



For the Greener Good

Case Study: My Planet Uses Rewards to Encourage Eco-Friendly Choices

By Sharon M. Goldman

A change, sang Sheryl Crow in her hit song, "will do you good." Loyalty marketers have certainly always believed that change can do a company good, as shifting behavior is what any rewards program worth its salt is all about—dangling rewards as change-worthy currency for consumers, to move them towards brand loyalty and repeat sales.

But what about a customer behavior change that actually does something for the greater good? This is where the intersection of cause marketing and loyalty is at its strongest, as more and more brands, from Chase and Amex to US Airways and American Airlines, see how effectively reward tactics and initiatives can nudge consumers towards better choices, whether it's a green product or support for a social issue.

One company has taken that notion of change and guidance to greener heights: This past April, 17-year-old Canadian-based coalition reward program AIR MILES, owned by LoyaltyOne, launched My Planet, designed to inspire and empower its more than 10 million collectors to make more environmentally sustainable choices.

With over 94% of Canadian consumers in an Environics Research poll saying they feel it is important to choose green products to personally help the planet, the first phase of My Planet focused on rewards—offering collectors more than 100 green product options to purchase with miles. At the same time, My Planet launched an online community and learning center with facts, tips and articles about environmental issues.

But earning miles—not just "burning" them—for green choices was the next step for My Planet. Last month, in a second phase for the program, a group of 18 major Canadian retailers and sponsors—including grocery stores such as Metro and Safeway, renewable energy provider Bullfrog Power, and even the Edmonton Transit System—joined My Planet so that AIR MILES collectors can earn bonus reward miles when they purchase eco-friendly products and services available at sponsor stores and outlets.

"We said, if you think about what we do, we basically change consumer behavior—and wouldn't it be cool if we could actually change consumer behavior for a greater cause?" says Neil Everett, Chief Marketing Officer of the AIR MILES Reward Program.

"We felt we could actually create a better entrenchment, a better respect for our brand if we could use our power of influence to incent consumers to buy sustainable products and be rewarded for them, thus doing our part to save the planet."

Of course, making a company that denotes gas-guzzling air travel seem authentically green was no small task, so it was essential to establish a credible, environmentally-minded AIR MILES before doing anything else.

"When we did research, our collectors loved the idea of this program but it was clear that you'd better be walking the walk," says Everett. "In addition, if you want to attract the best people to your company, you need to be socially conscious and socially active."

Happily, a grassroots effort to reduce AIR MILES' environmental footprint was already underway within the company. A volunteer-led core of AIR MILES employees had honed in on the environment as an essential issue through the company's L.E.A.F. Group, and the environment had also long been a cause near and dear to Bryan Pearson, the President of LoyaltyOne.

Once a corporate sustainability budget was put into place, an environmental consulting firm was also brought on board to expedite the volunteer group's efforts, beginning with an audit of the LoyaltyOne/AIR MILES carbon footprint. From there, environmentally-friendly actions—from appointing a Chief Sustainability Officer, increasing company recycling and increasing double-sided printing to getting rid of bottled water and adding a fleet of shared Smart Cars to the company's headquarters—were put into place. Future efforts include equipping the company's Mississauga Customer Care Centre, to open in November 2009, with more than 650 solar panels that will generate over 150 kilowatts of clean electricity each year.

"We started to do the right things when it comes to our new company building in terms of best practices, and we started to look at our own marketing practices," Everett says. "We have made a significant change in terms of how we communicate with collectors." The company sends out about 180 million communications to collectors each year, but only about 10 million are on paper today, while the rest are electronic, he adds.

Transforming AIR MILES' internal green-ness into a consumer-facing initiative was an even bigger goal, but in creating My Planet, the company decided against reinventing the wheel—instead, it joined forces with Green Rewards, a well-respected and established company in the space founded by Andrew Souvaliotis. Souvaliotis, who is now Chief Impact Officer at AIR MILES, helped re-develop and deploy the program to best target and attract AIR MILES collectors.

"AIR MILES has the most amazing podium," he says. "We have the incredibly unique advantage of speaking to 70% of the Canadian population." And, he adds, those consumers have the appetite for change and anticipate change when it comes to the environment, so AIR MILES can use My Planet to offer shift-worthy incentives.

For example, it became clear that bonus reward miles would be a significant incentive for "green" behavior change. In a recent survey of 2,020 Canadian households, 53% said bonus reward miles would push them to shop greener. And 59% cited the availability of green products as a strong factor to encourage them to buy environmentally friendly products.

Today, My Planet does both: More than 100 My Planet–designated products, from scooters to solar back-up kits (all given the stamp of "green" approval by TerraChoice, a leading environmental marketing firm), are available in exchange for reward miles, while bonus reward miles can be earned for shopping greener at My Planet sponsor stores. In addition, miles can also be used toward environmental charitable donations through a partnership with leading wildlife organization World Wildlife Fund (WWF) Canada.

The work with WWF Canada, however, reaches far beyond simply transferring miles. It is about providing confidence to consumers who want a sense of authenticity from companies that tout themselves as "green."

"If we tell people something's green, they believe us," says Gerald Butts, President and CEO of WWF Canada. "We pick very carefully how we get engaged with business from a brand reliability perspective as well as market-change theory: We are deep believers in market-based solutions to environmental problems. The world can change literally overnight with the right partners and marketing."

For AIR MILES, My Planet is about doing the right thing for the environment in a way that takes advantage of the expertise the company already has, says Everett: "It's really using the currency to change behavior, but to do it toward sustainable outcomes. There's so much going on in terms of sustainability, but we feel that we're creating something unique to the green space."

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