areas that need attention to improve the experience for everyone involved.

Figure 31. Question 13.



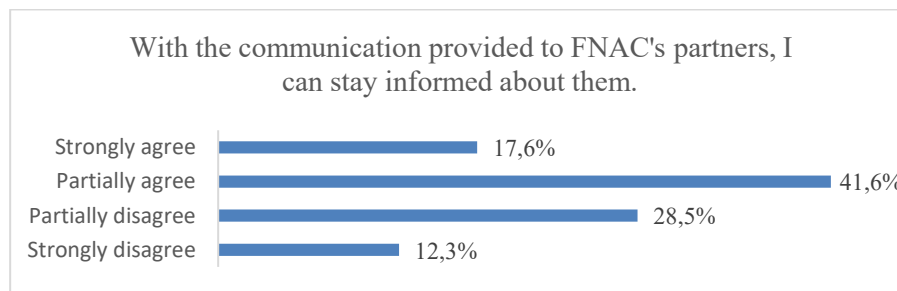
Source: Author's own elaboration

### **Communication of FNAC Card partnerships**

After collecting data on members' level of awareness and experience with the FNAC Card partnerships, they were invited to answer a section which aimed to analyze their experience and communication preferences related to the program.

The first question aimed to understand the opinion of the members (358 out of 630) regarding the current communication of the partnerships, i.e., whether they felt that with the current communication, they were able to stay updated about them. As can be seen in Figure 32, the majority of participants, with a total of 63 (41.6%), indicated that they partially agree with the statement. In addition, 63 respondents (17.6%) said they totally agreed, indicating that with the communication made, they can stay updated about the partnerships. However, 102 respondents (28.5%) partially disagreed, showing that a considerable proportion of members find some shortcomings in communication, although not absolutely. Finally, 44 respondents (12.3%) totally disagreed, which shows that there is a smaller but significant group that does not feel properly updated by communications.

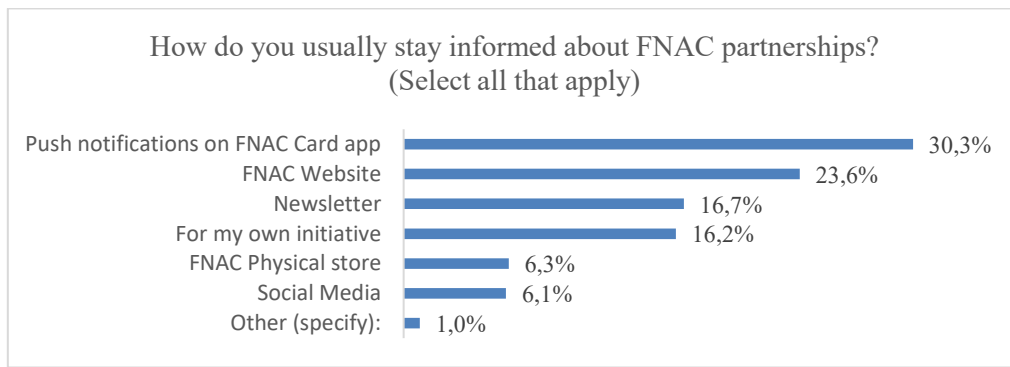
*Figure 32. Question 14.*



*Source: Author's own elaboration*

The next question aimed to understand which communication channels FNAC members use the most to stay informed about partnerships (Figure 33). By analyzing the data, it is possible to see that the majority of respondents use push notifications from the FNAC Card app as their main source of information, with 189 mentions (30.3%). Next, the FNAC website is a popular source, with 147 mentions (23.6%) stating that they use it to stay informed. Newsletters also play a significant role, being mentioned 104 times (16.7%). In addition, 16.2% (101 mentions) indicated that they look for information on their own initiative, demonstrating a proactive attitude towards partnerships. Other sources include FNAC's physical stores, with 39 mentions (6.3%), and social networks (6.1%), mentioned 38 times. Through the analysis, one can understand that although push notifications and the website are the most used tools, however, there is a diversity of channels through which members get informed.

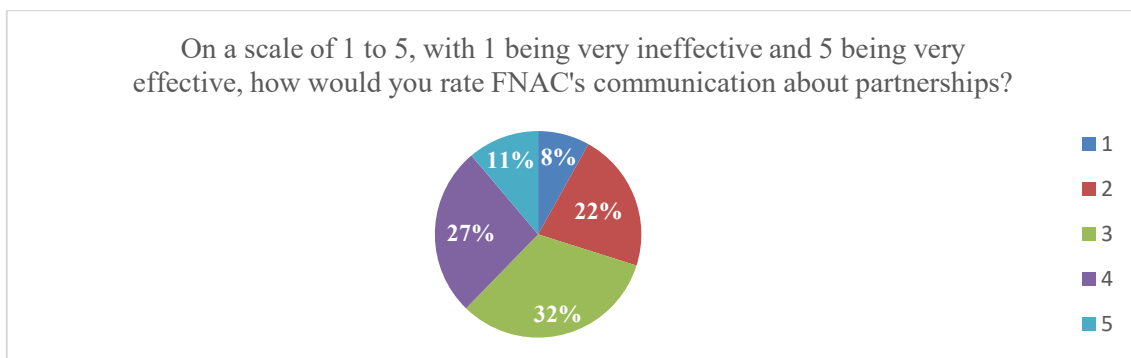
Figure 33. Question 15.



Source: Author's own elaboration

In order to assess the effectiveness of FNAC's communication with its customers concerning partnerships, the following question was asked to the participants (358 out of 630) using a Likert scale from 1 (very ineffective) to 5 (very effective), as one can see in Figure 34. In this way, it will be possible to understand whether the information is being transmitted in a clear, accessible, and useful way to the members. The majority of respondents, 116 people (32%), rated FNAC's communication as "neutral" (score 3), suggesting that while communication is not considered ineffective, it is also not perceived as particularly efficient by a significant number of customers. In addition, 95 people (27%) rated communication as "effective" (score 4). Meanwhile, 40 people (11%) considered communication to be "very effective" (score 5), reflecting a higher level of satisfaction. On the other hand, 107 respondents (30%) rated communication as "not very effective" (score 2) or "very ineffective" (score 1), which points to areas of dissatisfaction. Through these results, it is possible to calculate the average satisfaction with the communication made to the partnerships, which is equal to 3.11, which suggests that although it is leaning towards the positive direction, there is still a need for better communication.

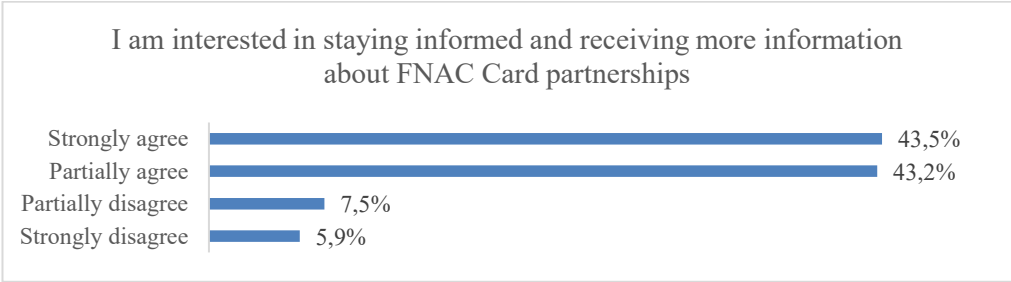
Figure 34. Question 16.



Source: Author's own elaboration

The following question aimed to assess whether FNAC card members would be interested in receiving more information than is currently being provided about partnerships (Figure 35). In this way, it was possible to direct respondents who said they would be interested in receiving more information to the following questions, which will be key to establishing an effective communication plan considering the preferences of FNAC members. This question was posed to all 630 respondents to determine if even those who are unaware of the partnerships and do not use them would be interested in becoming more informed to increase their engagement. Considering the statement "I am interested in staying informed and receiving more information about FNAC Card partnerships". The majority expressed a high level of agreement, with 274 people (43.5%) saying they "totally agree" and 272 (43.2%) "partially agree" with the statement, totaling 546 (86.7%) positive responses. On the other hand, a small minority showed a lack of interest, with 47 respondents (7.5%) "partially disagreeing" and 37 (5.9%) "totally disagreeing", totaling only 84 negative responses (13.4%). Therefore, as one can conclude a large majority of customers are interested in being kept informed about the partnerships associated with the FNAC Card.

Figure 35. Question 17.

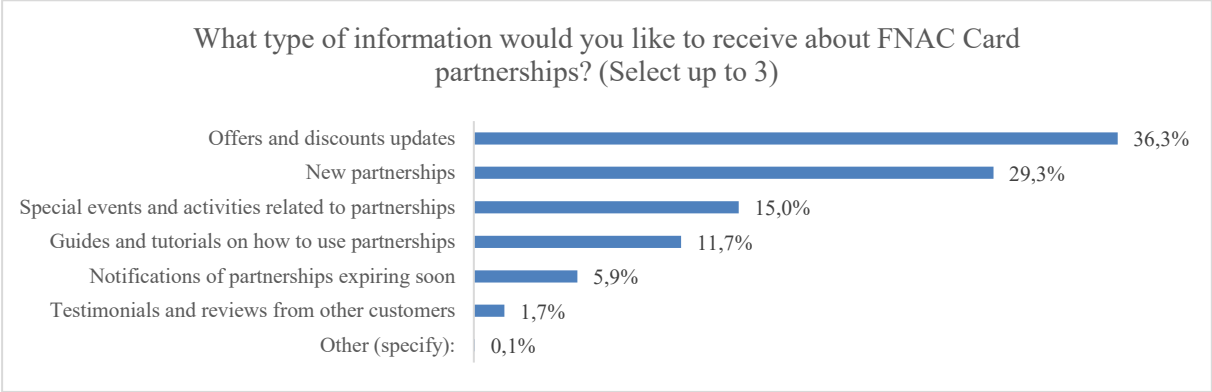


Source: Author's own elaboration

As mentioned above, the following questions in this section were only shown to members who are interested in having more information about partnerships (546 out of 630). Therefore, the next question concerns the type of content and information that respondents would be most interested in receiving (Figure 36). In this way, it will be possible to analyze what type of content is most relevant to members to give communication suggestions for the FNAC partnership program that meets their preferences. The majority of respondents, 503 mentions (36.3%), were most interested in receiving updates on offers and discounts, indicating that financial benefits are a significant priority for customers. In second place, with 406 mentions (29.3%), respondents expressed an interest in being informed about new partnerships. In addition, with 207 mentions (15%) they would like to receive information about special events and activities related to partnerships. Guides and tutorials on how to use partnerships were

selected 162 times (11.7%), which may indicate a need for practical guidance on how to make the most of the benefits offered. Notifications about partnerships due to expire soon were chosen 81 times (5.9%). Finally, testimonials and reviews from other customers were selected 24 times (1.7%).

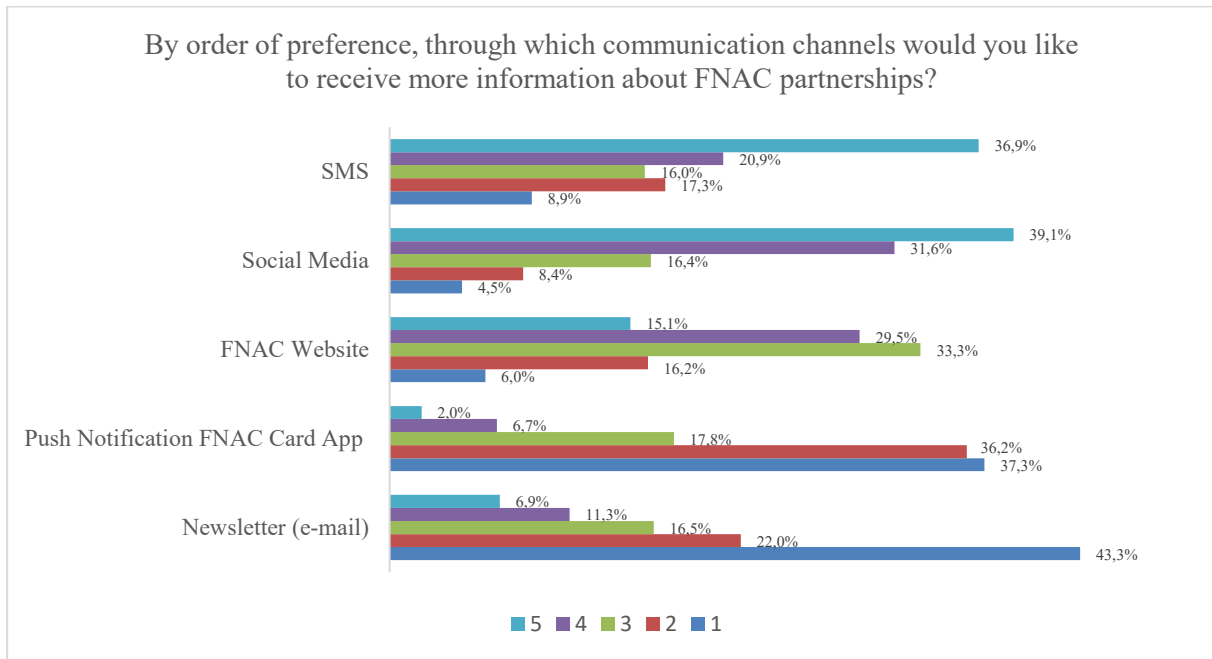
Figure 36. Question 18.



Source: Author's own elaboration

Next, the question asked to FNAC members was primarily aimed at understanding which communication channels they preferred to receive information about partnerships (Figure 37). The most preferred channel is Newsletters, chosen by 238 people (43.3%) as the first option and 121 (22%) as the second, showing that email is still an important channel with a high reach for the majority of customers. In second place, Push Notifications in the FNAC Card App is also one of the most chosen options, being the first option for 205 people (37.3%) and the second for 199 (36.2%). SMS was also a significant choice, although less unanimous. It was the least preferred channel, being the fifth choice for 203 respondents (36.9%), but it still has a loyal group who prefer it in higher positions (26.2% put it in first and second place). Social media and the FNAC website occupy an intermediate position, with 215 people (39.1%) putting social media in fifth place and 183 (33.3%) opting for the FNAC website in third place.

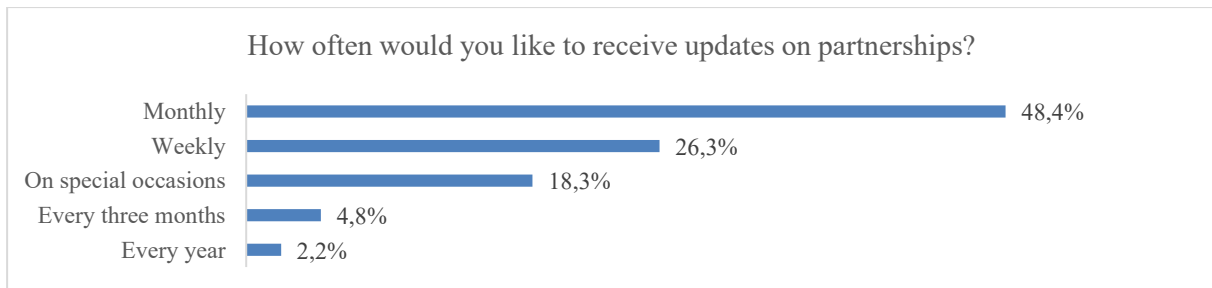
Figure 37. Question 19.



Source: Author's own elaboration

To close the present section on communication preferences related to FNAC partnerships, members were asked the following question to understand their preferences regarding the frequency of communications about FNAC partnerships (Figure 38). A significant majority of respondents (almost half), 305 people, prefer to receive monthly updates (48.4%). 166 people (26.3%) expressed an interest in receiving weekly updates, which represents a significant proportion who prefer to be constantly informed about the latest news and offers. 115 people (18.3%) chose to receive updates on special occasions, such as seasonal events or the announcement of new partnerships. The quarterly frequency was chosen by 30 people (4.8%), while 14 people (2.2%) prefer to receive updates annually.

Figure 38. Question 20.



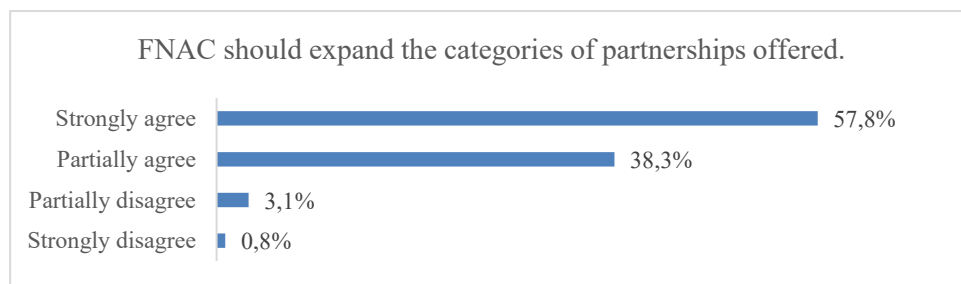
Source: Author's own elaboration

### **Improvement of FNAC Card partnerships**

This section aims to understand FNAC members' preferences regarding the partnership program. That is, their opinion on new partner brands, new partner categories, rewards and initiatives to improve the program.

The first question in this section aims to understand whether participants would like to see a greater diversity of categories offered by the program (Figure 39). The vast majority of respondents (96.1%) are in favor of expansion. Of the 358 respondents to this question, 207 (57.8%) totally agreed with expanding the categories, while 137 (38.3%) partially agreed. Only 14 people (3.9%) disagreed, 11 (3.1%) partially and only 3 (0.8%) totally. FNAC members show strong support for the idea that FNAC should expand its partnership offers, which indicates a desire on the part of customers for more diversity and options within the partnership program.

*Figure 39. Question 21.*

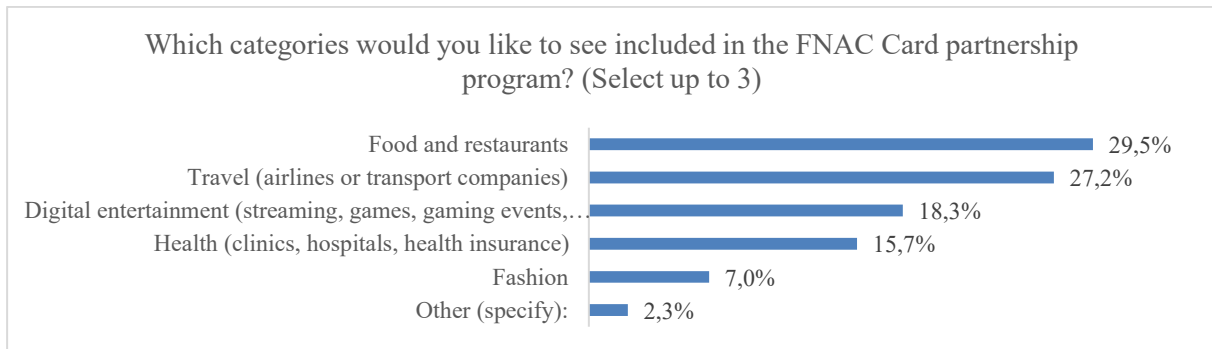


*Source: Author's own elaboration*

The next question was designed to gain a more in-depth understanding of which categories the members would be most interested in for possible integration into the partnership program (Figure 40). For this reason, this question was only not shown to members who answered "totally disagree" and "partially disagree" to the previous question, totaling 624 respondents. Among the options, "Food and restaurants" was the most chosen category, with 453 mentions (29.5%), followed by "Travel (airlines or transportation companies)", which received 418 mentions (27.2%). The "Digital entertainment (streaming, games, gaming events, etc.)" category was also very popular, with 282 mentions (18.3%). Categories related to "Health (clinics, hospitals, health insurance)" also stood out, receiving 241 mentions (15.7%). On the other hand, "Fashion" had less interest, with 108 mentions (7%). In the votes categorized as "Other", some specific suggestions stood out, such as "Cultural Events" (8 mentions), "Cinemas" (3 mentions) and "Supermarkets" (3 mentions), as well as "Fuel", "Gym" and

"Photography", each with 1 or 2 mentions. The data indicates that FNAC customers have a clear interest in expanding partnerships into areas related to food, travel and digital entertainment.

Figure 40. Question 22.



Source: Author's own elaboration

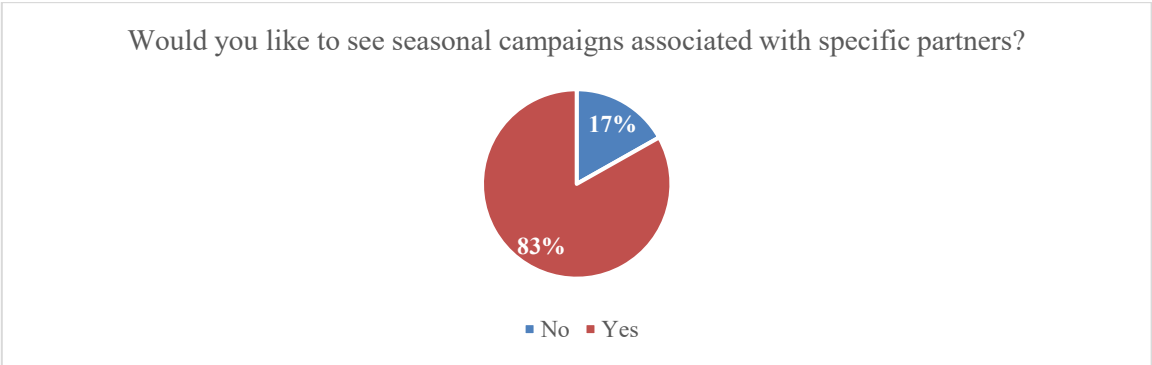
The next question aimed to analyze which partner brands FNAC members most wanted to see included in the partner program (Appendix G). This question was posed as an open-ended question in order not to restrict members to options and to give them the liberty to choose the brand that makes the most difference to them on a daily basis. TAP, with 28 mentions (10.37%), is the most desired brand, which suggests a strong interest among customers in travel-related partnerships. This preference is reinforced by other mentions of travel and transport companies, such as Agência Abreu (10 mentions; 3,7%), Flixbus (3 mentions; 1,11%), and Ryanair (3 mentions; 1,11%). Other brands highlighted include Continente (11 mentions; 4.07%), Pingo Doce (3 mentions; 1,11%), Lidl (5 mentions; 1,85%), and Auchan (3 mentions; 1,11%), indicating a desire for partnerships that provide day-to-day benefits, such as food shopping. Interest in partnerships with entertainment brands, such as Cinema NOS (9 mentions; 3.33%), Cinemas UCI (4 mentions; 1,48%) Netflix (7 mentions; 2.59%), Disney + (4 mentions; 1,48%), Spotify (4 mentions; 1,48%), Playstation Plus (5 mentions; 1.85%), and Steam (5 mentions; 1.85%), shows that FNAC customers also value offers linked to digital entertainment and leisure. Fast food and convenience brands such as McDonald's (9 mentions; 3.33%), and H3 (4 mentions; 1.48%) also appear on the list, which may reflect the popularity of practical and immediate benefits.

Hence, it is evident that FNAC customers are highly interested in partnerships that offer travel, daily shopping, entertainment, and convenience—namely, brands that simplify and enhance their everyday lives. Notably, there is a significant emphasis on the airline TAP, with a substantial difference in mentions compared to other brands. As a result, it can be inferred that

TAP will likely be the most sought-after brand among consumers to be included in FNAC's partnership program.

The following question is about whether customers are interested in seasonal campaigns for specific partners (Figure 41). This question is relevant to the study because FNAC is considering implementing this strategy, so it's important to determine if members would be interested in it. Therefore, of the 630 participants, 524 (83%) answered "Yes", indicating a significant interest in seasonal campaigns. Only 106 people (17%) answered "No", suggesting that a small minority of customers don't see value in these campaigns.

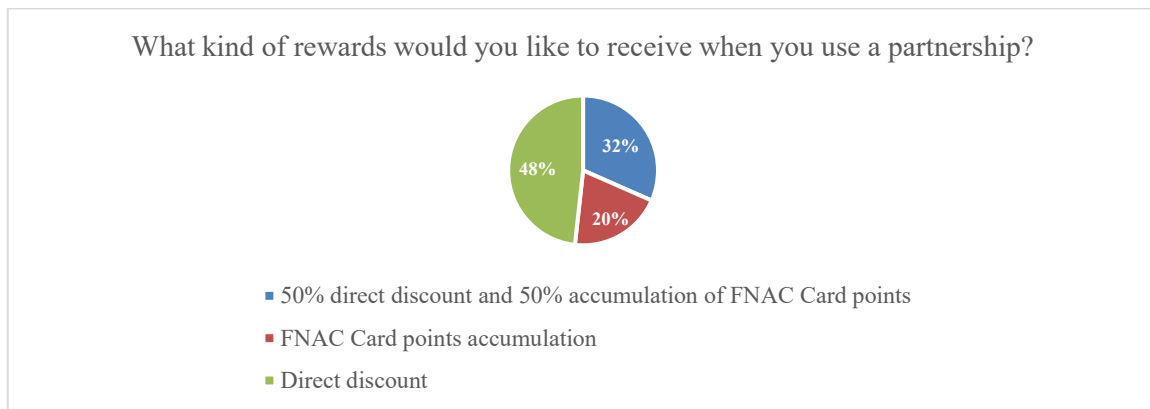
Figure 41. Question 24.



Source: Author's own elaboration

In order to understand what type of reward and benefit FNAC members prefer when they use the partnership program, the following question was included in the survey (Figure 42). Analyzing the data, a clear preference for direct discounts, with 304 people (48%) preferring to receive rewards in the form of an immediate discount at the time of purchase. In addition, 199 people (32%) prefer a combination of direct discount and balance accumulation on the FNAC Card, while 127 people (20%) prefer to accumulate balance on the FNAC Card to use for future purchases at the brand. Thus, these data indicate that the majority of customers value the immediate gratification provided by direct discounts, but a significant portion also appreciate the flexibility of combining discounts with future benefits.

Figure 42. Question 25.

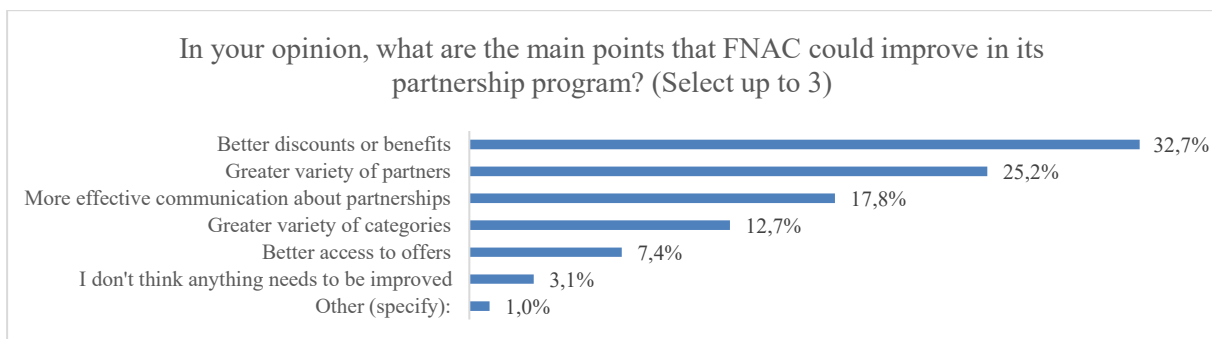


Source: Author's own elaboration

The following two questions in this section are designed to grasp the fundamental aspects of the program that members find challenging or believe need improvement. First, members were asked to identify the specific aspects of the program that they deemed essential for improvement in order to enhance their experience and engagement (Figure 43).

In this question, customers' responses highlight the priority of obtaining better discounts or benefits, mentioned 198 times (32.7%). In addition, 25.2% of respondents (153 mentions) suggest that FNAC should offer a greater variety of partners, while 17.8% (108 mentions) believe that more effective communication about partnerships would be an important point to improve. A greater variety of categories is also relevant, being pointed out by 12.7% of respondents (77 mentions). Only 7.4% mention the need for greater accessibility to offers (45 mentions), and a small proportion, 3.1% (19 mentions), see no need for improvement. The members who selected the "other" option addressed the geographical dispersion of the partnerships, suggesting a larger network of partnerships also in the north of the country.

Figure 43. Question 26.

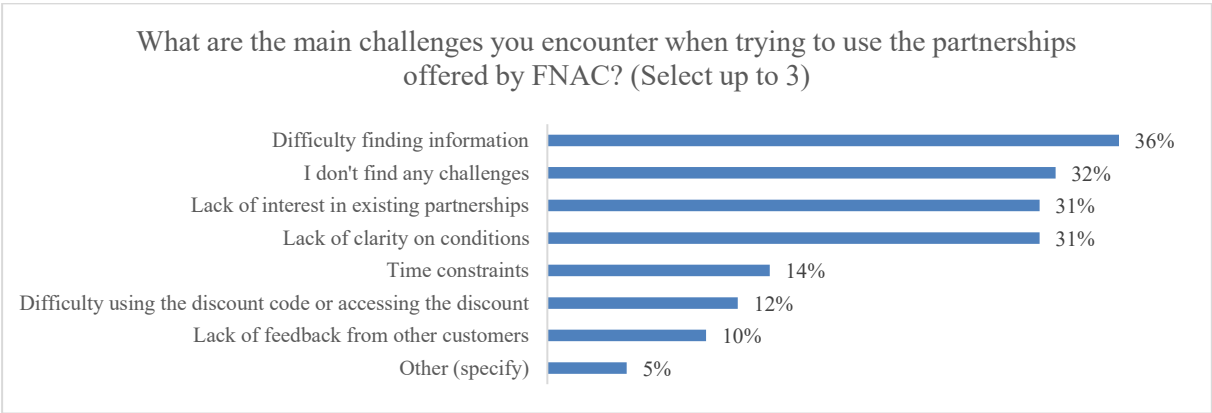


Source: Author's own elaboration

Regarding the main challenges encountered by members when using the partnership program (Figure 44), the responses indicate that the majority of participants with 63 mentions (36%)

have difficulty finding information about partnerships, making this the most cited challenge. With 56 mentions (32%), respondents say they don't encounter any challenges, while 31% mention (55 mentions) a lack of interest in existing partnerships and unclear conditions as significant obstacles. Other challenges mentioned include time constraints to take advantage of offers (24 mentions; 14%), difficulty in using the discount code or accessing the discount (21 mentions; 12%), and the lack of feedback from other customers (17 mentions; 10%). Only 5% of participants (9 mentions) selected "Other", specifying other challenges such as difficulty remembering partnerships, better offers from other brands, and the location of partnerships being too centered in Lisbon and Porto.

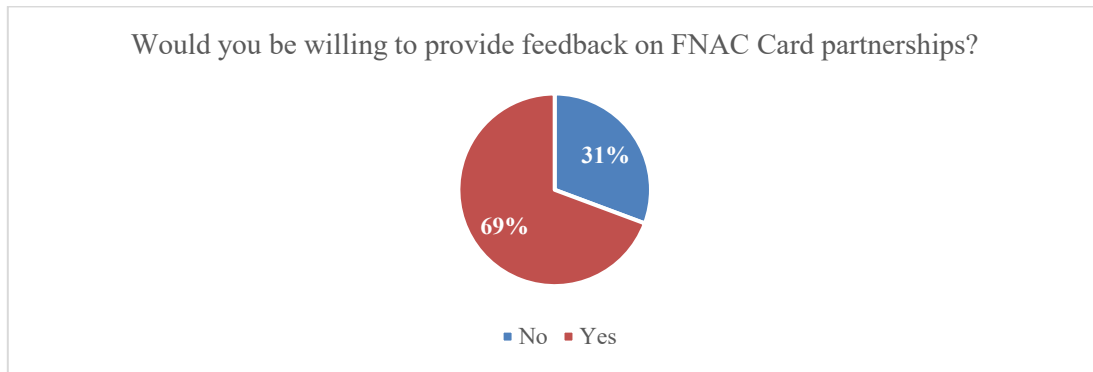
Figure 44. Question 27.



Source: Author's own elaboration

As highlighted in the Literature Review, customer reviews and feedback have become increasingly important factors in customer decisions. After analyzing different brands in the benchmarking carried out, this was a differentiating point between the partnership programs of other brands and FNAC. Therefore, FNAC members were asked if they would be willing to give their feedback on the brand's website after using a partnership, in order to understand if this is a viable strategy to implement (Figure 45). Thus, after analyzing the question, 69% of the participants indicated that they would be willing to provide feedback, corresponding to 122 affirmative answers out of a total of 176. On the other hand, 31% of the respondents, or 54 people, said that they would not be willing to offer this type of feedback. These results show a majority of customers open to contributing their opinions.

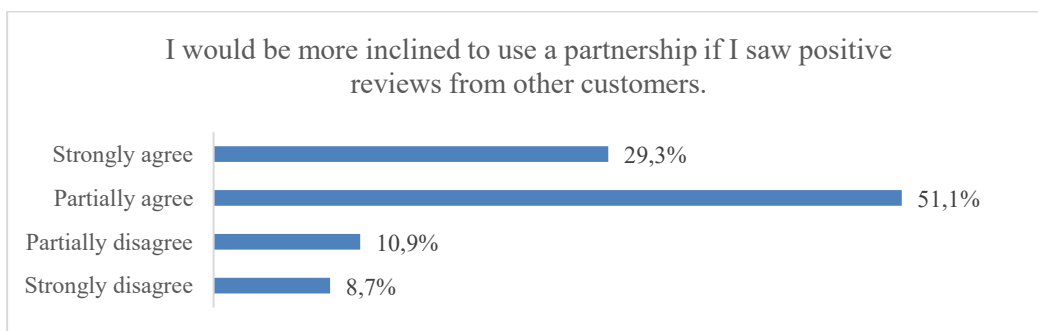
Figure 45. Question 28.



Source: Author's own elaboration

The next question concerned the influence of these positive reviews from other customers on the decision to use a partnership (Figure 46). The majority of participants indicated that this factor is relevant to them. Out of 358 people, 183 (51.1%) partially agreed, while 105 (29.3%) totally agreed. A total of 80.4% said that they would more willingly use a partnership if they had positive feedback from other FNAC members who had already used them. On the other hand, a minority of respondents claim to be less influenced by positive reviews, with 39 people (10.9%) partially disagreeing and 31 people (8.7%) totally disagreeing. This totaled only 19.6% who said they were not influenced by positive feedback. This data, together with the data obtained from the previous question, suggests that positive evaluations from other customers can be a significant factor in the decision to use partnerships, with the majority of participants inclined to be influenced by this type of feedback as well as providing it after use.

Figure 46. Question 29.



Source: Author's own elaboration

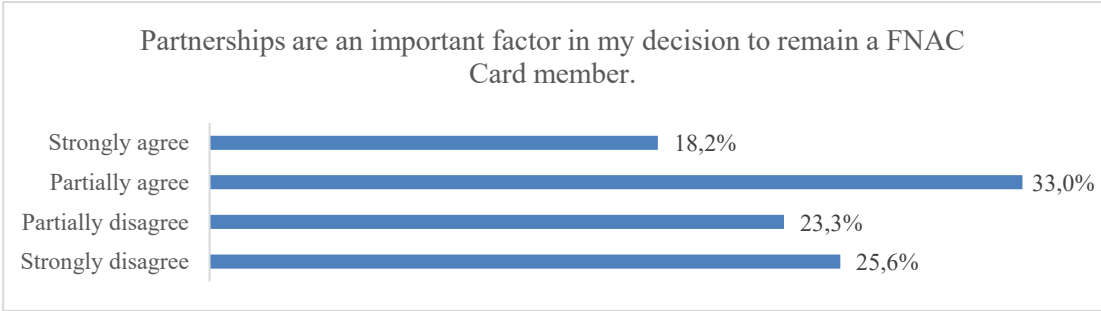
### **Members' perceived value of FNAC Card partnerships**

The last section of this questionnaire – “Members' perceived value of FNAC Card partnerships” – was answered only by people who are aware of the FNAC partnerships and have already used them, i.e., those on Path number 3 of the questionnaire (those who answered “Yes” to questions

5 and 6), totaling 176 responses. Therefore, the aim of this section was to understand what value FNAC members place on FNAC Card partnerships.

In order to understand the impact of partnerships on members' decision to remain members, the following question was added to the questionnaire: “Partnerships are an important factor in my decision to remain a FNAC Card member” (Figure 47). The results show that out of a total of 176 respondents, 58 people (33%) partially agree and 32 (18.2%) totally agree, indicating that around 51% of members see value in partnerships when deciding to remain FNAC Card members. However, 41 people (23.3%) partially disagreed and 45 (25.6%) totally disagreed, totaling around 49% of members who do not consider partnerships to be a decisive factor. Thus, these results suggest that although partnerships are an important factor in the decision to remain members to a significant proportion of members (51%), improvements are still needed for the remaining members to consider partnerships relevant in their decision to renew the FNAC Card.

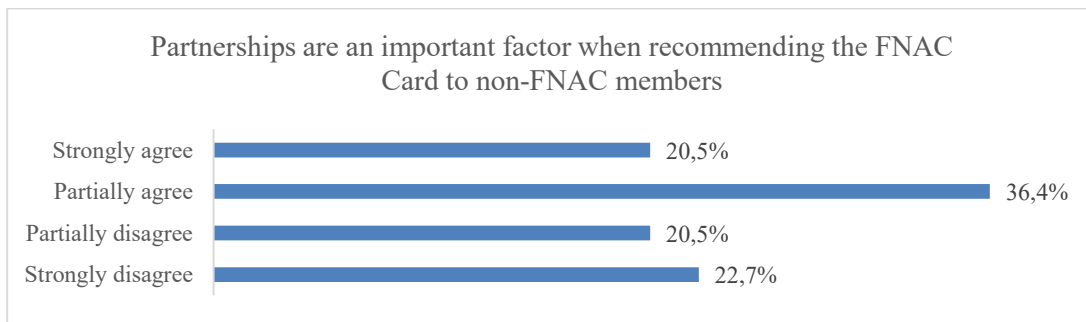
Figure 47. Question 30.



Source: Author's own elaboration

The purpose of the following question was to analyze the extent to which the FNAC card's partnership program is a factor in recommending the loyalty program (Figure 48). When analyzed the question: "Partnerships are an important factor when recommending the FNAC Card to non-FNAC members", 64 people (36.4%) partially agree and 36 (20.5%) totally agree, indicating that 56.8% of members consider partnerships to be a relevant factor when recommending the FNAC Card to other people. On the other hand, 36 people (20.5%) partially disagreed and 40 (22.7%) totally disagreed, totaling 43.2% of members who did not consider partnerships to be a decisive factor in their recommendation. Therefore, as one can see, even though a majority sees a significant value in the partnership program, almost half of the sample does not consider the partnership program relevant enough to be a factor for recommendation.

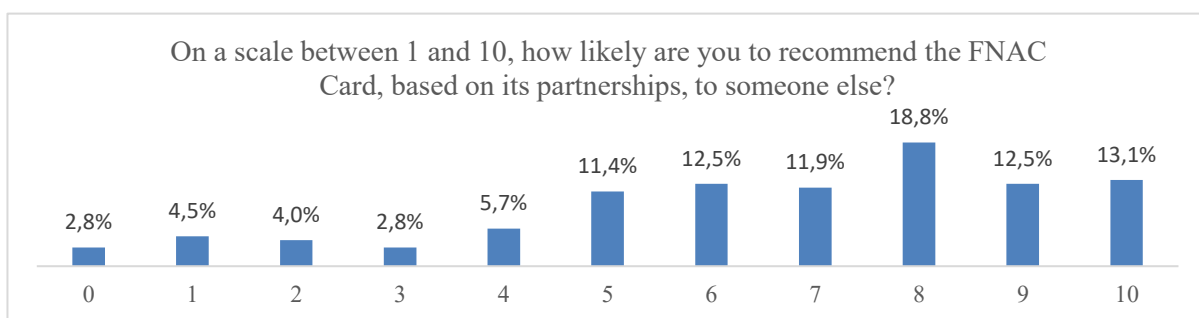
Figure 48. Question 31.



Source: Author's own elaboration

The last question in this questionnaire was designed to collect data on members' satisfaction with the partnerships, using the NPS (Net Promoter Score) evaluation of the FNAC Card partnership program (Figure 49). The data indicates that 45 respondents (25.6%) are promoters, i.e. they rated it 9 or 10 and are more likely to recommend the card to others based on its partnerships. On the other hand, 77 respondents (43.8%) are detractors, with scores between 0 and 6, indicating dissatisfaction and a low probability of recommendation. The remaining 54 respondents (30.7%) are passives, with scores of 7 or 8, which means that although they are satisfied, they are not as inclined to actively promote the card. When analyzing the detailed responses, the average is 6.52, which means that the average number of responses is among the detractors/passives. This suggests that, although there is a group of satisfied customers, the majority of respondents are not totally convinced of the value of the partnerships offered by the FNAC Card.

Figure 49 Question 32.



Source: Author's own elaboration

With these results it is possible to state that it is needed an improvement to the partnership program in order to increase customer satisfaction and willingness to recommend it. This data, combined with the results of the previous questions in this section, suggests that although the partnerships are valued by some, they are not strong enough to guarantee an enthusiastic recommendation or to retain a significant proportion of members. For many, they are not a

determining factor in retaining or recommending the card, which indicates the need to improve the benefits associated with these partnerships.

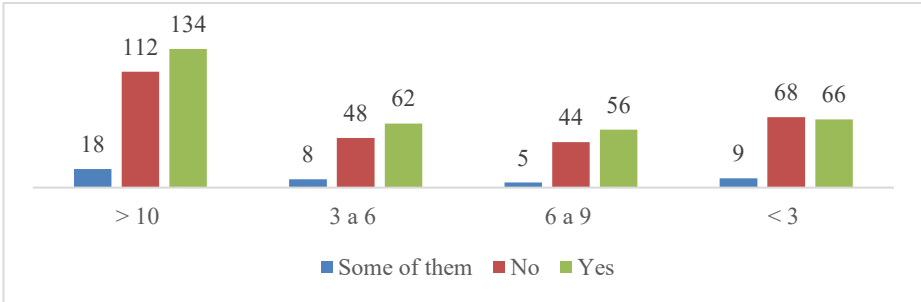
**Crossing sample description data with results of the questionnaire**

- **Crossing the number of years of FNAC card membership (question 2) with results from question 5 (awareness of FNAC Card partnerships)**

This analysis is useful for this study since it makes it possible to understand how the duration of membership influences members' awareness of the benefits and partnerships available (Figure 50). This relation is important because it can reveal whether older members have greater awareness about the partnerships, which could indicate that familiarity with the program increases over time. On the other hand, if there is no clear correlation between length of membership and knowledge of partnerships, this could suggest that communication of FNAC's benefits and partners is not being effective, regardless of the member's longevity.

Among members with more than 10 years' membership, the majority (134) are aware of FNAC partners, although 112 say they are unaware, and only a small fraction (18) know of some partners. In the 6-9 year membership group, there is a slight predominance of members who are aware of the partnerships (61) compared to those who are not (44). Among members with 3 to 6 years' membership, the majority are aware of the partnerships (62), while 48 are not aware of them. Finally, among members with less than 3 years' membership, the figures are almost balanced between those who are aware (66) and those who are not aware of the partnerships (68). In short, regardless of length of membership, there is a significant portion of members who are not fully aware of the partnerships associated with the FNAC Card, highlighting the need to improve communication and engagement strategies to ensure that the benefits of the partnerships are widely known and understood.

*Figure 50. Years of FNAC card membership & Awareness of partnerships.*



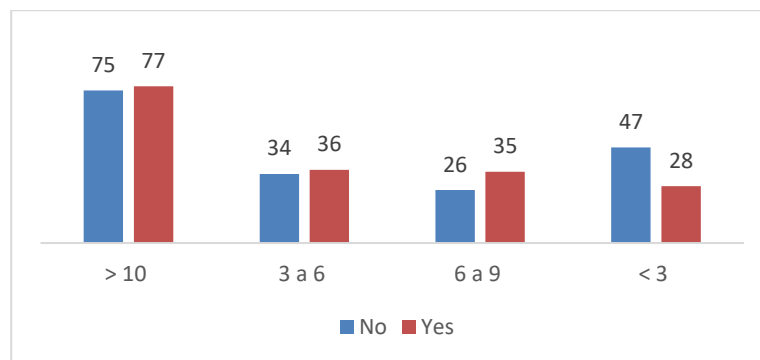
*Source: Author's own elaboration*

- **Crossing the number of years of FNAC card membership (question 2) with results from question 6 (use of FNAC Card partnerships)**

The analysis between the FNAC Card membership period and the use of discounts provided by the current partnerships is relevant to this study in order to understand whether there is any kind of relationship between these two variables (Figure 51). In this way, it will be possible to understand how the length of membership impacts on members' engagement with the partnerships offered by the FNAC Card. Thus, useful conclusions can be drawn to help identify whether older members are more familiar with or more likely to use the benefits of the partnerships, which could suggest that experience and knowledge accumulated over time increase the likelihood of use. If the length of membership does not correlate significantly with the use of discounts, this could indicate that there are other barriers or influencing factors.

It can be seen that, in general, the probability of using the discounts seems to be relatively consistent among members, regardless of how long they have been members. For example, among those who have been members for more than 10 years, 77 people said they had used the discounts, while 75 had not, indicating an even split. This trend continues in the other groups, with slight variations.

Figure 51. Years of FNAC card membership & Use of partnerships.



Source: Author's own elaboration

- **Crossing age (generation) with results from question 18 (information preferences about FNAC Card partnerships)**

Understanding the relationship between these two variables is fundamental to the study since it will be possible to understand the communication preferences of FNAC members according to different age groups (Table 4), especially considering that the company's main target audience is around 45 years old. Most age groups (generations), especially those aged 35-44 and 45-54,

show a clear preference for updates on offers and discounts, reflecting an interest in obtaining direct economic advantages.

Considering that FNAC's target audience is 45 years old, among people in the 45-54 age group, updates on offers and discounts are the most valued form of information, with 163 responses indicating this preference. This suggests that members of this age group are particularly interested in obtaining tangible and immediate financial benefits. In addition, information about new partnerships is also highly appreciated by this group (139 responses). The other types of information, such as special events, guides on using partnerships and notifications about the end of partnerships, have less appeal, which indicates that communication should focus on clear and direct messages about economic advantages, meeting the needs and expectations of FNAC's core audience.

Table 4. Age (Generation) & Information Preferences

New information	18-24	25-34	35-44	45-54	55-64	65+	Total
Offers and discounts updates	32	94	112	163	67	33	501
New partnerships	25	75	96	139	47	21	403
Special events and activities related to partnerships	12	43	45	63	26	15	204
Guides and tutorials on how to use partnerships	8	37	36	46	26	9	162
Notifications of partnerships expiring soon	9	14	21	25	9	3	81
Testimonials and reviews from other customers	0	4	6	6	2	6	24

- **Crossing age (generation) with results from question 19 (channel preferences for information about FNAC Card partnerships)**

This relationship between questions was analyzed to understand how different age groups prefer to receive information about FNAC's partnerships (Figure 52 and Table 5). Considering that FNAC's target audience is, on average, 45 years old, this analysis helps to identify whether the communication channels currently used are aligned with the preferences of this age group. On the other hand, it also shows which communication channel trends are most preferred, considering the age and generation of the members. In this way, it will be possible to ensure that information about the partnerships is conveyed effectively, increasing engagement and take-up of the offered benefits.

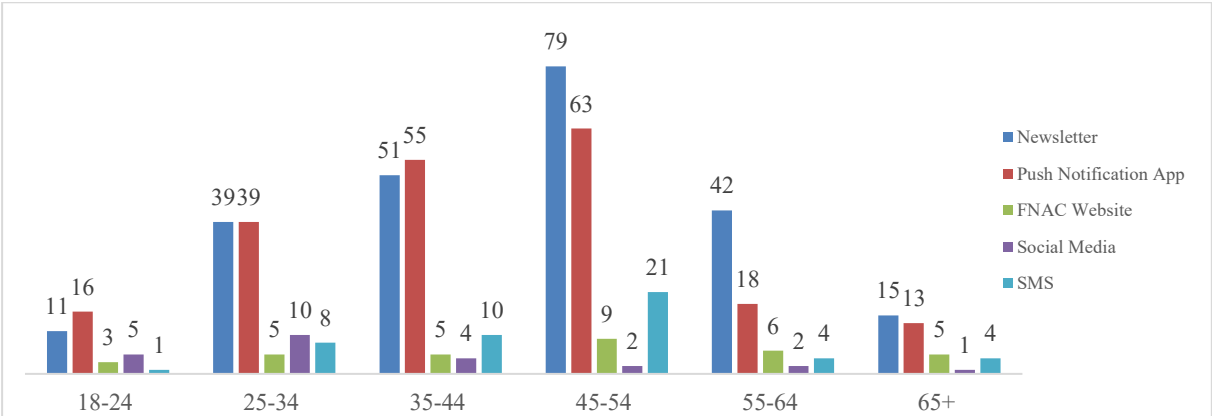
For the 45-54 age group (Generation X), which coincides directly with FNAC's target audience, newsletters are the most popular channel, with 79 people choosing this option. Next, Push Notifications on the FNAC Card App are also highly preferred, with 63 people opting for this form of communication. The use of SMS is still relevant for this group, with 21 preferences,

suggesting that more traditional channels still play an important role. Among the younger groups, specifically the 18-24 age group (Generation Z), Push Notifications are slightly more popular than the Newsletter, which reflects this generations’ greater affinity with mobile and immediate technologies.

The 25-34 age group (Millennials) shows a balanced distribution between Newsletter and Push Notifications, with 39 preferences for each, suggesting that both methods are effective in reaching this generation. For the 35-44 age group (Millennials), the pattern is similar, with a slight preference for Push Notifications (55), although the Newsletter (51) still has a strong presence.

In the older age groups, 55-64 (Boomers II) and 65+ (Boomers I), the Newsletter remains the most trusted medium, with 42 and 15 preferences respectively, while Push Notifications are less popular, especially in the 55-64 (18) and 65+ (13) age groups. This may suggest that these generations prefer more traditional and less immediate communication channels.

Figure 52. Age (Generation) & Channel: Order of Preferences.



Source: Author's own elaboration

Table 5. Age (Generation) & Channel: Order of Preferences

Order of preference	18-24 (Generation Z)	25-34 (Millennials)	35-44 (Millennials)	45-54 (Generation X)	55-64 (Boomers II)	65+ (Boomers I)
1st	Push notification	Push notification / Newsletter	Push notification	Newsletter	Newsletter	Newsletter
2nd	Newsletter	Newsletter / Push notification	Newsletter	Push notification	Push notification	Push notification
3rd	Social Media	Social Media	SMS	SMS	FNAC Website	FNAC Website
4th	FNAC Website	SMS	FNAC Website	FNAC Website	SMS	SMS
5th	SMS	FNAC Website	Social Media	Social Media	Social Media	Social Media

In summary, the analysis of the data obtained from the questionnaire reveals that, although the majority of FNAC Card members are aware of the partnerships offered, the actual use of these

advantages is low. The products and services most valued by members include books, computers, and entertainment, but the frequency with which they use the partnerships, both with FNAC and other companies, is modest, suggesting that there is an underutilized potential. In addition, members' perception of partnerships is dominated by specific brands, such as Repsol, which emerges as the most remembered partner. However, many members still do not strongly associate the card with other partner brands, which indicates an opportunity for FNAC to strengthen and expand the communication and effectiveness of its partnership program. In addition, it also shows that partnerships are indeed an important element for FNAC Card members, both for their permanence and for recommending the Card to others. However, there are clear opportunities for improvement, especially in terms of communication and accessibility of the offers. Many members face challenges related to understanding the conditions and using the benefits on offer, indicating the need for more effective and simplified communication. Finally, although there is a group of promoters of the partnerships, the significant number of members who do not feel fully satisfied highlights the importance of strengthening the perceived value of the partnerships.

## **CHAPTER 7: DISCUSSION**

After presenting the results of both phases of this study, it is now essential to highlight certain aspects to achieve the goals and answer the research question. Specific goals will be discussed as they enable me to draw conclusions regarding the research question, which is reflected in the general goal: **identify and analyze the preferences of FNAC members regarding Loyalty Program Partnerships.**

One specific goal of this study was **to investigate the best partnership strategies used by other companies to increase members' engagement with the program.** Considering that FNAC's main objective is to improve its partnership program, it was relevant for the study to examine how other companies communicate their partnerships to their customers and what strategies they use to increase engagement with the program.

According to the benchmarking conducted, it was possible to understand that the companies analyzed use various communication and marketing techniques to increase engagement with their partnership program, namely an omnichannel communication approach. Vadhrya (2020) also advocates this approach and specifies some communication channels that have proven effective in getting consumers more involved with a company's loyalty program, namely email

marketing, social media marketing, video marketing, content marketing, SMS marketing, and blogging.

In fact, throughout the internship, it was possible to observe that FNAC values the communication of the advantages of the FNAC Card through communication channels for which the CRM team is responsible, namely email marketing (newsletters), push notifications, and highlights in the FNAC Card App. According to Vadhrya (2020), newsletters have proven to be one of the most effective strategies for increasing consumer loyalty as they enable the company to keep in touch and inform customers of news, as well as benefit from the possibility of targeting consumers. However, through the benchmarking carried out, it was possible to conclude that many of the companies analyzed, use communication channels that can reach more customers (compared to the ones used by FNAC). Their strategies include media such as newsletters, push notifications, social networks (Instagram, TikTok, YouTube) and even physical forms of communication such as flyers.

Claycomb and Martin (2002) highlight the importance of regular communication suggesting that organizations should avoid letting long periods pass without contacting customers, since regular contact with the customer increases their engagement with the brand. However, I was able to analyze during my internship that the advantages of the FNAC Card, namely the partnerships, were not communicated regularly. They were only communicated once a month via the FNAC Card newsletter (which was not specific to partnerships and covered all the other advantages of being a FNAC member) and via highlights on the FNAC Card App and push notifications on special occasions such as special brand campaigns (e.g. Valentine's Day). Therefore, it is possible to understand that expanding FNAC's communication strategy to a more omnichannel strategy could bring benefits to the program.

Lemon and Wangenheim (2009) argue that the duration of a partnership positively impacts consumer loyalty, due to increased trust in the partnership. Thus, as mentioned above, FNAC has long-term partners in its program, which on the one hand proved to be positive for the reasons pointed out by the author, but on the other hand also proved to be negative for the company, since the program remained stagnant and lacked innovation initiatives. Thus, to combat this stagnation one of the aspects also analyzed through the benchmarking was the possibility of boosting the partnership program by integrating seasonal campaigns with partner brands. As analyzed, brands such as ACP and Revolut offer seasonal campaigns to their customers (for example, Christmas or summer partners) so that their members can take

advantage of discounts on these brands at specific times of the year. In order to corroborate this hypothesis and understand whether it would be effective for FNAC to incorporate this strategy, the question: “Would you like to find seasonal campaigns associated with some specific partners?” was added to the questionnaire. It was interesting to find the high level of member interest in seasonal campaigns associated with partnerships, with 83% of respondents indicating that they would like to see this type of initiative implemented. This result suggests that FNAC has a clear opportunity to engage its customers during specific periods of the year, such as Christmas, Easter, Summer or Black Friday, through campaigns that offer temporary benefits. Therefore, this could be a strategy that could be implemented to meet this customer demand, and not only to increase member engagement during these periods and create peaks of interest but could also serve as an incentive for continued adherence to the program throughout the year.

To close the discussion around the first goal of this study, it is relevant to mention that although some marketing techniques may work in other companies, FNAC has a different target audience and, for this reason, it became essential to investigate more deeply, specifically with FNAC members, what their preferences are in order to improve FNAC's partnership program.

Having understood the different techniques used by other companies to increase engagement with their partnership programs, it is now important to focus on analyzing the preferences of FNAC members, through the objective **to identify and analyze the preferences of FNAC members regarding loyalty program partnerships**. This objective was analyzed in two distinct components. One section aimed to understand what the members would improve in the program, with the objective of **proposing practical guidelines to strengthen existing partnerships and expand the scope of the FNAC loyalty program partnerships**, and a second section referring to the communication channels they preferred in order to receive information about the partnerships, with the final objective of **understanding the communication preferences of FNAC members regarding the partnership program**.

However, to better identify what could be improved, it is crucial to understand what value the members currently attribute to the partnership program, thus answering the specific objective of the study: **to understand the perceived value of the FNAC partnerships for the loyalty program members**.

In line with the investigation of this objective, the data shows that in general, members show a positive view of the program, since most of the participants express satisfaction with the

partnerships offered. However, despite the predominance of satisfactory opinions, it is relevant to point the fact that 35% of members consider the partnerships offered to be irrelevant to their interests or remain neutral. Additionally, when asked to rate their satisfaction with the current partnership program, the average response remained at 3.63, a neutral score, showing that there are still many opportunities to improve the program to achieve greater member satisfaction. This is a very relevant topic for this study, as it allowed me to understand that most of the hypotheses initially put forward about the partnership program were true and that its restructuring was indeed necessary.

This analysis of the perceived value of FNAC Card partnerships was quite revealing about the effectiveness of partnerships. Firstly, it is worth mentioning that there is a fairly balanced proportion between members who value partnerships in their decision to remain members and those who do not consider them decisive (49%). This balance of responses suggests a significant gap in the perception of the benefit offered by these partnerships. On the other hand, according to 9/24/2024 9:21:00 PM the NPS score provide valuable customer insights about customer loyalty and offer an opportunity to request customer reviews. For this reason, an NPS question was incorporated into the questionnaire since it's another way of understanding the value members place on partnerships. This evaluation revealed that the vast majority of respondents are classified as detractors (43.8%) and only a minority as promoters (25.6%), making it clear that the majority of members are not satisfied with the FNAC Card partnerships. Furthermore, the high concentration of scores between 0 and 6, especially at the intermediate levels (5 and 6), points to a latent dissatisfaction, where members don't see much value in the partnerships, but don't reject them completely either.

Regarding the objective **to propose practical guidelines to strengthen existing partnerships and expand the scope of the FNAC loyalty program partnerships**, the method used to reach these practical guidelines was the questionnaire. From what has been analyzed so far, it is possible to understand that this objective is fundamental to the study.

From the analysis of the data obtained, it is clear that the FNAC Card partnership program has significant potential for expansion and improvement. The results point to a clear demand from FNAC members for greater diversity and relevance in the partnerships offered, which is in line with this objective. As mentioned earlier, this section was designed to understand how the program could be improved and then proceeded to restructure it. As mentioned in the Theoretical Framework, a partnership program should be easy to understand and not require

too much effort on the part of the consumers to benefit from it (Wang et al., 2018). Additionally, Tian and He (2016) suggest that factors such as perceived benefits, and convenience affect consumer attitudes and their willingness to participate in loyalty program partnerships. It was therefore essential to understand whether or not these variables were being met in the case of FNAC's partnership program.

One of the most enlightening analyses of the effectiveness of the company's current partnership program came from questions 5 and 6 of the questionnaire, in which respondents were asked if they were aware of FNAC's partnerships and if they had ever used them. A critical examination of the results obtained by analyzing these two questions combined reveals that a large proportion of members are not aware of the partnerships (43.17%) and even those who are aware (56.83%), more than half do not use them (28.89%). This scenario raises concerns, as simple awareness of partnerships does not translate into practical use of the benefits offered, which suggests inefficiency in converting knowledge into action.

In addition, it was also investigated whether the length of FNAC Card membership influenced awareness of partnerships to determine if awareness increased with years of membership. However, it was evident that this was not the case. A significant number of new members were unaware of the partnerships, and surprisingly, a large proportion of older members were also unaware of them. The lack of awareness among new members might be because they haven't been members long enough to fully understand the benefits of the FNAC Card. On the other hand, the fact that older members are also uninformed indicates a need to enhance the communication strategy. It's crucial to ensure that all members, regardless of their length of membership, are well-informed about the available benefits.

Similarly, it was also tried to understand whether the length of membership had an impact on the use of partnerships. Following the same line of thought, it would be expected that members with more years of membership would use the partnerships more. However, the results suggested that the duration of membership of the FNAC Card is not necessarily a determining factor in the use of the benefits offered by the partnerships. These results suggest that the duration of membership of the FNAC Card is not necessarily a determining factor in the use of the benefits offered by the partnerships and indicates that other factors, such as awareness of the benefits, the relevance of the partnerships for the user, or the ease of use of the discounts, may be more influential in the decision to take advantage of these benefits.

Another critical point concerns the disparity in the recognition of partner brands. It is pertinent to note that the results reflect the supremacy of Repsol, both in terms of recognition and use, which indicates that this partner brand is clearly a central part of FNAC's partnership strategy. However, despite Repsol being the most used and remembered brand, it is also essential to question why the other brands are not at its level. In addition, although the data points to a general trend, some nuances should be considered, such as the high proportion of participants who did not mention any brand (“none” being the second most frequent answer) when asked to name the first partner brand that comes to mind from the FNAC program, which points to a problem in the familiarity and recognition of the partner portfolio. It is therefore important to reflect on whether, with the high discrepancy between Repsol's results and those of the other brands in terms of TOM (Top of Mind), it would not be more beneficial for FNAC to opt for a program with fewer partnerships but with the inclusion of strong brands that members desire (Shirai, 2022).

From the analysis of the data obtained, it was possible to identify several areas for improvement and expansion for the FNAC Card partnership program, which offer significant opportunities for increasing customer engagement and satisfaction.

Establishing partnerships with different sectors can be one of the ways to create value for the customer (Currency Alliance, 2021). It was therefore important for the study to understand whether the partnership categories met the members' expectations. It was interesting to note that most FNAC members, specifically 96.1% of respondents, expressed a strong desire to diversify partnership categories. Interestingly this is in line with the theory of Currency Alliance (2021), since FNAC members seem to value a greater diversity of sectors and program categories. These results suggest the need for FNAC to expand its offerings to include new areas, such as “Food and Restaurants”, “Travel” and “Digital Entertainment”, which, on the one hand, are the categories in which Portuguese families allocate a large part of their income (INE, 2023) and, on the other hand, are one of the types of products that customers buy most at FNAC. As Pimenta (2017) and Currency Alliance (2021) defend, by incorporating these new categories, a company can make its program more relevant and useful to the lives of its members and increase its perceived value and it can engage around 50%+ of its consumer base.

Additionally, when evaluating the brands that customers most want to see integrated into the program, there was a notable preference for brands related to the travel sector, in particular TAP, which received the highest number of mentions. This finding is significant, as it points to

a clear demand for partnerships that facilitate and enhance customers' travel experience. In addition, the inclusion of supermarket and digital entertainment brands was widely mentioned, which reinforces the importance of partnerships that offer practical and frequently-used benefits. Also, this was important to conclude that the clear preference for partnerships with brands such as TAP, Continente, and Netflix highlights the importance of establishing partnerships with companies that are already popular and relevant in consumers' daily lives (Pimenta, 2017; Tian & He, 2016). So, it was interesting to understand that the theory of these two authors was corroborated in this study, since large brands already known by members and with geographical coverage throughout the country generate greater satisfaction around the program. Lemon and Wangenheim (2009) also concluded that the inclusion of brands that do not belong to the company's core service has a positive impact on the company, and that the inclusion of these brands could be very beneficial for FNAC.

According to Dowling and Uncles (1997), consumer responses can vary depending on the type of reward offered, and it is important to offer rewards that are of interest to the members of the program, for it to be effective (Szczepańska & Gawron, 2011). It was therefore essential to understand what kind of rewards FNAC members were most interested in receiving when they benefited from the partnership program. It was revealing to see that the preference for immediate rewards, such as direct discounts, is predominant among members, with 48% of respondents preferring this option, as Yi and Jeon (2003) and Keh and Lee (2006) suggested in their study. In this way, it was possible to prove that for the reality of FNAC members in Portugal, Shaffer's (2007) argument that non-monetary rewards can appeal to people more than monetary ones does not hold true. However, it was also noted that a significant proportion of customers value the possibility of combining immediate discounts with the accumulation of points on the FNAC Card, which indicates that the program must be flexible enough to offer different types of rewards to meet the diverse preferences of its members. However, it was also possible to understand that monetary rewards are preferred by consumers, perhaps for the reasons pointed out by Chandon et al. (2000), since they are easier to understand, are instrumental, provide a utility that consumers normally seek, i.e. saving money (Jin & Huang, 2014; Ruzeviciute & Kamleitner, 2017), and since financial incentives seem to activate the brain's dopamine centers or reward centers, more than symbolic rewards do (Strombach et al., 2015).

Still, on the subject of improving the partnership program, it was relevant to note that the vast majority of members would be willing to leave feedback after using a partnership and that positive reviews from other customers have a significant impact on the decision to use partnerships (Service Fusion's, 2021), with 80.4% of participants stating that they would be more likely to use a partnership if there was positive feedback from other members. Interestingly, the figures in this study correspond very similarly to those pointed out by Service Fusion's (2021) stating that today 92% of customers read online customer reviews, with 88% trusting those reviews as much as a personal recommendation. This suggests that FNAC could capitalize on the power of customer reviews by encouraging and facilitating the collection of feedback after partnerships have been used. This would help boost consumer confidence in the program and provide valuable insights for making ongoing adjustments and improvements (Celuch et al., 2015).

Having analyzed the data uncovered a critical problem in the management of FNAC's loyalty program partnerships: the lack of ongoing communication with partners. This problem highlights a significant gap in partner relationship management, underlining the need for more active and regular communication to ensure that all partnerships are constantly monitored and updated. The absence of a Partner Relationship Management (PRM) platform is another critical point identified. Hall (2022) emphasizes the importance of evaluating partnerships by assessing their performance and effectiveness through specific Key Performance Indicators (KPIs) for each partnership. Without a specific tool to monitor and evaluate partnership results, FNAC faces difficulties in identifying which partnerships are generating positive results and which are performing poorly. This limitation prevents the company from making informed decisions about continuing or terminating partnerships, as well as recognizing which ones are creating the most value for loyalty program members. Implementing a PRM platform would therefore be a key strategic solution for optimizing the management of FNAC's partnership program. With such a tool, it would be possible to centralize all the information relating to partnerships, facilitating continuous monitoring and evaluation of each partner's performance. According to Impact.com (2021), these platforms allow businesses to scale their partnership programs more efficiently. In addition, a PRM platform would make it possible for FNAC to automate processes, such as sending regular notifications and reports, ensuring that communication with partners is proactive and consistent (Impact.com, 2021; Hall, 2022).

However, it also became clear that there was no structured segmentation for FNAC's partnerships. Although the company already applies segmentation to its customers, differentiating between the ones that are the most and least valuable for the company, the same principle is not applied to the partnership program. Considering that monitoring and analyzing the results of partnerships is a crucial step for optimizing them in the future (Impact.com, 2021), it is important that this topic is improved. Implementing this strategic segmentation is a way to make it simpler to identify priority partnerships and to renegotiate or even terminate partnerships that are not generating the expected return. By doing so, FNAC could optimize its partnership portfolio and ensure they align with its business objectives, ultimately increasing program efficiency and improving the customer experience (Hall, 2022).

On the other hand, to understand which aspects members found most challenging in the program and which needed improvement, it was essential to identify the pain points of FNAC members when they used the partnerships. The challenges pointed out by customers regarding the program revealed the need for FNAC to offer better discounts, a greater variety of partners, and more effective communication. This is worrying, since according to Noble & Phillips (2004), convenience is one of these critical factors that can influence the loyalty program's effectiveness since it refers to how the consumer perceives the program as favorable and easy to access.

The pain points, particularly regarding communication about partnerships, were a critical point for reflection. With 36% of respondents reported difficulties in finding information about partnerships, and 17.8% highlighted the need for more effective communication, it is possible to understand that the FNAC program contradicts the principles of Wang et al. (2018): it should be easy to understand and not require much effort on the part of consumers. It is important to note that having information available and easily accessible is fundamental for increasing engagement with a partnership program (Wang et al., 2018; Claycomb & Martin, 2002).

Thus, it became essential to study the objective **to understand the communication preferences of FNAC members regarding the partnership program**, to mitigate the gaps previously found in the communication to the partnership program. As highlighted in the Theoretical Framework, when looking at communication in loyalty programs from a strategic point of view, the communication with the consumer should be planned from the first contact and should aim to get to know the customer better and always be in contact with them to strengthen a relationship of trust (Moutella, 2002).

Sobreiro (2021) and Shirai (2022) emphasize that assessing customers' preferences and needs for channels and content is highly important. The questionnaire sent to the members of the FNAC Card enabled to understand that they would like to be better informed and receive more communication about the card's partnerships. When it comes to channels, both customers who are aware and the ones who are unaware of the company's partnership program, as suggested by Vadhrya (2020), email marketing (newsletter) was the preferred channel to receive partnership information. Although the data points to this general trend, some nuances should be considered, such as the fact that this communication channel is preferred mainly by older generations, namely Generation X and the Boomers. This is a relevant factor to consider, given that the majority of FNAC's audience is in these age groups.

Despite the latter, the second members' preference for channels lies on the push notification on FNAC Card app. This conclusion is interesting, because although the literature points to targeting in push notifications being a fundamental factor for their success (Bies et al., 2021), FNAC has not yet included this feature in its push messaging, and nevertheless it is one of the most preferred communication channels among members. This shows that, although the targeting feature could be beneficial for the company, as it makes it possible to send more personalized messages as in the case of newsletters (Vadhrya, 2020), members still place this communication channel above the others.

Furthermore, according to the results, SMS, is the third most preferred channel, although it shows a significant difference from the two most preferred channels by FNAC members. However, despite the literature stating that SMS is a very effective channel since most people read messages within seconds of receiving them (Vadhrya, 2020), the results show that it is one of the least preferred channels. Moreover, it has to be used with caution and only in circumstances that are extremely necessary and beneficial for consumers since it is a very personal and sometimes invasive channel (Vadhrya, 2020). For this reason, FNAC does not use SMS as a channel to promote partnerships, since, in addition to the reasons given above, it is a costly channel for the company. Therefore, a more in-depth analysis of the data obtained suggests that, in the context of the partnership program, SMS would not be a viable communication channel for FNAC, since it is also not highly relevant to its members.

However, one of the most revealing findings of the study was the fact that, from all channels, according to the sample of this study, social media was the least preferred communication channel for the respondents to the questionnaire. This contradicts the conclusion reached in the

benchmarking that there should be more focus on social media to promote the partnerships, as it was not corroborated in the questionnaire as it is one of the members' least favorite channels. Although the literature suggests that social media is a powerful tool when it comes to increasing engagement with loyalty programs (Faisal & Ekawanto, 2022; Vadhrya, 2020), for FNAC members it is not relevant when it comes to receiving information about the Card's partnerships.

Previous studies have indicated that preferences and needs for communication content and channels may vary according to aspects such as the generation they belong (Sobreiro, 2021). Because of this, demographic variables were also considered in this study. One of the most significant focuses of this analysis was based on understanding the preferences, especially communication channels, of FNAC's target audience. This audience has an average age of 45 years old, which interestingly corresponds to the majority of respondents to the questionnaire. By analyzing the age group of the questionnaire, between 45 and 54 years old (“Generation X”), it is possible to understand that their preferred communication channels correspond to the general trend of the results, which are newsletters and push notifications. SMS are next, followed by the FNAC website, and lastly social media. The reason for social media being the last preferred channel may be related to the age of the respondents to the questionnaire. Since the sample of members falls into the 45-54 age group, they tend to rely more on traditional channels with a less immediate pace of communication (Sobreiro, 2021), such as newsletters (ranked first by Generation X and Baby Boomers). The results show that social media is more highly rated in the 18-24 (Generation Z) and 25-34 (Millennials) age groups.

Regarding content, from all topics that were addressed, “new partnerships” and “offers and discounts updates”, were the contents that members were most interested in receiving, with a large gap between the rest (65.7% of responses) for both aware and not aware members, indicating that these are relevant themes to address in the partnership’s communication.

However, according to the results, aware and unaware employees exhibit different content needs. While aware members’ first content need is “offers and discounts updates”, not aware members favor content about “new partnerships”. Therefore, for members who are not aware of the partnership program, it seems that it would be more important to receive information regard the new partnerships that FNAC established with other companies. On the other hand, members aware of the partnership program value information about “offers and discounts updates”. This differentiation can be explained by the fact that members who are aware of partnerships are usually already informed about them, and therefore, value discount updates the

most, while members who are not aware of partnerships value information about new partnerships the most, as they are not familiar with the program. An analysis was conducted to determine whether the age (generation) of the members affected the type of content they preferred to receive about partnerships. Specifically, the 35-44 and 45-54 age groups indicated a strong preference for information about discounts and special offers. This preference suggests that these age groups place value on tangible and directly monetary offers, which may be attributed to the fact that individuals in this age range often have families and prioritize monetary discounts.

Furthermore, from all types of content that were assessed, all members showcased that receiving information about “Testimonials and reviews from other customers” would be the least important for them. Differently, and although the literature highlighted the importance and value that consumers attribute to reviews and feedback from other consumers (Service Fusion's, 2021). This data may be a somewhat contradictory finding since the vast majority of respondents stated that they would be more likely to use a partnership if other consumers' reviews were positive. However, this is not the type of content they would like to receive from FNAC. This can be explained by the fact that although members are interested in seeing partner evaluations, they want to do so independently, considering their needs, and have not shown as much interest in receiving this type of communication from FNAC.

As Claycomb and Martin (2002) state, one of the most important factors for engagement with a brand is the regularity of its communication with customers. It is therefore essential that the brand communicates frequently and avoids long periods without communicating with customers (Claycomb & Martin, 2002). The frequency of FNAC's communication about its partnership program to its members has been previously mentioned. Therefore, it is important for the study's objective to understand the members' preferences regarding the frequency of partnership communication. According to the data analyzed, almost the majority of members (48.4%) prefer monthly communication of FNAC Card partnerships. It is therefore possible to conclude that the frequency with which FNAC is currently communicating to its members is in line with their preferences.

Having understood how FNAC communicates with its members about its partnership program, what other companies in the market do to increase engagement with their program, and the preferences of FNAC members in terms of communication and the partner program itself, it is now possible to reflect on some recommendations about the restructuring of the program and

the communication made to it, considering members' preferences which, according to this study, can help increase members' engagement in the partnership program.

When balancing what was discussed so far, it is perceptible that FNAC has a well-established and consolidated partnership program. However, the results showed that are weaker areas that could be improved, starting with awareness of the program and its use. To accomplish the specific goal of **propose practical guidelines to strengthen existing partnerships and expand the scope of the FNAC loyalty program partnerships** and provide an answer to the research question, some suggestions will be highlighted:

- Expansion of the partnership categories, namely including categories such as Food and Restaurants, Travel and Digital Entertainment, which were highly demanded by members to offer discounts on everyday purchases that are useful to members' lives.
- Developing partnerships with brands of priority interest, namely establishing agreements with brands such as TAP (most mentioned among participants), as well as other travel and transportation companies (e.g. Flixbus, Ryanair). In addition, digital entertainment platforms were also mentioned several times, and therefore establishing agreements with the most popular ones, such as Netflix, Disney+, Spotify and Playstation Plus, is a good strategy to implement. Finally, convenience brands were also mentioned by many members, meaning that extending partnerships to these brands, such as McDonald's and H3, can provide immediate and easy-to-use benefits.
- Implementing seasonal promotional campaigns with strategic partners, taking advantage of periods such as summer, Christmas or Black Friday and other times of high demand, given the great interest from members (83% support seasonal campaigns).
- Focus the partnership program's rewards on direct discounts at the time of purchase, which are the reward preferred by members (48%), but also offer options combined with card points accumulation, to make the rewards more flexible. This is already the case with partner REPSOL, where card accumulation is combined with a direct discount, but it is important to extend this type of reward to other partners, in order to also encourage frequent purchases at FNAC and create greater loyalty to the program.
- Expand partnerships beyond the major cities (Lisbon and Porto), meeting a demand for greater regional accessibility mentioned by members. Developing partnerships with brands and services present in various regions of the country, or with a strong online presence, to increase the inclusion of clients from less central areas.

- Creating a customer feedback system for partnerships on the FNAC website, taking advantage of the interest of 69% of members in leaving reviews after use. This can be done by including a section on the website and in the FNAC Card App to increase trust and use of partnerships, as 80.4% of customers are influenced by positive feedback.
- Simplify the conditions of use of partnerships ensuring a more accessible and fluid user experience and try to negotiate the most advantageous discounts for customers with partners.
- Implementation of a Partner Relationship Management platform, with the objective of improving communication with partners and analyzing the effectiveness of each partnership.
- Development of partner segmentation, similar to existing customer segmentation, to categorize the most efficient partners to make more informed partnership management decisions.
- After analyzing the effectiveness of each partner, it was important to make decisions about which partners are indispensable to the program (as is clearly the case with Repsol) and which can be eliminated in order to reduce the number of partners who are not relevant to the interests of the members and maintain an effective and up-to-date partnership network.

Since the communication of partnerships was one of the points highlighted by members that needed improvement, it is essential to meet the objective **to understand the communication preferences of FNAC members regarding the partnership program** and make some suggestions for improvement that, according to this study, may help increase members' engagement in the partnership program:

- Send frequent and personalized newsletters, as they are the preferred channel for 43.3% of members, especially among generation X (45-54 years old).
- Strengthen push notifications on the FNAC Card app, as they are the second most preferred channel (37.3%), by focusing on more generalized communication from partners, i.e. sending push notifications related to partnership categories (e.g. accommodation) and directing them to the section in the app where all the accommodation options appear, as there are more than 100 partners in total and it is impossible to have specific communication for each one.

- Include discount percentages as the first words of the communications copy, since it is the most desired type of reward, and it is the type of communication that works best and generates the most engagement.
- Keep the FNAC Card partner landing page on the website updated with new partnerships, as it is the second most used way for members to obtain information about partnerships.
- The use of social media is also relevant for a younger audience (Generation Z), placing them in third place of preference, therefore starting to focus on communication through this channel can also help to increase awareness of the program.
- According to FNAC's reality, it would be better to bet on the communication channels mentioned above, since SMS are quite expensive for the company and should only be used for primary campaigns of high interest to the consumer.
- Proactively communicate updates on discounts and offers, as this was the type of content that the majority of respondents were most interested in receiving, and also on new partnerships that are being established, as 29.3% of members expressed an interest in being notified of news. In addition, special and exclusive events related to partnerships also proved to be of great interest to members and should therefore also be added to the list of content to be communicated.
- In terms of the frequency of communication, it was possible to conclude that members are satisfied with the frequency currently used, and therefore a monthly update on partnerships should be maintained in the newsletters sent out, since 48.4% of members prefer this cadence. On the other hand, in terms of push notifications, a higher frequency of communication is more effective.

However, even though it's important to consider members' preferences to improve the program (Shirai, 2022), the company also needs to critically evaluate the study results. For example, while many members wanted the Continente supermarket chain to be added to FNAC's partnership program, it's not feasible as it would mean partnering with the major competitor group. Instead, FNAC could consider other relevant supermarket brands like Lidl or Pingo Doce, since supermarkets and food are popular categories among members.

It should be borne in mind that this is a study aimed at shedding empirical light on the topic by proposing clues and lessons learned, considering the sample of data collected. Thus, this is a project focused only on the company FNAC and each company has its own particularities and

different partnership loyalty programs, and these practices must be adapted to each business reality.

### **Limitations of the study**

Several limitations to this study must be reiterated, as they may have impeded results and affected its validity.

One of the limitations found in this study was the scarcity of specialized literature on loyalty program partnerships and the most effective communication strategies to promote them. Although there are extensive studies on customer loyalty programs and communication strategies, the topic of partnerships in loyalty programs is less specifically addressed. Thus, this gap in the literature made it more difficult to frame and compare the results of the study with previous research, limiting the ability to validate or challenge existing theories.

Another factor that limited the analysis was the impossibility of accessing complete information on the loyalty and partnership strategies of other competing companies. Therefore, the benchmarking was conducted on the basis of data available online and was restricted to information that was available for public access and visible marketing and communication practices. As a result, important aspects such as the internal strategies and success criteria adopted by the companies analyzed could not be included in the analysis. Thus, the fact that it was not possible to have a complete overview of the strategies of the selected brands may have led to some gaps in the comparison and made it difficult to make a more accurate assessment of how FNAC's partnership program is positioned compared to the other companies. Therefore, it would have been interesting to be able to verify this though.

Furthermore, the absence of a question about the geographical location of the participants in the questionnaire was another limitation of this study. The inclusion of this question could have provided important insights into how members' preferences vary according to their geographical location in the country. By including this variable, it would have been possible to conduct a more detailed and segmented analysis of members' needs and preferences, facilitating the development of partnership strategies that are more targeted to members' local needs. Therefore, if I were to do the questionnaire again, I would have added this question to take some useful conclusions from it.

Finally, in order to better access the members' perspectives, a few semi-structured interviews could have been conducted with members of the loyalty program. These interviews would have

made it possible to explore participants' individual preferences and perceptions in a more in-depth way, providing a more detailed understanding of what they would like to see improved in the program. Although the questionnaire was extremely useful for the study, as it allowed for generalized responses, the qualitative approach, through interviews, could have revealed nuances and contexts that are not easily captured through pre-defined answers, enriching the analysis of what members expect from the program and its communications. Due to lack of time, however, this data collection method was not considered and, some open-ended questions were included in the questionnaire to try to mitigate this limitation.

## **CONCLUSIONS**

This Internship Report, focused on the retail company FNAC, aimed to contribute to the literature on loyalty program partnerships and their communication. The study sought to identify opportunities for improvement, both in the diversification of partnerships and in their communication, in order to increase customer engagement and satisfaction.

When a company decides to develop a partnership program, it is essential that it is aligned with the preferences and responds to the needs of the loyalty program members. Hence, if properly managed, these programs can reduce the cost of setting up and maintaining a loyalty program system, increase the desirability of loyalty program membership (Berman, 2006), improve customer satisfaction and engagement (Tian & He, 2016) and increase the number of purchases made from the core service (Lemon & Wangenheim, 2009).

By conducting a mixed-methods study, insightful conclusions were drawn not only about the way FNAC communicates with its members about its partnership program, but also about the members' preferences and needs regarding this communication and the program itself. Since, as far as the author knows, no previous study on this topic has attempted to understand the preferences of loyalty program members for improving its partnerships, this study has contributed to the understanding of the strategic role that loyalty programs and partnerships can play in the retail context, highlighting how these programs can be optimized to meet the needs of a constantly evolving public.

Partnerships emerge as a strategic complement, offering tangible benefits that can differentiate FNAC in a highly competitive market. However, as highlighted in the study, the effectiveness of a partnership program depends not only on the quality and relevance of the partnerships

established, but also on the clarity and accessibility of communication with customers, ensuring that they fully understand and use the benefits offered.

However, despite FNAC being a well-established company in the market, with a loyal customer base and a loyalty program that has been running for more than ten years, the partnership program has stagnated over the years. Various efforts have been made to increase the public's awareness and engagement with the program, however, as the study revealed, there is a high complexity involved in managing a partnership program. The effectiveness of partnerships depends on a number of factors, including the relevance of the partner brands, the quality of the associated offers, and especially, how these partnerships are communicated to program members.

Since the goal of this study was to answer the question, “How can the incorporation of customer preferences and the use of optimized marketing strategies improve FNAC’s loyalty partnership program?”, it was possible to propose several practices based on what could be learned through the study.

Through this study, it was also possible to conclude that members who are not properly informed about the advantages available or who experience difficulties in accessing information tend to undervalue the program, which results in lower engagement and involvement. This point leads to a discussion of the importance of communication in the success of loyalty programs. One of the central conclusions of this study is that for a partnership program to reach its full potential, a communication strategy that is both effective and aligned with members' preferences is crucial. The study identified that different segments of the customer base have different preferences regarding communication channels and the frequency with which they wish to receive information. Younger generations tend to prefer more immediate communications, such as push notifications, while older generations still show a strong affinity for more traditional channels, such as email newsletters. This suggests that a multi-channel communication approach is not only desirable, but necessary to ensure that information about partnerships reaches all members effectively. In addition, the study identified that while members value the possibility of receiving information about partnership offers, there is also a concern about information overload. Therefore, the communication should be regular but not excessive, and it is important to maintain a balance between keeping customers updated and preventing them from feeling overwhelmed with information. At the same time, the content of these communications must be relevant and adapted to the moment, such as notifications about

new partnerships, limited offers or special events, which may arouse greater interest on the part of members.

In addition to communication, the structure and content of the partnership program also require significant adjustments to ensure that the benefits offered are seen as valuable and relevant by members. The study revealed that while many members recognize the financial benefits of the program, there is an opportunity to increase the perception of value by offering more diverse and relevant partnerships, as well as improving the experience of using the offers.

One of the main areas for improvement in the program's structure concerns the relevance and diversification of partnerships. It became clear that the program, in order to remain attractive, needs to align itself more closely with the interests and consumption habits of the members. This can be achieved by creating new partnerships that better reflect the buying behaviors of FNAC customers.

In conclusion, this dissertation highlights the importance of an effective strategy to improve both the communication and the structure of FNAC's partnership program. By improving communication and increasing the level of relevance of the partnership program to members by implementing some of their preferences, FNAC can reinforce the perceived value of the program and significantly increase the level of engagement and loyalty of its members. Thus, the results of this study will be used to develop an action plan and improve FNAC's program.

### **Suggestions for future research**

A future line of research could include investigating how the integration of members' preferences impacts members' perceptions of the partner program and their engagement with it. It would be interesting to analyze whether the suggestions mentioned in this study affect participation in the program and members' satisfaction with it.

In addition, due to the scarcity of specific literature on partnerships in loyalty programs, as mentioned above, future studies should be able to fill this gap. Specifically in Portugal, few studies were found on national companies and their partnership programs.

Finally, it would also be interesting to see if geographical variables influence the level of engagement of program members. Since this variable was not considered in this study, one could try to understand, for instance, if members from a certain part of the country are less engaged and try to understand the reasons why this is happening.

## REFERENCES

- Abou-Shouk, M., & Soliman, M. (2021). The impact of gamification adoption intention on brand awareness and loyalty in tourism: The mediating effect of customer engagement. *Journal of Destination Marketing & Management*, 20, 100559. <https://doi.org/10.1016/j.jdmm.2021.100559>
- Allaway, A. W., Gooner, R. M., Berkowitz, D., & Davis, L. (2006). Deriving and exploring behavior segments within a retail loyalty card program. *European Journal of Marketing*, 40(11/12), 1317–1339. <https://doi.org/10.1108/03090560610702830>
- Arantola, H. (2000). *Buying Loyalty Or Building Commitment?: An Empirical Study of Customer Loyalty Programs*. Swedish School of Economics and Business Administration.
- Arcas, P., & Gil, S. (2022). Boosting Brand Engagement and Loyalty through Gamified Loyalty Programmes. *UCJC Business & Society Review*, 19(75), 144–181. <https://doi.org/10.3232/UBR.2022.V19.N4.04>
- Ashley, C., Noble, S. M., Donthu, N., & Lemon, K. N. (2011). Why customers won't relate: Obstacles to relationship marketing engagement. *Journal of Business Research*, 64(7), 749–756. <https://doi.org/10.1016/j.jbusres.2010.07.006>
- Beech, I. (2020, November 13). *The Complete Guide to Distribution Marketing Partnerships*. <https://breezy.io>
- Belleme, J. (2017). *Effective Marketing Partnerships: Harnessing the Power of Co-Marketing to Reach New Audiences* (p. 33). JB MEDIA GROUP. <https://jbmediagroupllc.com/wp-content/uploads/2017/03/Effective-Marketing-Partnerships-by-Justin-Belleme-JB-Media-Group.pdf>
- Belli, A., O'Rourke, A.-M., Carrillat, F. A., Pupovac, L., Melnyk, V., & Napolova, E. (2022a). 40 years of loyalty programs: How effective are they? Generalizations from a meta-analysis. *Journal of the Academy of Marketing Science*, 50(1), Article 1. <https://doi.org/10.1007/s11747-021-00804-z>
- Belli, A., O'Rourke, A.-M., Carrillat, F. A., Pupovac, L., Melnyk, V., & Napolova, E. (2022b). 40 years of loyalty programs: How effective are they? Generalizations from a meta-analysis. *Journal of the Academy of Marketing Science*, 50(1), 147–173. <https://doi.org/10.1007/s11747-021-00804-z>
- Berman, B. (2006a). Developing an Effective Customer Loyalty Program. *California Management Review*, 49(1), 123–148. <https://doi.org/10.2307/41166374>
- Berman, B. (2006b). Developing an Effective Customer Loyalty Program. *California*

- Management Review*, 49(1), Article 1. <https://doi.org/10.2307/41166374>
- Bhandari, M., & Rodgers, S. (2017). What does the brand say? Effects of brand feedback to negative eWOM on brand trust and purchase intentions. *International Journal of Advertising*, 37, 1–17. <https://doi.org/10.1080/02650487.2017.1349030>
- Bies, S. M. T. A., Bronnenberg, B. J., & Gijsbrechts, E. (2021). How push messaging impacts consumer spending and reward redemption in store-loyalty programs. *International Journal of Research in Marketing*, 38(4), 877–899. <https://doi.org/10.1016/j.ijresmar.2021.02.001>
- Blackwell, R. D., Miniard, P. W., & Engel, J. F. (2006). *Consumer Behavior*. Thomson South-Western.
- Blattberg, R., Byung-Do, K., & Scott, N. (2008). Frequency Reward Programs. In *Database Marketing* (pp. 549–578). [https://doi.org/10.1007/978-0-387-72579-6\\_22](https://doi.org/10.1007/978-0-387-72579-6_22)
- Blog FNAC Expert. (2019, January 29). *O que há de novo na APP Cartão FNAC?* Fnac.pt. <https://www.fnac.pt/O-que-ha-de-novo-na-APP-Cartao-FNAC/cp1336/w-4>
- Blog FNAC Expert. (2023, December 5). *Cartão FNAC: O cartão que dá superpoderes*. Fnac.pt. <https://www.fnac.pt/Cartao-FNAC-o-cartao-que-da-superpoderes/cp3054/w-4>
- Bolton, R., Kannan, P. K., & Bramlett, M. (2000). Implications of Loyalty Program Membership and Service Experiences for Customer Retention and Value. *Journal of The Academy of Marketing Science - J ACAD MARK SCI*, 28. <https://doi.org/10.1177/0092070300281009>
- Bombaij, N. J. F., & Dekimpe, M. G. (2020). When do loyalty programs work? The moderating role of design, retailer-strategy, and country characteristics. *International Journal of Research in Marketing*, 37(1), 175–195. <https://doi.org/10.1016/j.ijresmar.2019.07.003>
- Bonagas, K., & Vu, D. T. G. (2022). *Consumers' Perspective on Loyalty Programmes and its Influence on Purchasing Decisions* [Jonkoping University]. <https://www.diva-portal.org/smash/get/diva2:1664995/FULLTEXT01.pdf>
- Bowden, J. L.-H. (2009). The Process of Customer Engagement: A Conceptual Framework. *Journal of Marketing Theory and Practice*, 17(1), 63–74. <https://doi.org/10.2753/MTP1069-6679170105>
- Bruneau, V., Swaen, V., & Zidda, P. (2018). Are loyalty program members really engaged? Measuring customer engagement with loyalty programs. *Journal of Business Research*, 91, 144–158. <https://doi.org/10.1016/j.jbusres.2018.06.002>
- Butscher, S. A. (2002a). *Customer Loyalty Programmes and Clubs*. Gower Publishing, Ltd.
- Butscher, S. A. (2002b). *Customer Loyalty Programmes and Clubs*. Gower Publishing, Ltd.
- Cavalcante, L. E. (2010). *Alianças estratégicas em bibliotecas universitárias*. Fortaleza:

EDUFCE.

Celuch, K., Robinson, N. M., & Walsh, A. M. (2015). A framework for encouraging retail customer feedback. *Journal of Services Marketing*, 29(4), 280–292.

<https://doi.org/10.1108/JSM-02-2014-0062>

Chandon, P., Wansink, B., & Laurent, G. (2000). A Benefit Congruency Framework of Sales Promotion Effectiveness. *Journal of Marketing*, 64(4), 65–81.

Clark, B. H. (2000). Managerial perceptions of marketing performance: Efficiency, adaptability, effectiveness and satisfaction. *Journal of Strategic Marketing*, 8(1), 3–25.

<https://doi.org/10.1080/096525400346286>

Claycomb, C., & Martin, C. L. (2002). *Building customer relationships: An inventory of service providers' objectives and practices*. 16, 615–635.

<https://doi.org/10.1108/08876040210447342>

Corbishley, K. M., Meintjes, C., & Mason, R. B. (2023). Loyalty program benefits and their effect on relationship quality and loyalty to the retailer. *International Journal of Research in Business and Social Science (2147- 4478)*, 12(2), Article 2.

<https://doi.org/10.20525/ijrbs.v12i2.2320>

Costa, C. (2022). *How perceived rewards of Loyalty Programs influence consumers' Self-Expansion and Brand Loyalty*. [Universidade Católica Portuguesa].

<https://repositorio.ucp.pt/bitstream/10400.14/40212/1/203223900.pdf>

Creswell, J. W. (2009). *Research Design—Qualitative, Quantitative and Mixed Methods Approaches* (Third Edition). SAGE.

[https://www.ucg.ac.me/skladiste/blog\\_609332/objava\\_105202/fajlovi/Creswell.pdf](https://www.ucg.ac.me/skladiste/blog_609332/objava_105202/fajlovi/Creswell.pdf)

Currency Alliance. (2021, October 12). *Loyalty partnerships: Co-create customer value*.

Currency Alliance. <https://www.currencyalliance.com/insights/loyalty-partners-co-creating-customer-value>

Dandis, A. O., Al, H. E. M., Griffin, D., Robin, R., & Ni, A. K. (2023). Customer lifetime value: The effect of relational benefits, brand experiences, quality, satisfaction, trust and commitment in the fast-food restaurants. *The TQM Journal*, 35(8), 2526–2546.

<https://doi.org/10.1108/TQM-08-2022-0248>

Dawkhar, S. S. (2016). Multi Partner Loyalty Programs: Perception and Preferences. *Indian Journal of Science and Technology*, 9(15). <https://doi.org/10.17485/ijst/2016/v9i15/92151>

Dent, S. M. (2006). *Partnership Relationship Management—Implementing a Plan for Success* (p. 11). Partnering Intelligence.

[https://sswm.info/sites/default/files/reference\\_attachments/DENT%202006%20Partnership%](https://sswm.info/sites/default/files/reference_attachments/DENT%202006%20Partnership%20)

20Relationship%20Management.pdf

Dick, A. S., & Basu, K. (1994). Customer Loyalty: Toward an Integrated Conceptual Framework. *Journal of the Academy of Marketing Science*, 22(2), 99.

Dorotic, M., Bijmolt, T., & Verhoef, P. (2011). Loyalty Programmes: Current Knowledge and Research Directions\*. *International Journal of Management Reviews*, 14.  
<https://doi.org/10.1111/j.1468-2370.2011.00314.x>

Dorotic, M., Fok, D., Verhoef, P. C., & Bijmolt, T. H. A. (2021). Synergistic and cannibalization effects in a partnership loyalty program. *Journal of the Academy of Marketing Science*, 49(5), 1021–1042. <https://doi.org/10.1007/s11747-020-00759-7>

Dowling, G., & Uncles, M. (1997). Do Customer Loyalty Programs Really Work? *Sloan Management Review*, 38.

Drèze, X., & Nunes, J. C. (2009). Feeling superior: The impact of loyalty program structure on consumers' perceptions of status. *Journal of Consumer Research*, 35(6), 890–905.  
<https://doi.org/10.1086/593946>

Duffy, D. L. (2005). The evolution of customer loyalty strategy. *Journal of Consumer Marketing*, 22(5), 284–286. <https://doi.org/10.1108/07363760510611716>

Evans, J., & Laskin, R. (1994). The Relationship Marketing Process: A Conceptualization and Application. *Industrial Marketing Management*, 23, 439–452. [https://doi.org/10.1016/0019-8501\(94\)90007-8](https://doi.org/10.1016/0019-8501(94)90007-8)

Faisal, A., & Ekawanto, I. (2022). The role of Social Media Marketing in increasing Brand Awareness, Brand Image and Purchase Intention. *Indonesian Management and Accounting Research*, 20, 185–208. <https://doi.org/10.25105/imar.v20i2.12554>

Fauziyyah, S., & Sukarno, H. (2018). *Marketing In Business Partnership (Manager's Perspective)*. 7(5).

Felser, G. (2007). *Werbe- und Konsumentenpsychologie*. Springer Berlin Heidelberg.  
<https://doi.org/10.1007/978-3-642-37645-0>

Filho, W., Dibbern, T., Dinis, M., Cristofolletti, E., Mbah, M., Mishra, A., Clarke, A., Samuel, N., Castillo-Apráiz, J., Rimi Abubakar, I., & Aina, Y. (2024). The Added Value of Partnerships in Implementing the UN Sustainable Development Goals. *Journal of Cleaner Production*, 438. <https://doi.org/10.1016/j.jclepro.2024.140794>

FNAC. (n.d.). *FNAC Quem somos*. FNAC. <https://www.fnac.pt/quemsomos>

FNAC DARTY. (n.d.). *Our history*. Fnac Darty. Retrieved June 29, 2024, from <https://www.fnacdarty.com/en/group/our-history/>

FNAC Portugal. (2024, April). *PASSATEMPO FNAC | DIA DO PAI - JARDIM*

ZOOLÓGICO. [https://passatemposfnac.com/zoo\\_marco2024](https://passatemposfnac.com/zoo_marco2024)

Gibbs, R., & Humphries, A. (2009). *Strategic alliances and marketing partnerships: Gaining competitive advantage through collaboration and partnering*. Kogan Page.

Gómez, B., Arranz, A., & Cillán, J. (2006). The role of loyalty programs in behavioral and affective loyalty. *Journal of Consumer Marketing*, 23, 387–396.

<https://doi.org/10.1108/07363760610712920>

Googins, B. K., & Rochlin, S. A. (2000). Creating the Partnership Society: Understanding the Rhetoric and Reality of Cross-Sectoral Partnerships. *Business and Society Review*, 105(1), 127.

Gorlier, T., & Michel, G. (2020). How special rewards in loyalty programs enrich consumer–brand relationships: The role of self-expansion. *Psychology & Marketing*, 37.

<https://doi.org/10.1002/mar.21328>

Greenyer, A. (2004). Affinity marketing—A step in the right direction? *Interactive Marketing*, 6(2), 141–150. <https://doi.org/10.1057/palgrave.im.4340278>

Grieco, C., & Iasevoli, G. (2017). Co-marketing alliances: Definitions and approaches. Insights from a literature review. *Management Research Review*, 40(9), 971–989.

<https://doi.org/10.1108/MRR-11-2016-0270>

Grönroos, C. (2007). *Service Management and Marketing—Customer Management in Service Competition*.

Gu, W., Luan, X., Song, Y., & Shang, J. (2022). Impact of loyalty program investment on firm performance: Seasonal products with strategic customers. *European Journal of Operational Research*, 299(2), 621–630. <https://doi.org/10.1016/j.ejor.2021.09.046>

Hall, S. (2022). *Innovative B2B Marketing: New Models, Processes and Theory*. Kogan Page Publishers.

Haller, K., Wallace, M., Cheung, J., & Gupta, S. (2022, January 13). *2022 consumer study: Consumers want it all*. IBM. <https://www.ibm.com/thought-leadership/institute-business-value/en-us/report/2022-consumer-study>

Hammermann, A., & Mohnen, A. (2014). The price of hard work: Different incentive effects of non-monetary and monetary prizes. *Journal of Economic Psychology*, 43, 1–15.

<https://doi.org/10.1016/j.joep.2014.04.003>

Haque, M., Saroar, M., Fattah, M., & Morshed, S. (2020). Public-Private Partnership for achieving sustainable development goals: A case study of Khulna, Bangladesh. *Public Administration and Policy An Asia-Pacific Journal*, 23, 283–298.

<https://doi.org/10.1108/PAP-04-2020-0023>

- Har-Yusuph, A.-A., Faithful, D., & Ogbonna, F. (2022). *CUSTOMER LOYALTY VERSUS BRAND LOYALTY IN THE RETAIL INDUSTRY*.
- Henderson, C. M., Beck, J. T., & Palmatier, R. W. (2011). Review of the theoretical underpinnings of loyalty programs. *Journal of Consumer Psychology, 21*(3), Article 3. <https://doi.org/10.1016/j.jcps.2011.02.007>
- Herhausen, D., & Schoegel, M. (2014). Co-marketing capability: Scale development and performance implications. *Problems and Perspectives in Management, 12*, 43–55.
- Hoffmann, N. (2013). *Loyalty Schemes in Retailing: A Comparison of Stand-alone and Multi-partner Programs*. Peter Lang International Academic Publishing Group. <https://directory.doabooks.org/handle/20.500.12854/26443>
- Hofman-Kohlmeyer, M. (2016). CUSTOMER LOYALTY PROGRAM AS A TOOL OF CUSTOMER RETENTION: LITERATURE REVIEW. *CBU International Conference Proceedings, 4*, 199. <https://doi.org/10.12955/cbup.v4.762>
- Hollebeek, L. (2011). Demystifying Customer Brand Engagement: Exploring the Loyalty Nexus. *Journal of Marketing Management, 27*, 785–807. <https://doi.org/10.1080/0267257X.2010.500132>
- Hwang, J., & Choi, L. (2020). Having fun while receiving rewards?: Exploration of gamification in loyalty programs for consumer loyalty. *Journal of Business Research, 106*, 365–376. <https://doi.org/10.1016/j.jbusres.2019.01.031>
- Impact.com. (2021). *Ultimate guide to partnership marketing*. <https://go.impact.com/rs/280-XQP-994/images/PDFDownload-PC-ED-Ultimate%20guide%20to%20partnership%20marketing.pdf>
- INE - Instituto Nacional de Estatística. (2023). *Orçamentos Familiares 2022/2023* (p. 11). INE.
- Jacob, K., & Koide, M. (2006, July). *Accessing the American Dream: Affinity Marketing Partnership Strategies for Financial Institutions and Nonprofit*. The Center for Financial Services Innovation. <https://s3.amazonaws.com/cfsi-innovation-files/wp-content/uploads/2017/02/05053727/Accessing-the-American-Dream-Affinity-Marketing-Partnership-Strategies-for-Financial-Institutions-and-Nonprofits.pdf>
- Javadein, S., Amir, K., & Estiri, M. (2008). Customer loyalty in the sport services industry: The role of service quality, customer satisfaction, commitment and trust. *International Journal of Human Sciences, 5*.
- Jean, F., & Yildiz, H. (2011). Consumer learning as a determinant of a multi-partner loyalty program's effectiveness: A behaviorist and long-term perspective. *Journal of Retailing and*

- Consumer Services*, 18, 81–91. <https://doi.org/10.1016/j.jretconser.2010.10.002>
- Jeffrey, S. A., & Shaffer, V. (2007). The Motivational Properties of Tangible Incentives. *Compensation & Benefits Review*, 39(3), 44–50. <https://doi.org/10.1177/0886368707302528>
- Jerath, K., & Zhang, Z. (2010). Store Within a Store. *Journal of Marketing Research*, 47, 748–763. <https://doi.org/10.2307/20751538>
- Jin, L., & Huang, Y. (2014). When giving money does not work: The differential effects of monetary versus in-kind rewards in referral reward programs. *International Journal of Research in Marketing*, 31(1), 107–116. <https://doi.org/10.1016/j.ijresmar.2013.08.005>
- Johnson, K. (1999). Making Loyalty Programs More Rewarding. *Direct Marketing*, 61(11), 24.
- Kahn, K. B., & Myers, M. B. (2005). Framing marketing effectiveness as a process and outcome. *Marketing Theory*, 5(4), 457–469. <https://doi.org/10.1177/1470593105058825>
- Kamboh, M., & Zamir Kamboh, A. (2021, December 12). *A comparative study on affiliate marketing websites*. <https://doi.org/10.13140/RG.2.2.34854.45120>
- Kang, J., Alejandro, T. B., & Groza, M. D. (2015). Customer–company identification and the effectiveness of loyalty programs. *Journal of Business Research*, 68(2), 464–471. <https://doi.org/10.1016/j.jbusres.2014.06.002>
- Kang, J., Brashear, T., & Groza, M. (2015). Customer–company identification and the effectiveness of loyalty programs. *Journal of Business Research*, 68, 464–471. <https://doi.org/10.1016/j.jbusres.2014.06.002>
- Kecsmar, Z. (2022). *Council Post: Loyalty Programs: The New Pillar For Next-Gen Customer Engagement*. Forbes. <https://www.forbes.com/sites/forbesbusinesscouncil/2022/02/18/loyalty-programs-the-new-pillar-for-next-gen-customer-engagement/>
- Keh, H. T., & Lee, Y. H. (2006). Do reward programs build loyalty for services?: The moderating effect of satisfaction on type and timing of rewards. *Journal of Retailing*, 82(2), 127–136. <https://doi.org/10.1016/j.jretai.2006.02.004>
- Kim, B., & Kim, D. (2022). Understanding the role of mobile applications in brand loyalty in the coffee chains industry. *Social Behavior & Personality: An International Journal*, 50(10), 1–11. <https://doi.org/10.2224/sbp.11866>
- KIVETZ, R., & SIMONSON, I. (2003). The Idiosyncratic Fit Heuristic: Effort Advantage as a Determinant of Consumer Response to Loyalty Programs. *Journal of Marketing Research (JMR)*, 40(4), 454–467. <https://doi.org/10.1509/jmkr.40.4.454.19383>
- Kolte, A., Siggia, D., Veer, N., & Mahajan, Y. (2022). Determinants of loyalty programmes

- and their impact on store patronage. *Journal of Asia Business Studies*, 17.  
<https://doi.org/10.1108/JABS-05-2022-0170>
- Kotler, P. (2000). *Marketing Management: The Millennium Edition*.
- Kotler, P., & Armstrong, G. (2008). *Principles of Marketing*. Pearson/Prentice Hall.
- Kotler, P., Kartajaya, H., & Setiawan, I. (2011). *Marketing 3.0*. Elsevier.
- Kotler, P., & Keller, K. L. (2015). *Marketing Management*. Pearson.
- Krstić, A., & Đurđević, B. (2016). SPONSORSHIP AS AN INSTRUMENT OF MARKETING COMMUNICATION (WITH EXAMPLES FROM SPORT). *SPORT - Science & Practice*, 6(1).
- Kumar, A., Amol Gawande, & Vinaydeep Brar. (2021). *Marketing Strategy* (Version 1st). Success Publications. <https://zenodo.org/record/6662658>
- Kumar, V., & Shah, D. (2004). Building and sustaining profitable customer loyalty for the 21st century. *Journal of Retailing*, 80(4), 317–329.  
<https://doi.org/10.1016/j.jretai.2004.10.007>
- Kumar, V., & Shah, D. (2019). Loyalty programs and their impact on customer retention: A study of the Indian retail sector. *Journal of Retailing and Consumer Services*, 50, 322–331.
- Kunitzky, R. (2011a). *Partnership marketing: How to grow your business and transform your brand through smart collaboration*. WILEY: John Wiley & Sons Canada, Ltd.
- Kunitzky, R. (2011b). *Partnership marketing: How to grow your business and transform your brand through smart collaboration* (WILEY: John Wiley&Sons Canada, Ltd.).  
<https://catalogimages.wiley.com/images/db/pdf/9780470676707.c01.pdf>
- Kutlu, G. C. (2015). *Spillover Effects of Brand Alliance and Service Experience on Host Brands in Loyalty Program Partnerships* [[object Object]]. <https://doi.org/10.25777/3B9E-0K19>
- Leenheer, J., van Heerde, H. J., Bijmolt, T. H. A., & Smidts, A. (2007). Do loyalty programs really enhance behavioral loyalty? An empirical analysis accounting for self-selecting members. *International Journal of Research in Marketing*, 24(1), 31–47.  
<https://doi.org/10.1016/j.ijresmar.2006.10.005>
- Lemon, K. N., & Verhoef, P. C. (2016). Understanding Customer Experience Throughout the Customer Journey. *Journal of Marketing*, 80(6), 69–96. <https://doi.org/10.1509/jm.15.0420>
- Lemon, K. N., & Wangenheim, F. v. (2009). The Reinforcing Effects of Loyalty Program Partnerships and Core Service Usage: A Longitudinal Analysis. *Journal of Service Research*, 11(4), 357–370. <https://doi.org/10.1177/1094670508330451>
- Lieb, R. (2012). *Content marketing: Think like a publisher ; how to use content to market*

*online and in social media.* Que.

Liu, Y. (2007). The Long-Term Impact of Loyalty Programs on Consumer Purchase Behavior and Loyalty. *Journal of Marketing*, 71(4), 19–35. <https://doi.org/10.1509/jmkg.71.4.019>

Logos-World. (2024, April 16). *Fnac Logo, symbol, meaning, history, PNG, brand.*

<https://logos-world.net/fnac-logo/>

Magatef, S., & Tomalieh, E. (2015). *The Impact of Customer Loyalty Programs on Customer Retention.*

Maksuti, E., & Maksuti, B. (2023). APPLICATION OF CUSTOMER LOYALTY PROGRAMS AND ISSUES OF DATA PROTECTION. *AGORA INTERNATIONAL JOURNAL OF JURIDICAL SCIENCES*, 17(1), Article 1.

<https://doi.org/10.15837/aijjs.v17i1.5744>

Marketeer. (2024, March 25). *Fnac relembra a importância da inteligência não-artificial – Marketeer.* <https://marketeer.sapo.pt/fnac-relembra-a-importancia-da-inteligencia-nao-artificial/>

Mateus, M. I. B. (2018). *Marketing relacional: A afetividade como factor de diferenciação na gestão das marcas do século XXI : a estratégia da marca Super Bock* [masterThesis].

<https://repositorio.ucp.pt/handle/10400.14/29374>

McMullan, R., & Gilmore, A. (2008). Customer Loyalty: An Empirical Study. *European Journal of Marketing*, 42, 1084–1094. <https://doi.org/10.1108/03090560810891154>

Meyer-Waarden, L. (2001). *Loyalty programs: Strategies and practice.*

Meyer-Waarden, L. (2007). The effects of loyalty programs on customer lifetime duration and share of wallet. *Journal of Retailing*, 83(2), 223–236.

<https://doi.org/10.1016/j.jretai.2007.01.002>

Meyer-Waarden, L. (2008). The influence of loyalty programme membership on customer purchase behaviour. *European Journal of Marketing*, 42(1/2), Article 1/2.

<https://doi.org/10.1108/03090560810840925>

Miguel, A. de M. (2018). *O contributo da Experiência em Loja para a Fidelidade à Marca e o papel mediador da Relação Marca-Consumidor: O caso FNAC Portugal.*

Mimouni-Chaabane, A., & Volle, P. (2010). Perceived benefits of loyalty programs: Scale development and implications for relational strategies. *Journal of Business Research*, 63(1), 32–37. <https://doi.org/10.1016/j.jbusres.2009.01.008>

Moutella, C. (2002). *Fidelização de Clientes como Diferencial Competitivo.*

<https://www.brasilpostos.com.br/wp-content/uploads/2013/10/Curso-de-Fidelizacao-Download.pdf>

- Negi, M. (2022). *Different kinds of Customer Loyalty Program in the UK and their effectiveness*. <https://doi.org/10.13140/RG.2.2.22759.78240>
- Noble, S. M., & Phillips, J. (2004). Relationship hindrance: Why would consumers not want a relationship with a retailer? *Journal of Retailing*, 80(4), 289–303. <https://doi.org/10.1016/j.jretai.2004.10.005>
- O’Leary, Z. (2018). *Research Question: Little Quick Fix*. SAGE.
- Olivier, D., & Burnstone, S. (2014). *South African Loyalty and Rewards*. Value Network. <https://www.eighty20.co.za/app/uploads/2015/07/Value-Netzwerk-loyalty-and-rewards-survey-2014.pdf>
- Orbis Research. (2019). *Loyalty management: Market growth trends and forecasts (2019-2024)*. <https://www.orbisresearch.com/reports/index/loyalty-managementmarket-growth-trends-and-forecasts-2019-2024>
- Panda, D. (2016). Public private partnerships and value creation: The role of relationship dynamics. *International Journal of Organizational Analysis*, 24, 162–183. <https://doi.org/10.1108/IJOA-12-2014-0830>
- Pansari, A., & Kumar, V. (2017). Customer engagement: The construct, antecedents, and consequences. *Journal of the Academy of Marketing Science*, 45(3), 294–311. <https://doi.org/10.1007/s11747-016-0485-6>
- Partch, K. (2004). ElectronicMarketing: Promises to Keep. *Supermarket Business*, 49(10), 25–32.
- Pimenta, M. C. A. (2017). *Coexistence of loyalty programs: An opportunity? A case of Galp energia* [Dissertation, Universidade Católica Portuguesa - Lisbon School of Business & Economics]. <https://repositorio.ucp.pt/bitstream/10400.14/22641/1/Thesis-Coexistence-of-loyalty-programs-an-appportunity-galp-energia-case-study.pdf>
- Poulson, D., Ashby, M., & Richardson, S. (1996). Tools & Techniques—Direct Observation. In *Userfit: A practical handbook on user-centred design for Assistive Technology*.
- Quivy, R., & Campenhoudt, L. V. (1995). *Manual da Investigação em Ciências Sociais* (2ª Edição). Gradiva. <https://tecnologiamidiaeinteracao.wordpress.com/wp-content/uploads/2018/09/quivy-manual-investigacao-novo.pdf>
- Raeisi, S. (2017). The Importance of Customer Engagement and Service Innovation in Value Co-Creation. *International Scholarly and Scientific Research & Innovation*, 11(4), 775–780.
- Ramanathan, U. (2016). Big data analytics: A study of loyalty program data and decision-making. *Journal of Business Research*, 69(5), 1562–1566.
- Reichheld, F. F. (2003). The One Number You Need to Grow. *Harvard Business Review*.

- Richelsen, V., Evanschitzky, H., & Ramaseshan, B. (2008). Customer Equity Drivers and Future Sales. *Journal of Marketing American Marketing Association ISSN*, 72, 98–108. <https://doi.org/10.1509/jmkg.72.6.98>
- Robinson, N. (2013). *UNDERSTANDING CUSTOMER ENGAGEMENT: WHAT MAKES CUSTOMERS MORE LIKELY TO PROVIDE FEEDBACK TO AN ORGANIZATION IN THE SERVICES SECTOR*. ATHABASCA UNIVERSITY.
- Rosenbaum, M., Ostrom, A., & Kuntze, R. (2005). Loyalty programs and a sense of community. *Journal of Services Marketing - J SERV MARK*, 19, 222–233. <https://doi.org/10.1108/08876040510605253>
- Rowley, J. (2004a). Loyalty and Reward Schemes: How Much is Your Loyalty Worth? *The Marketing Review*, 4. <https://doi.org/10.1362/1469347041569795>
- Rowley, J. (2004b). Loyalty and Reward Schemes: How Much is Your Loyalty Worth? *The Marketing Review*, 4. <https://doi.org/10.1362/1469347041569795>
- Rowley, J. (2005). The four Cs of customer loyalty. *Marketing Intelligence & Planning*, 23(6), 574–581. <https://doi.org/10.1108/02634500510624138>
- Ruiz-Molina, M., Gil-Saura, I., & Berenguer-Contrí, G. (2009). Relational benefits and loyalty in retailing: An inter-sector comparison. *International Journal of Retail & Distribution Management*, 37(6), 493–509. <https://doi.org/10.1108/09590550910956232>
- Ruzeviciute, R., & Kamleitner, B. (2017). Attracting new customers to loyalty programs: The effectiveness of monetary versus nonmonetary loyalty programs. *Journal of Consumer Behaviour*, 16(6), e113–e124. <https://doi.org/10.1002/cb.1663>
- Sällberg, H. (2010). *Customer Rewards Programs: Designing Incentives for Repeated Purchase* [School of Management Blekinge Institute of Technology]. <https://www.diva-portal.org/smash/get/diva2:835591/FULLTEXT01.pdf>
- Santos, C. (2021). *FIDELIZAÇÃO À MARCA E COMPORTAMENTO DO CONSUMIDOR - ESTUDO DE CASO: FNAC PORTUGAL*. Universidade Católica Portuguesa.
- Sanyal, S. (2016). *Partner Relationship Management Best Practices Guide* (p. 63). ZINFI Technologies, Inc. | Automating Profitable Growth. <https://www.zinfi.com/documents/PRM-Best-Practices.pdf>
- Saunders, M. N. K., Lewis, P., & Thornhill, A. (2020). *Research Methods for Business Students*. [https://www.pearson.com/nl/en\\_NL/higher-education/subject-catalogue/business-and-management/Research-methods-for-business-students-8e-saunders.html](https://www.pearson.com/nl/en_NL/higher-education/subject-catalogue/business-and-management/Research-methods-for-business-students-8e-saunders.html)
- Şekerkeya, A. (2020). *Contemporary Issues in Strategic Marketing*. Istanbul University Press. <https://doi.org/10.26650/B/SS05.2020.002>

Service Fusion. (2021). *7 Ways Service Businesses Can Get More Customer Reviews*.  
[https://www1.demandgenreport.com/wp-content/uploads/2021/07/sfcl7\\_ways\\_service\\_businesses\\_can\\_get\\_more\\_customer\\_reviewsv2.pdf](https://www1.demandgenreport.com/wp-content/uploads/2021/07/sfcl7_ways_service_businesses_can_get_more_customer_reviewsv2.pdf)

Shirai, M. (2022). Which loyalty program do customers prefer: A coalition program or a single-firm program? *Journal of Services Marketing*, 37(5), 563–573.  
<https://doi.org/10.1108/JSM-04-2022-0139>

Smith, A., & Potter, J. (2010). Loyalty card programs, customer relationship and information technology: An exploratory approach. *International Journal of Business Innovation and Research - Int J Bus Innovat Res*, 4. <https://doi.org/10.1504/IJBIR.2010.029541>

So, J. T., Danaher, T., & Gupta, S. (2015). What do Customers Get and Give in Return for Loyalty Program Membership? *Australasian Marketing Journal*, 23(3), 196–206.  
<https://doi.org/10.1016/j.ausmj.2015.02.002>

Sobreiro, S. M. T. (2021). *EXPLORING THE BEST INTERNAL COMMUNICATION PRACTICES FOR OPTIMAL EMPLOYEE ENGAGEMENT IN CORPORATE SUSTAINABILITY: HI FLY CASE STUDY* [Universidade Católica Portuguesa].  
<https://repositorio.ucp.pt/bitstream/10400.14/37421/1/202990044.pdf>

Son, Y., Oh, W., Han, S., & Park, S. (2020). When Loyalty Goes Mobile: Effects of Mobile Loyalty Apps on Purchase, Redemption, and Competition. *Information Systems Research*, 31.  
<https://doi.org/10.1287/isre.2019.0918>

Stapenhurst, T. (2009). *The benchmarking book: A how-to-guide to best practice for managers and practitioners*. Elsevier/Butterworth-Heinemann.

Stauss, B., Schmidt, M., & Schöler, A. (2005). Customer frustration in loyalty programs. *International Journal of Service Industry Management*, 16.  
<https://doi.org/10.1108/09564230510601387>

Steinhoff, L., & Palmatier, R. W. (2016). Understanding loyalty program effectiveness: Managing target and bystander effects. *Journal of the Academy of Marketing Science*, 44(1), Article 1. <https://doi.org/10.1007/s11747-014-0405-6>

Strombach, T., Hubert, M., & Kenning, P. (2015). The neural underpinnings of performance-based incentives. *Journal of Economic Psychology*, 50, 1–12.  
<https://doi.org/10.1016/j.joep.2015.06.004>

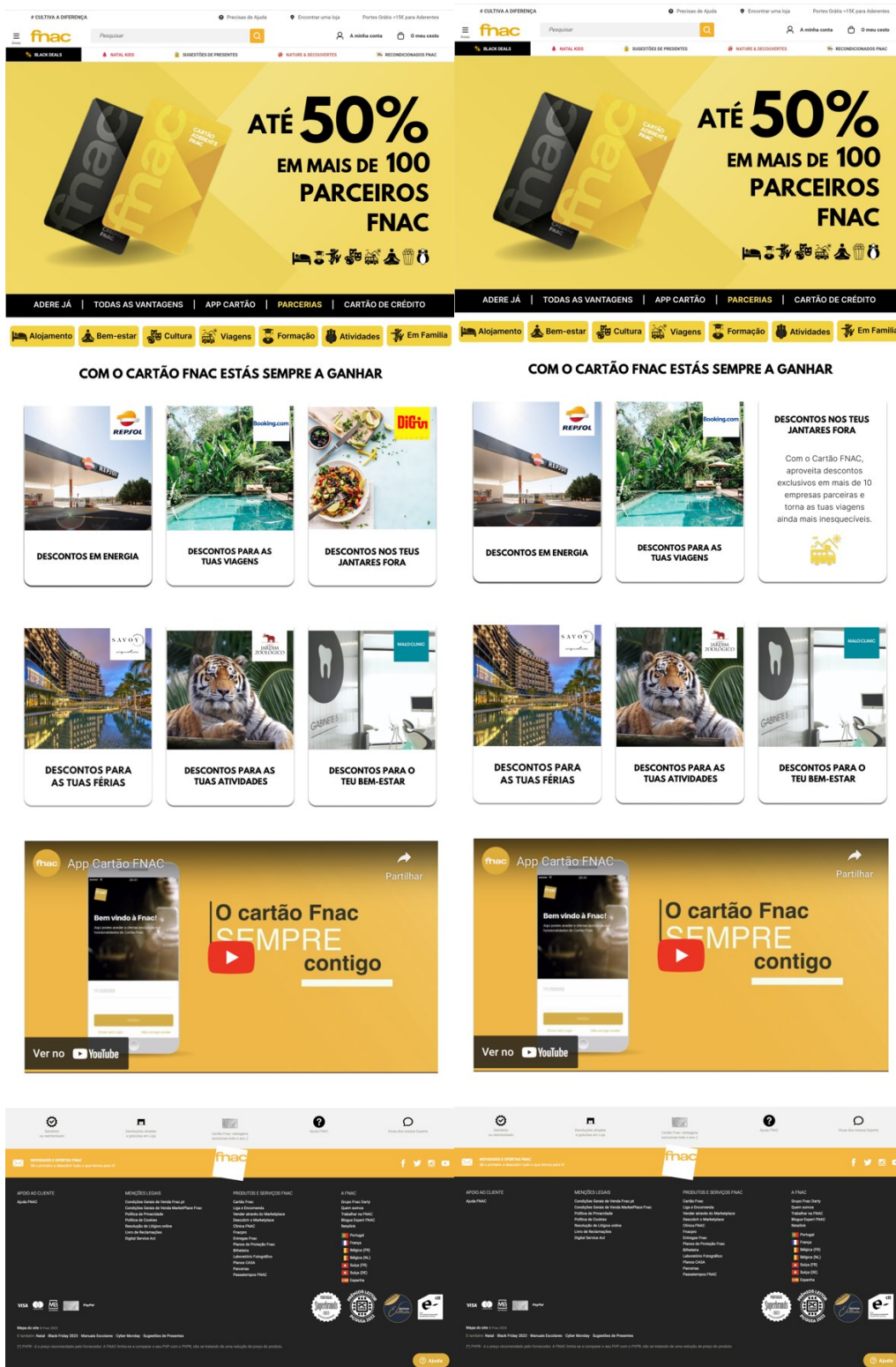
Świczak, W. (2012). Content marketing as an important element of marketing strategy of scientific institutions. *Transactions of the Institute of Aviation*, 226, 133–150.  
<https://doi.org/10.5604/05096669.1077480>

- Swift, R. (2008). Executive Response: CRM is Changing Our Eras, the Information We Require, and Our Processes... *MIS Quarterly Executive*, 1(2).  
<https://aisel.aisnet.org/misqe/vol1/iss2/3>
- Szczepańska, K., & Gawron, P. (2011). Loyalty Programs Effectiveness. *Foundations of Management*, 3. <https://doi.org/10.2478/v10238-012-0044-5>
- Tabaku, E., & Zerellari, M. (2015). Brand Loyalty And Loyalty Programs; A Literature Review. *Romanian Economic and Business Review*.  
<https://www.semanticscholar.org/paper/Brand-Loyalty-And-Loyalty-Programs%3B-A-Literature-Tabaku-Zerellari/76c62756e2fad8641fb856cbcc1657a9aa69f8f9>
- Tanwar, S., & Sahu, P. (2024). Two decades of research on affiliate marketing: A systematic literature review. *Theoretical and Applied Economics*, XXXI(1), 211–230.
- Tavares, P. (2023). *Research Methods*.
- Tian, M., & He, X. (2016). Study on Profit of Participation Corporate in Loyalty Program Partnerships. *Proceedings of the 6th International Conference on Electronic, Mechanical, Information and Management Society*. 6th International Conference on Electronic, Mechanical, Information and Management Society, Shenyang, China.  
<https://doi.org/10.2991/emim-16.2016.63>
- Tian, M., & Qin, Y. (2016, January 1). *Research on the Driving Factors of Corporate and Loyalty Program Partnerships*. <https://doi.org/10.2991/emim-16.2016.22>
- Vadhrya, S. (2020). Role of Digital Marketing for Developing Customer Loyalty. *International Journal of Advanced Research in Science, Communication and Technology*, 162–166. <https://doi.org/10.48175/IJARSCT-512>
- Venkatraman, M. P., & MacInnis, D. J. (1985). THE EPISTEMIC AND SENSORY EXPLORATORY BEHAVIORS OF HEDONIC AND COGNITIVE CONSUMERS. *Advances in Consumer Research*, 12(1), 102–107.
- Wang, R., Krishnamurthi, L., & Malthouse, E. (2018). When Reward Convenience Meets a Mobile App: Increasing Customer Participation in a Coalition Loyalty Program. *Journal of the Association for Consumer Research*, 000–000. <https://doi.org/10.1086/698331>
- Wulf, K., Odekerken, G., & Iacobucci, D. (2001). Investments in Consumer Relationships: A Cross-Country and Cross-Industry Exploration. *Journal of Marketing - J MARKETING*, 65, 33–50. <https://doi.org/10.1509/jmkg.65.4.33.18386>
- Yi, Y., & Jeon, H. (2003). Effects of loyalty programs on value perception, program loyalty, and brand loyalty. *Journal of the Academy of Marketing Science*, 31(3), 229–240.  
<https://doi.org/10.1177/009207030303031003002>

Yoo, M. (2006). *Strategic alliance and loyalty marketing: Do partnerships affect loyalty customers?* [University of Nevada]. <https://digitalscholarship.unlv.edu/rtds/1999>

# APPENDICES

## Appendix A – FNAC Card Partnerships Landing Page Suggestion



# Appendix B – Partnership Categories Landing Page Suggestion (e.g.: Travel)

The image displays two versions of a landing page for FNAC's travel partnerships. The top version is a full-page banner with a woman driving, advertising 'ATÉ 40% EM VIAGENS INESQUECÍVEIS'. Below this, a navigation bar lists categories: Alojamento, Bem-estar, Cultura, Viagens, Formação, Atividades, and Em Família. The main content area features four partnership cards:

- Booking.com:** 4% DESCONTO NA TUA PRÓXIMA ESTADIA POR TODO O MUNDO. Includes an image of a swimming pool.
- REPSOL:** ATÉ 19 CENT./LITRO COMBUSTÍVEL SILMPLES, NEOTECH E AUTOGAS. Includes an image of a Repsol fuel pump.
- bestravel:** 5% DESCONTO EM TODOS OS PACOTES TURÍSTICOS OU ALOJAMENTO. Includes an image of a beach chair and umbrella.
- cityrama:** 40% DESCONTO EM HOP-ON HOP-OFF (EXCEPTO BARCO). Includes an image of a city tour bus.
- AVIS:** ATÉ 20% DESCONTO SOBRE A MELHOR TARIFA ONLINE DO DIA. Includes an image of a woman in a car.

The bottom version of the page shows a similar layout but with a more detailed footer containing various links and logos.

## Appendix C – Partnership selection table

**Parceiro** *Potencial Marca Parceira*

**Objetivo Principal** Definir o objetivo da parceria e o porquê de ela ser importante adicionar ao programa de parcerias da FNAC

Rank	Critério de Avaliação	S	N	N/A	Sim	Não	Pontuação	Escala
1	A marca é amplamente reconhecida dentro do setor relevante (ex: viagens, cultura, etc.)				5	-5		
2	A marca é amplamente reconhecida em nível nacional				5	-5		
3	A marca tem um forte alcance no público-alvo principal da FNAC (ex: famílias, viajantes, estudantes)				4	-4		
4	A marca tem uma forte presença nas principais regiões geográficas onde a FNAC opera				4	-4		
5	A marca complementa a proposta de valor da FNAC nas categorias de Alojamento, Atividades, Em Família, Formação, Viagens, Serviços, Cultura e Cinema				3	-3		
6	A marca é uma líder clara em sua categoria específica (ex: líder em serviços de alojamento, plataformas de educação, etc.)				3	-3		
7	A marca é relevante para o mercado de consumo nas categorias da FNAC (ex: cultura e cinema, atividades ao ar livre)				2	-2		
8	A marca possui uma sede ou uma forte presença na Europa, especialmente em Portugal				2	-2		
9	A marca utiliza os veículos e canais certos para promover a parceria de forma eficaz junto ao público FNAC				1	-1		
10	A marca tem uma componente online significativa, onde os membros da FNAC possam obter mais informações				1	-1		

Legenda de Escala		
Cor	Pontuação Total	Avaliação de Potencial
	30-23	<b>Excelente Potencial:</b> A marca é altamente alinhada com os objetivos da FNAC e representa uma parceria de grande valor.
	22-15	<b>Bom Potencial:</b> A marca possui um bom alinhamento e trará benefícios significativos, mas há áreas a melhorar.
	14-08	<b>Potencial Moderado:</b> A marca apresenta um alinhamento razoável com as necessidades da FNAC, mas pode não oferecer o valor ideal.
	7-(-30)	<b>Baixo Potencial:</b> A marca tem pouca ou nenhuma sinergia com a FNAC, e a parceria pode não ser vantajosa.

### Instruções de Aplicação:

- 1º **Definir o Objetivo Principal:** Descrever brevemente o objetivo da parceria no contexto do programa de parcerias da FNAC.
- 2º **Avaliar Cada Critério:** Para cada critério de avaliação, selecionar "Sim" (S), "Não" (N), ou "Não Aplicável" (N/A) e atribua a pontuação correspondente. Somar as pontuações ao final para determinar o potencial da marca.
- 3º **Interpretar a Pontuação:** Usar a legenda de escala para avaliar o alinhamento estratégico da marca com os objetivos da FNAC.

## Appendix D - Summary of the benchmarking

Introduction	
Item	Description
<b>Disclaimer</b>	This study was based on data available online about the companies, as it wasn't possible to access internal information about the companies under comparison.
<b>Purpose, objectives and scope</b>	The main purpose of the study is to understand the practices used by other reference companies in the Portuguese market regarding their partnership program. This will enable the identification of opportunities for improving FNAC's partnership program.
<b>List of participants and summary of participants' operations</b>	The companies involved in this study (companies analyzed) are MbWay (an App that allows instant money transactions),

	<p>Revolut (a global fintech that offers banking services), WTF (mobile service of the NOS corporation), ACP (a Portuguese club aimed at assisting motorists), and Continente (a hypermarket and one of the largest retail companies in Portugal).</p>
<p><b>Brief log of events</b></p>	<p>First, comprehensive research was conducted to identify companies with partnership programs that could serve as suitable examples for FNAC. After this initial research, the five companies mentioned above were selected, and analyzed their partnership programs, considering various variables. Lastly, it was possible to analyze the gathered data and draw conclusions, as well as identify opportunities for improvement for FNAC's program.</p>
<p><b>Conclusions and recommendations</b></p>	<p>Several areas of improvement for the FNAC Card partnership program were identified through this research, namely: lack of communication strategies in the available media; most partners are small and geographically limited; lack of innovation and dynamism in FNAC partnerships and lack of customer feedback on the partnerships. However, the majority of the recommendations to address these problems will have to be tested in the questionnaire in order to draw conclusions that correspond to the members' preferences.</p>

Source: Adapted from Stapenhurst (2009, p. 249)

## Appendix E - Sample description

Data item		Absolute frequency	Relative frequency
Age	18-24	50	7,9%
	25-34	116	18,4%
	35-44	143	22,7%
	45-54	198	31,4%
	55-64	81	12,9%
	65+	42	6,7%
Gender	Female	285	45,2%
	Male	344	54,6%
	Prefer not to say	1	0,2%
Work Status	Unemployed	18	2,9%
	Student	31	4,9%
	Retired	49	7,8%
	Self-employed	71	11,3%
	Employed	461	73,2%
Education	Doctorate	26	4,1%
	Primary school	3	0,5%
	High School	143	22,7%
	Bachelor's degree	260	41,3%
	Master's degree	130	20,6%
	Postgraduate	68	10,8%

## Appendix F – Results from Question 10

Brand	Counting	Percentage
Repsol	231	65,63%
Jardim Zoológico de Lisboa	15	4,26%
Booking	14	3,98%
Cineplace	5	1,42%
Zoomarine	3	0,85%
Hotel Pestana	3	0,85%
Público	3	0,85%
SEA LIFE	3	0,85%
Galp	2	0,57%
Goldenergy	2	0,57%
Lidl	2	0,57%
Portugal dos Pequeninos	2	0,57%
Sony	2	0,57%
Pingo Doce	2	0,57%
Altice	2	0,57%

Hotel Golf Mar	1	0,28%
Dino Parque	1	0,28%
Teatro Nacional de São João	1	0,28%
Pavilhão Conhecimento	1	0,28%
Panda	1	0,28%
Agência Abreu	1	0,28%
Apple	1	0,28%
Cinemax	1	0,28%
Fidelidade	1	0,28%
Fotoadrenalina	1	0,28%
PlayStation	1	0,28%
Sky dive	1	0,28%
Stay	1	0,28%
Pousadas de Portugal	1	0,28%
Avis	1	0,28%
None	46	13,07%
<b>Total</b>	<b>352</b>	<b>100%</b>

### Appendix G – Results from Question 23

Brand (1)	Counting (1)	Percentage (1)	Brand (2)	Counting (2)	Percentage (2)
TAP	28	10,37%	Dacia	1	0,37%
Continente	11	4,07%	Decathlon	1	0,37%
Agencia Abreu	10	3,70%	EasyJet	1	0,37%
Cinema NOS	9	3,33%	Endesa	1	0,37%
McDonald's	9	3,33%	Épic games	1	0,37%
Netflix	7	2,59%	Estrella damm	1	0,37%
Spor Lisboa e Benfica	6	2,22%	Everything Is New	1	0,37%
NOS	6	2,22%	Fitness hut	1	0,37%
Lidl	5	1,85%	The Fork	1	0,37%
MEO	5	1,85%	Ginásio Phive	1	0,37%
Playstation	5	1,85%	Go natural	1	0,37%
Steam	5	1,85%	Holmes Place	1	0,37%
Nintendo	4	1,48%	Honest Greens	1	0,37%
Apple	4	1,48%	Hospital Lusíadas	1	0,37%
Cinema UCI	4	1,48%	Hanami Sushi	1	0,37%
Disney +	4	1,48%	Vitaminas	1	0,37%
Spotify	4	1,48%	Hotéis Vila Galé	1	0,37%
H3	4	1,48%	Ikea	1	0,37%
Sony	4	1,48%	Kobo	1	0,37%
Auchan	3	1,11%	Lanidor	1	0,37%
Booking	3	1,11%	Lego	1	0,37%
Casa da Música	3	1,11%	Logitravel	1	0,37%

Flixbus	3	1,11%	Loreal	1	0,37%
Vila Galé Hotéis	3	1,11%	Lusiádas Saúde	1	0,37%
Pingo Doce	3	1,11%	Máximo Dutti	1	0,37%
Rituals	3	1,11%	Mercadona	1	0,37%
Ryanair	3	1,11%	Microsoft	1	0,37%
Samsung	3	1,11%	Montblanc	1	0,37%
STCP	3	1,11%	Multicare	1	0,37%
Boss	2	0,74%	Nespresso	1	0,37%
BP	2	0,74%	New York	1	0,37%
CUF	2	0,74%	Observador	1	0,37%
FC Porto	2	0,74%	Pasta caffè	1	0,37%
Rede Expressos	2	0,74%	Hotel Pestana	1	0,37%
HBO Max	2	0,74%	INATEL	1	0,37%
Oceanário Lisboa	2	0,74%	Ticketline	1	0,37%
Pizza hut	2	0,74%	Via Verde	1	0,37%
Xbox Game Pass	2	0,74%	Fidelidade	1	0,37%
Springfield	2	0,74%	CGD	1	0,37%
Starbucks	2	0,74%	YouTube	1	0,37%
Toyota	2	0,74%	Portugalia	1	0,37%
Uber	2	0,74%	Primark	1	0,37%
Vodafone	2	0,74%	PRIO	1	0,37%
ACP	1	0,37%	Publico	1	0,37%
Adidas	1	0,37%	Repsol	1	0,37%
Airbnb	1	0,37%	Santander	1	0,37%
Amazon Prime	1	0,37%	Satechi	1	0,37%
Asus	1	0,37%	Sport Zone	1	0,37%
EDP	1	0,37%	Sporting Club de Portugal	1	0,37%
Benetton	1	0,37%	SporTV	1	0,37%
Bertrand	1	0,37%	Cartão da Farmácias Portuguesas	1	0,37%
Gant	1	0,37%	Teatro Sá da Bandeira	1	0,37%
Boutique dos relógios	1	0,37%	Telepizza	1	0,37%
Brisa	1	0,37%	Tiffosi	1	0,37%
CANON	1	0,37%	Top Atlântico	1	0,37%
Celeiro	1	0,37%	Wells	1	0,37%
CEPSA	1	0,37%	Xiaomi	1	0,37%
Chicco	1	0,37%	Zara	1	0,37%
Cinema City	1	0,37%	Zoo Santo Inacio	1	0,37%
Clínica Dellile	1	0,37%	Zoomarine	1	0,37%

## **Appendix H – Questionnaire**

### **Informed Consent**

Dear participant, my name is Filipa Fonseca and I'm conducting a study on FNAC's loyalty program as part of my Master's Degree in Communication Sciences at Universidade Católica Portuguesa. The questionnaire lasts approximately 7 minutes, and your participation is extremely important.

There are no right or wrong answers, and it is asked that you answer all the questions honestly. Your participation is entirely voluntary, and all data collected will be used for academic research purposes only and treated anonymously and confidentially.

If you need any further information, please do not hesitate to contact me (s-fafonseca@ucp.pt).

Thank you very much for your participation!

- a) I agree to participate in this study
- b) I do not agree to participate in this study

### **Members' experience with FNAC**

2. How long have you been a FNAC member?

- a) Less than 3 years
- b) 3 to 6 years
- c) 6 to 9 years
- d) > 10 years

3. How often do you shop at FNAC?

- a) 1 - 3 times a year
- b) 3 - 6 times a year
- c) > 6 times a year

4. What products and services are you most interested in at FNAC?

(Select up to 3)

- a) Household Appliances
- b) Informatics

- c) Books
- d) Music
- e) Tickets
- f) Cinema
- g) Games and Toys
- h) Sports
- i) Fashion
- j) Beauty
- k) Other:\_\_\_\_\_

**Awareness of current FNAC Card partnerships**

5. Are you aware of the current partnerships associated with the FNAC Card (e.g. Repsol)?
  - a) Yes
  - b) No
  - c) Some of them. Which ones?\_\_\_\_\_
  
6. Have you ever benefited from the discounts provided by the current FNAC Card Partners?
  - a) Yes
  - b) No
  
7. How often do you use FNAC Card Partnerships?
  - a) Rarely (1 to 5 times)
  - b) Regularly (10 to 15 times)
  - c) Very often (more than 20 times)
  
8. How often do you use partnerships provided by other companies?
  - a) Never uses
  - b) Rarely (1 to 5 times)
  - c) Regularly (10 to 15 times)
  - d) Very often (more than 20 times)
  
9. In which category do you most use the FNAC Card partnerships?  
(Select up to 3)

- a) Accommodation
- b) Activities
- c) Wellbeing
- d) Cinema
- e) Culture
- f) Family activities
- g) Education
- h) Travel and transport

10. When you think of FNAC Card partners, which partner brand comes to mind?

11. Which FNAC Card partner brands do you use the most?

(Select up to 3)

- a) Repsol
- b) Zomato (novo Dig-in)
- c) Jardim Zoológico
- d) Malo Clinic
- e) Booking.com
- f) Aquashow
- g) Pacotes Planos Casa CCB
- h) Portugal dos Pequeninos SEA LIFE
- i) Clínica Médis
- j) Alberto Oculista
- k) Fitness Hut
- l) Zoomarine
- m) Teatro Nacional D. Maria II
- n) Other: \_\_\_\_\_

12. Do you think that FNAC offers partnerships that are relevant to your interests in general?

- a) Yes
- b) No

13. On a scale of 1 to 5, where 1 is very dissatisfied and 5 is very satisfied, rate your level of satisfaction with your current partnerships.

Very dissatisfied

Very satisfied

1

2

3

4

5

### Communication of FNAC Card partnerships

14. With the communication provided to FNAC's partners, I can stay informed about them.

- a) Strongly disagree
- b) Partially disagree
- c) Partially agree
- d) Strongly agree

15. How do you usually stay informed about FNAC partnerships?

(Select all that apply)

- a) Newsletter
- b) Notifications on the FNAC Card APP FNAC website
- c) Social networks
- d) FNAC Physical store
- e) On your own initiative

16. On a scale of 1 to 5, with 1 being very ineffective and 5 being very effective, how would you rate FNAC's communication about partnerships?

Very ineffective

Very effective

1

2

3

4

5

17. I am interested in staying informed and receiving more information about FNAC Card partnerships

- a) Strongly disagree
- b) Partially disagree
- c) Partially agree
- d) Strongly agree

18. What type of information would you like to receive about FNAC Card partnerships? (Select up to 3)

- a) New partnerships
- b) Updated offers and discounts
- c) Guides and tutorials on how to use partnerships Notifications of partnerships expiring soon
- d) Special events and activities related to partnerships
- e) Testimonials and reviews from other customers
- f) Other: \_\_\_\_\_

19. In order of preference, through which communication channels would you like to receive more information about FNAC partnerships?

Put your preferred channel at the top (1), the next in second place (2) and so on.

- a) Newsletter (e-mail)
- b) Notifications on the FNAC Card APP
- c) FNAC website
- d) Social networks (Instagram, Facebook...)
- e) SMS

20. How often would you like to receive updates on partnerships?

- a) Weekly
- b) Monthly
- c) Every three months
- d) Annually
- e) On special occasions (e.g. seasonal events, new partnerships)

### **Improvement of FNAC Card partnerships**

21. FNAC should expand the categories of partnerships offered.

- a) Strongly disagree
- b) Partially disagree
- c) Partially agree
- d) Strongly agree

22. Which categories would you like to see included in the FNAC Card partnership program?

(Select up to 3)

- a) Fashion
- b) Travel (airlines or transport companies)
- c) Food and restaurants
- d) Health (clinics, hospitals, health insurance)
- e) Digital entertainment (streaming, games, gaming events, etc.)
- f) Other: \_\_\_\_\_

23. When you think of new FNAC Card partners, what new brand would you like to see included in the program?

24. Would you like to see seasonal campaigns associated with specific partners?

- a) Yes
- b) No

25. What kind of rewards would you like to receive when you use a partnership?

- a) FNAC Card balance accumulation
- b) Direct discount
- c) 50% direct discount and 50% balance accumulation on FNAC Card (e.g. Repsol)

26. In your opinion, what are the main points that FNAC could improve in its partnership program? (Select up to 3)

- a) Greater variety of partners Greater variety of categories Better discounts or benefits  
Greater accessibility to offers
- b) More effective communication about partnerships
- c) I don't think anything needs to be improved
- d) Other: \_\_\_\_\_

27. What are the main challenges you encounter when trying to use the partnerships offered by FNAC? (Select up to 3)

- a) Lack of clarity on conditions

- b) Difficulty finding information
- c) Time constraints
- d) Difficulty using the discount code or accessing the discount
- e) Lack of feedback from other customers
- f) Lack of interest in existing partnerships
- g) I can't find any challenges
- h) Other: \_\_\_\_\_

28. Would you be willing to provide feedback on FNAC Card partnerships?

- a) Yes
- b) No

29. I would be more inclined to use a partnership if I saw positive reviews from other customers.

- a) Strongly disagree
- b) Partially disagree
- c) Partially agree
- d) Strongly agree

### **Members' perceived value of FNAC Card partnerships**

30. Partnerships are an important factor in my decision to remain a FNAC Card member.

- a) Strongly disagree
- b) Partially disagree
- c) Partially agree
- d) Strongly agree

31. Partnerships are an important factor when recommending the FNAC Card to non-FNAC members

- a) Strongly disagree
- b) Partially disagree
- c) Partially agree
- d) Strongly agree

32. On a scale between 1 and 10, how likely are you to recommend the FNAC Card, based on its partnerships, to someone else?

Not likely  
0  1  2  3  4  5  6  7  8  9  10  Extremely likely

### Demographic information

33. How old are you?

- a) 18-24 years
- b) 25-34 years
- c) 35-44 years
- d) 45-54 years
- e) 55-64 years
- f) 65+ years

34. What's your gender?

- a) Male
- b) Female
- c) Other

35. What is your level of education?

- a) Primary school
- b) High school
- c) Postgraduate
- d) Masters Degree
- e) Doctorate

36. What's your work status?

- a) Student
- b) Employee
- c) Self-employed
- d) Unemployed
- e) Retired

# ANNEXES

## Annex A – Current FNAC Card Partnerships Landing Page


### PARCEIROS CARTÃO FNAC

Dedica o tempo livre à cultura, lazer, bem-estar e atividades em família com vantagens exclusivas em mais de 100 parceiros.

ADERE JÁ | TODAS AS VANTAGENS | APP CARTÃO | PARCERIAS | CARTÃO DE CRÉDITO

#### ALOJAMENTO

- ALOJAMENTO
- ATIVIDADES
- BEM-ESTAR
- DIA A DIA
- CULTURA E CINEMA
- EM FAMÍLIA
- FORMAÇÃO
- VIAGENS E SERVIÇOS
- TORNAR-SE PARCEIRO

	<p><b>BOOKING.COM</b>   Várias Localidades <a href="https://www.fnac.pt/parceiros/booking.com">https://www.fnac.pt/parceiros/booking.com</a> <b>4% de recompensa adicional</b> Imediata na Booking.com . Acumulável com outras campanhas e descontos em vigor. A reserva deve ser feita através do link que se encontra <a href="#">aqui</a>.</p>
	<p><b>1905 ZINO'S PALACE</b>   Ponta do Sol <a href="http://www.1905zinospalace.com">www.1905zinospalace.com</a> <b>10% de desconto sobre a nossa melhor tarifa disponível do site (BAR)</b> É necessário a apresentação do Cartão FNAC no ato do check-in. As reservas deverão ser realizadas através do email <a href="mailto:res@1905zinospalace.com">res@1905zinospalace.com</a>.</p>
	<p><b>1908 LISBOA HOTEL</b>   Lisboa <a href="http://www.1908lisboahotel.com">www.1908lisboahotel.com</a> <b>10% de desconto sobre a nossa melhor tarifa disponível do site (BAR)</b> É necessário a apresentação do Cartão FNAC no ato do check-in. As reservas deverão ser realizadas através do email <a href="mailto:reservas@1908lisboahotel.com">reservas@1908lisboahotel.com</a>.</p>
	<p><b>ALDEIA DA PEDRALVA</b>   Vila do Bispo <a href="http://www.aldeiadapedralva.com">www.aldeiadapedralva.com</a> <b>10% de desconto sobre a nossa melhor tarifa disponível do site (BAR)</b> É necessário a apresentação do Cartão FNAC no ato do check-in. As reservas deverão ser realizadas através do email <a href="mailto:reservas@aldeiadapedralva.com">reservas@aldeiadapedralva.com</a>.</p>
	<p><b>ALGARVE RACE RESORT</b>   Portimão <a href="http://www.algarveraceresort.com">www.algarveraceresort.com</a> <b>10% de desconto sobre a nossa melhor tarifa disponível do site (BAR)</b> É necessário a apresentação do Cartão FNAC no ato do check-in. As reservas deverão ser realizadas através do email <a href="mailto:reservations@algarveraceresort.com">reservations@algarveraceresort.com</a>.</p>
	<p><b>AMAZÓNIA VERDE HOTÉIS</b>   Várias localidades <a href="http://www.amazoniahoteis.com">www.amazoniahoteis.com</a> <b>10% de desconto sobre a nossa melhor tarifa disponível do site (BAR)</b> É necessário a apresentação do Cartão FNAC no ato do check-in. As reservas deverão ser realizadas através da utilização do código promocional <sup>(1)</sup> na reserva.</p>
	<p><b>AQUASHOW PARK HOTEL</b>   Quarteira <a href="http://www.aquashowpark.com">www.aquashowpark.com</a> <b>10% desconto em reservas online.</b> No check-in o beneficiário do desconto terá de apresentar comprovativo que o identifique como beneficiário, em formato papel ou digital. Caso contrário a reserva passará a preço de balcão sem qualquer desconto. Os benefícios são válidos apenas para o membro, respetivo cônjuge e descendentes menores de 18 anos. Este desconto não será aplicado a reservas realizados por telefone, email ou ao balcão e não é acumulável com outras ofertas, promoções ou programas especiais.</p>