

CONSUMER LOYALTY PROGRAMS IN RETAIL COMPANYS IN LITHUANIA

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Abstract

Loyalty customer programs affects the organization's successful performance. Maintaining an existing user is financially more profitable and requires less effort than attracting a new one. Loyalty is the highest quality consumer satisfaction that occurs when the benefits of a product or service meet or exceed the consumer's expectations. Consumer loyalty is particularly important in areas where competition is fairly strong and the supply is standard. This area can be termed as the retail market. The customer loyalty program is designed to extend the life of existing customers by maintaining a long-term relationship with them.

Key words: *loyalty, consumer loyalty programs, consumer, retail market, retailer*

JEL Classification: M31, M39

I. INTRODUCTION

Loyalty begins when the company identifies its customers when it sends different messages to different people when the user is rewarded not only for a easily measurable transaction but also for the time, presence, communication intensity. The absolute majority - 81% - of the surveyed Lithuanian residents believe that they are loyal customers. They use the same companies or specialist services for at least a year or two. Only a tenth of the respondents indicated they did not have any loyalty cards. Maxima has issued about 1.8 mln. loyalty cards, "Iki" - 1.5 mln., Rimi - 1 mln., Norfa - 0.751 mln. Nowadays loyalty programs getting popular in Lithuania. Object of this article is loyalty programs. The pupose is to analyze consumer loyalty programs in retail companys in Lithuania. Tasks are to analyze loyalty definition, to analyze loyalty programs concept, to analyze loyalty programs in retail companys.

II. LOYALTY DEFINITION

Loyalty is often used in business terms. Lithuanian marketing specialists stated hat the loyal customer of the modern business world is becoming the most important competitive advantage in modern company. It is currently important to keep the customer back and force the buyer to come back. To achieve this, companies use various loyalty programs, rebate systems, games, lotteries, discounts and many other tools. It is necessary to make every effort to turn it into regular customers, because it will eventually pay off. Long-term relationships are more profitable for a company than a one-time sale. The company's experience shows that the cost of an old client for a business is three times cheaper than finding a new customer. Many businesses have tested this principle and say that it really works. Even with well-known brands dealing with a rather complicated problem: how to maintain their market share and achieve a profitable business. One of the measures would be to increase market share by increasing sales, competing with competitors, offering low prices. But the company will not succeed if it does not have loyal customers. Customer loyalty is attachment to the company, re-purchases, loyalty to the company. The highest point of loyalty is the attorney's users. Consumers advocate working on the brand positively in response to it.

Table 1. Definition of loyalty

Author	Definition	Accents
Bagdonienė, Jakštaitė, R. (2010)	Consumer loyalty varies in strength. A peculiar loyalty hierarchy indicates the uneven choice of users, their commitment to the degree of organization and the level of satisfaction. The latter two factors are of particular importance to service organizations.	Consumer commitment and satisfaction
Dubinas, V. (2010).	Promoting customer loyalty has the greatest effect on strategic goals when organizational and financial tools support long-term relationships with suppliers that	Greatest effects on strategic goals

	provide the organization with the necessary resources.	
Dowling, G., Uncles, M., D, Hammond, K. (2003)	„Customer loyalty is to emphasize that loyalty is a feature of people, rather than something inherent in brands.“	Importance for people
Magatef, S., G., Tomalieh, E., F. (2015)	Customers can demonstrate loyalty to price, brand, company, and other customers. However, customer satisfactions important to any company and it affect clients repeatedly coming back to the company due to its service. This expects that the crucial factors affected customer loyalty are customer satisfaction, emotional bonding, trust, choice reduction/ habit, and company history.(Ghavami & Olyaei, 2006).	Customers satisfaction
Ivanauskienė, N., Auruškevičienė, V. (2008)	Loyalty is also interpreted as an endeavor by the user and continue to use a particular brand or belief, that this brand will continue to be used (Wilson, 1995).	Brand
Uncles, M., d., Dowling, G., R. Hammond, K. (2003)	Loyalty is what a consumer can show to brand, service, product category or for activities	Importance brand, service, product category

III. LOYALTY PROGRAMS

Lately, loyalty programs are often used in retail sales in Lithuania. Loyalty programs encourage buyers to return to shops where they make purchases. Some incentives may have extended access to new products, additional discounts or sometimes free items. Customers usually record their personal information with the company and provide them with a unique identifier, such as a digital ID or membership card, and uses that identifier when purchasing. Loyalty programs are part of relationship marketing. According Pranulis and others (2000), is to tie the buyer to the store, encourage him to buy more, attract new customers and better acquaint customers.

Table 2. Loyalty Program

Author	Definition	Accents
Sharp, B., Sharp, A. (1997)	Loyalty programs: a structured marketing activity that rewards and therefore promotes loyalty shopping behavior, which is potentially beneficial to the company.	Benefit to company
Magatef, S., G., Tomalieh, E, F, (2015)	A loyalty program can give the customer more access new products, special sales coupons or free merchandise. Customers usually register their personal information with the company.	New products, special sales coupons or free merchandise importance.
Ivanauskienė, N., Auruškevičienė, V. (2008)	Loyalty program is valuable to the company as it can create obstacles for the client to leave, to encourage the client to consolidate purchases, to buy additional purchases. Loyalty program helps get detailed information about client behavior and choices; it is used to create personalized communication and suggestions.	Give information about clients behavior
Sharp, B., Byron & Sharp, A. (1997).	Loyalty program is structured marketing efforts to reward customers and thus encourage loyal purchasing behavior which is potentially beneficial to the	Encourage loyal purchasing behavior

<p>Žigienė, G., Maciūtė, G. (2006)</p>	<p>company. One of the most important is being discussed positive aspects of the company loyalty program – every time buying a customer with a loyalty card is accumulated by him purchase history, in addition, the purchase date is fixed and time. Therefore, having such a data bank, a company can: • conduct a comprehensive customer needs analysis; • predict customer behavior; maximally adapt to customer needs; • carry out personal sales; • carry out cross-selling and offer more profitable alternatives to the client; • provide information directly to the target customer about company innovations, ongoing promotions shares and so on.</p>	<p>Highlight positive aspects loyalty program</p>
<p>Zikienė, K. (2010)</p>	<p>The consumer loyalty program - the most popular and commonly used a tool for creating, promoting, or maintaining user loyalty to an organization or a brand.</p>	<p>Most popular and commonly used a tool for creating, promoting, or maintaining user loyalty</p>

As stated Miežetytė (2008) Sargean and West (2001) highlighted several criteria that encourage loyalty:

- A quality product or service. the consumer must be satisfied with a quality product.
- Recovery must be related to a product or service. If not encouraged, sales decrease.
- Recovery needs to be cherished and understood as a real effort to positively present the company's image. It is best to offer a recipe that the consumer can not usually buy for money;
- Propose highly personalized reciprocal methods. the user feels that he is the only one;
- To maintain the company's profitability. There have been companies whose loyalty programs have become very popular and the company simply has not been financially able to fulfill its promise to its customers;
- Differ from price reduction. Most loyalty programs are based on the principle of "buying more, the more you get", but it does not encourage loyalty. If the competitor is offered a lower price, the user can easily go to him, so in order to have a good loyalty program, the product or service should not be tied to the price.

Loyalty programs are designed to attract more buyers, maintain relationships with buyers, increase revenue, increase brand awareness, tie to the brand's buyer.

Table 3. Loyalty programs advantages and disadvantages (based on Žigienė, G., Maciūtė, G. (2006))

Advantages	Disadvantages
<p>Loyal customer is not so responsive to the price, therefore, the company, when determining the higher price of the product, almost does not risk losing part of the turnover.</p>	<p>All loyal programs are similar.</p>
<p>Selling goods to loyal customers are smaller, so profitability may be higher, even if the price is lower than the competitor.</p>	<p>Loyalty depends on price</p>
<p>For loyal customer can be offer cross-selling and thus increase turnover.</p>	<p>The loyalty card details provide a limited view of the buyer.</p>

IV. LOYALTY PROGRAMS IN RETAIL COMPANY'S IN LITHUANIA

Maxima, Lidl, Norfa, Iki, Rimi are well-known brands in Lithuania. These brands have their own loyalty program.

Maxima Loyalty Program

AČIŪ loyalty program is designed to provide added value and value for both customer and business: to enable loyal customers to purchase goods and / or services on favorable terms, provide them with promotions and discounts and other benefits; maintain existing and attract new customers, maintain long-term relationships with them; know and understand the buyer, his needs and expectations;

MAXIMA's stores are tailor-made to meet the needs of customers by offering what customers need and making MAXIMA the most convenient store for buyers.

Maxima trading network has 1.8 million "AČIŪ" card holders which can receive personal offers tailored to them not only when they are logged in to their personal account but also in all online stores in Lithuania. It's handy for older customers who are less likely to use the internet.

Maxima has a loyalty and incentive program that includes such things as: GREAT DISCOUNT CARD, "Flavor Days", Thematic Shows, Weekend Deals, Gifts. Consumers can get personal offers with AČIŪ card for themselves, and there are clear discounts for various goods and it is the most motivating consumer to buy. Thematic shares contribute to the purchase of a certain item in large quantities, for example: "Tea Days". During these days tea is almost entirely in the form of promotions, discounts, and even in taller Maxima stores. It motivates buyers to buy goods for a long time at stock prices. People on weekends like to take a break on vacation, whether in nature or in homesteads, for example during the summertime, Maxima often makes discounts / promotions for goods that are good for nature, homesteads or pleasure. Probably the greatest influence on purchases is made by the wishes of children, so gifts are shared, stickers can be collected, or different kinds of statuettes, puzzles or toys can be purchased by purchasing certain goods at Maxima. I think the motivation of consumers in Maxima's company can be said that the company really is paying to make purchases in large quantities and not to look at prices.

Loyalty card. The "AČIŪ" cardholder can receive personal offers tailored to them not only by joining a personal loyalty account but also in all online stores in Lithuania. According to the data of the trading network, currently the "AČIŪ" loyalty platform uses about 1.8 million of consumers active in it - more than 1.4 million. The personal "AČIŪ" account on the Internet is currently using over 400 thousand buyers. Also, thanks to the "AČIŪ" program partners, "Eurovision", "Forum Cinemas", "Lukoil" (now "Viada"), presenting the valid "AČIŪ" card, get a discount for the current offer.

Gift card and gift vouchers

Freedom to choose. With the Maxima Gift Card or Gift Voucher, everyone can choose what they need. For purchased Maxima Gift Cards and Gift Cards, invoices are issued.

Loans

In order to meet all the needs of consumers, Maxima's shopping center expands its range of services and offers an opportunity to apply for a Credit24 loan for any Maxima store.

You just need to complete the application and submit it to the cashier. He will forward the data to Credit24, who will contact you shortly after the telephone number provided in your application.

Credit24 offers:

- within a few minutes loans are issued from 100 Eur to 5000 Eur;
- Flexible loan repayment terms - from 1 to 36 months;
- quality service every day.

Tickets for events

From now on, tickets distributed to Tickets LT and Tiketa to events taking place in Lithuania and abroad may be purchased at all major retail centers of the Maxima Supermarket. Tickets for events can now be purchased in a user-friendly way and in a convenient location.

Electronic public transport tickets

Electronic public transport tickets are a convenient and practical way to pay for a trip by public transport. You only need to have an electronic public transport ticket.

The electronic public transport card can be purchased and supplemented at the box offices of Maxima, Vilnius, Kaunas and Klaipėda stores, marked with special information signs.

Lithuanian Maksimalistas Project

"Lithuanian Maksimalistas" has been in existence for 15 years, during which UAB Maxima promotes the progress and development of talents of Lithuanian students. In this project are invited to attend all 1-12 grade schoolchildren with achievements in science, music, art and sports, socialization, ecology, innovation and continuous progress in areas. The competent committee for the selected pupils not only grants the honorable name of "Lietuvos Maksimalistas", but also grants scholarships for the whole school year. In this way, the company motivates schoolchildren to seek highs both in science and in different fields of culture.

Rimi loyalty program

Rimi Baltic is one of the largest retail chains in the Baltic States. The history of Rimi Lietuva began in 1995 after the company "Ekovalda" was founded. 1999 The Swedish company ICA AB, a market leader in the Nordic region, acquired the company 50% company's shares. The first "Rimi" (Supermarket) shopping center was opened a year later. The Rimi chain of stores uses many effective motivation and loyalty measures to keep loyal customers alive. Every time customers visit stores, see re committed to staying loyal: • Each time you shop and use the Rimi Store's loyalty card, you will be credited with cash, which in the future will be able to pay up to

99% for your shopping bag. • Rimi also takes into consideration your purchases. [6] When buying certain products repeatedly, Rimi will apply rebates to them. All of this can be seen at the card terminal and you can follow which discounts you choose specifically for you this month. • By purchasing Rimi at a certain price, customers receive small gifts. They encourage customers to buy more money and more often go to the store. • A customer who has acquired a loyalty card can use it not only in the Rimi store. It can be used with Rimi partners, or even get great discounts on birthdays, and collect virtual stickers. • The company offers customers the use of the Rimi website, whereby customers can check what discounts are in the store or check out new products and news. • In their gadget, they provide the opportunity to create their own shopping list, choose a recipe for a delicious meal, look at the range they want or even evaluate products or see what others are recommending. • Loyalty program • • Rimi card loyalty program. This program includes: • "My RIMI" money is 1% of the amount of purchases issued (except for the exceptions provided for in paragraph 24 of these Rules), which, once shopping in RIMI stores and using the "My RIMI" card, will return to My RIMI Card "In cash. • • A special RIMI gadget is a free mobile gadget and its online version to make it easier for its user to view the RIMI range of the store, create a shopping list, view recipes, thematic offers, and view your card information at 12nter. The mobile gadget is available free of charge in one of the 12nternet distribution gadgets, for example: in the App Store and in the Google Play store, as well as the RIMI version of the gadget is available free of charge on the 12nternet website: <https://app.rimi.lt>. • • Personal offers are individual, offers to Program Participant with a Card every Tuesday on the terminal and / or account www.manorimi.lt. • • Also, with loyalty cards there are always different offers for promotions •

Lidl Loyalty Program

Like all companies, Lidl promotes users in these ways. Lidl "twice a week for discounts on the most expensive products. Comes TOP 5 with attractive prices. Lots of advertising and one of the main marketing tricks are used, one of the most famous people of Lithuania is Arvydas Sabonis. In order to keep its customers motivated and loyal, Lidl applies various means of attraction on various holidays: free coffee, donut. Preparing games, giving birth to a car and many different prizes on the occasion of birthday. The Lidl customer service department always strives to resolve any problems with the product so that the buyer is always satisfied. The company's goal is to meet the customers' satisfaction and quality, and as a result, Lidl has a 30 day repayment period. Lidl is the most important quality, so all appliances or electronics products have a warranty of at least 3 years. The fast and efficient work of the Lidl team is one of the key means to keep consumers loyal.

Norfos loyalty program

Norfos discount cards are one of the most popular in Lithuania. They began to be distributed in 2003. at the end In cooperation with Swedbank, the latest payment card reader software has been installed, which ensures fast and efficient customer service of the retail network. 2008 Norfos mažmena has introduced a new discount system that guarantees Norfos customers with a network discounts up to 11%. the price of the value of the purchased goods at all Norfos supermarkets. The advantage of a new system is that buyers always have the largest of the two possible concessions, instant (depending on the amount of purchases) or cumulative (last month). Since 2010 the company has changed the loyalty program. Now discounts are converted into NORFA, which accumulates and can be used up to 50% of the value of the purchase. Norfos discount cards use about 800 thousand. buyers. The turnover of the company through discount cards is more than three quarters of the total turnover of the company. 2017 "Norfos mažmena" has given its permanent purchasers over 27,597 million euro discounts. Buying at NORFA supermarkets will curtail your NORFOLE euro on your card account. NORFOS euros accrue based on the NORFOS discount system. You will be charged a discount, converted into NORFOS EUR (1Eur = 1 NORFOS euro): Instant discount Size / Amount of purchases (Eur) -1% from 15 to 30 -2% from 30 to 60 -3% from 60 to 90 -4% from 90 to 120 -5% from 120 Additional discount on pass

Conclusions

Iki loyalty program

IKI PREMIJA card is a daily benefit for loyal buyers of IKI stores. Each week, you will be entitled to a discount of up to 40% for various goods, except for goods that can not be subject to discounts under the law. Every week at IKI and IKI EXPRESS stores, IKI SAVITILE, IKI WEEK PLUS and www.iki.lt you will find an updated range of goods for which discounts are available. The next time you buy a 5% discount on IKI GOURMET branded goods. All IKI PREMIJA card holders have exclusive offers and partner discounts: Melga, Martonas, Amber Pharmacies, Statoil. It's easy to take advantage of the discount - you just have to give the cashier the IKI PREMIJA card at any IKI or IKI EXPRESS store. From now on, you will save even more money for your birthday party, because with IKI PREMIJA or IKI PREMIJA SENJORAMS cards, we give you a discount of up to 10% on all shopping bags in IKI, IKI EXPRESS stores.

V. CONCLUSIONS

Loyalty programs are beneficial to the organization, because the revenue generated by the loyal consumer organization is steady and has a tendency to increase, loyal customers are less costly to keep an organization than attracting new, loyal users positively responding to the organization by spreading the information from lip to lips and recommending the latter to others, loyal consumers are less sensitive to price changes and are willing to pay more. With a loyalty program, any sales network provides the opportunity to attract more customers. Such a program can be tailor-made for the benefit of the client as much as possible. The store may use a special fundraising program. . When paying for goods, the buyer pays a percentage of the amount paid on the card. Later, you can use this amount for the next time you pay for goods or services. Popular and point-to-point programs.

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