

# Target 'Perks' Up Cartwheel

Retailer tests program that offers rewards as well as usual coupons

By Patrycja Malinowska

**Target** is testing a new loyalty program that rewards in-store shoppers with 10 points for every dollar spent. Dubbed "Cartwheel Perks," the program is tied to the retailer's popular Cartwheel mobile savings platform.

Cartwheel users in select markets — San Diego, Denver, Houston and St. Louis — see a Perks page that provides an overview of the program, according to reports. Once they accrue 5,000 points, participants choose from various rewards that range in price from \$10 to \$20 and include a pair of sunglasses, workout gear and laundry detergent. To receive points, shoppers scan their Cartwheel barcode at checkout as they would to redeem deals.

The program, which simultaneously appeals to coupon-driven and rewards-motivated shoppers, currently drives only in-store sales but could be extended to on-line purchases should it be rolled out nationally, Target spokesman Eddie Baeb told the *St. Louis Post-Dispatch*.

Cartwheel Perks is similar to a rewards program Target previously tested called REDperks. Intended to drive in-store traffic and help Target explore the value of a non-tender loyalty program, REDperks was accessible via a dedicated mobile application and tested in select markets. Participants earned the same 10 points for every dollar spent, but instead of a reward item they received 5% off a full day of shopping at any Target store or one online transaction once they accumulated 5,000 points. The company says it is transitioning REDperks users to the new Cartwheel Perks program.

Target executives foreshadowed the integration last spring, revealing plans to streamline the retailer's loyalty strategy during a financial community meeting. The company said it would integrate Cartwheel with both REDperks and its REDcard 5%-off rewards program to offer a simple, single sign-on and one bar code for checkout — all via mobile.

"We've got a huge opportunity to identify more [shoppers] and bring them a broader rewards portfolio," chief executive officer Brian Cornell said at the meeting. "We are focused on acutely understanding the [shopper] lifetime value, getting to know them more deeply, their attitudes, their preferences, their behaviors and then give them more personalized experiences and more personalized promotions."

Nearly a year ago, the company hired industry veteran (and 2014 "Who's Who in Digital Shopper Marketing" honoree) Keith Colbourn to lead the effort as senior vice president of loyalty and lifecycle marketing, responsible for the development of data-driven marketing strategies that drive traffic and sales, deepen brand engagement and build loyalty. Colbourn joined the mass merchant from promotions and loyalty company Quotient Technology (formerly Coupons.com), where he served as SVP of retailer digital solutions.

His experience will be tested as the company navigates a difficult juncture after posting its first quarterly comparable sales decline in more than two years and



recently losing both chief digital officer Jason Goldberger and chief marketing officer Jeff Jones.

Since Colbourn jumped on board, updates to Cartwheel have placed personalized "For You" offer recommendations directly on its landing page. The offers are selected based on past purchases and interests.

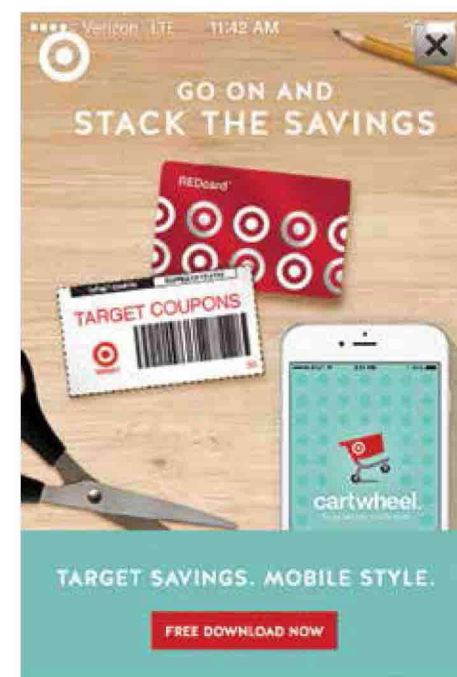
Other recent updates include the addition of new icons for search and scan functions that make those features more readily available, and a bottom navigation bar that lets users jump to offers, their list, their profile, or their checkout bar code. Additionally, users who register their store location can sort, arrange and map out chosen offers and reportedly unlock store-specific deals.

The retailer also partnered with Quotient to add manufacturer coupons to Cartwheel. The addition of single-use traditional manufacturer coupons added discounts worth a dollar amount rather than the percentage off Target does out, as well as access to savings on a wider range of products. In many cases the manufacturer offers are the same discounts as those found in Sunday newspapers.

Target also has given Cartwheel an in-store spotlight in its seasonal department. This spring the retailer stocked the area with discounted products and outfitted

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its fixtures with a signage package that included endcap headers, shelf signs and side panels that invited shoppers to "scan or search products for extra savings."

Since its initial rollout in 2013, Cartwheel has racked up more than 27 million downloads.

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