

Walgreens CMO Says Today's Loyalty Currency Is Trust

By Tim Binder

SCHAUMBURG, ILL. — From a retail perspective, it's imperative to rethink loyalty, according to Wendy Liebmann, founder, chief executive officer and chief shopper at WSL Strategic Retail.

Speaking alongside Walgreens senior vice president and chief marketing officer Adam Holyk on March 13 during a Path to Purchase Summit keynote presentation, Liebmann said, "Retail is in turmoil, but shoppers are not. They are incredibly clear about what they want from us and expect from us every day. They say, 'I love

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Adam Holyk, Walgreens



you when you are being what I want you to be. I hate you when you are being what you want to be."

Considering Walgreens' Balance Rewards program has 88 million active members and more than 70% of all purchases at Walgreens are made using the loyalty card, customer loyalty is at the forefront of everything the drug-store chain does.

"Building customer loyalty has evolved quickly from discounts to rewards to personalization," said Holyk. "And today's loyalty currency is trust."

Trust was the centerpiece of Walgreens' brand relaunch in December 2017, when the retailer introduced a new tagline, "Trusted since 1901." According to Holyk, focus

groups had revealed a common sentiment about the retailer, "We know that since you've been here since 1901 that you'll always be here for me. ... [The tagline] was authentic and believable."

Holyk said Walgreens has been on a mission to transform the organization to become brand-led, and its employees are helping bring the brand to life. For example, in 2017 Walgreens employees were on hand to deliver immunizations to first responders working in Houston to handle the aftermath of Hurricane Harvey and the subsequent flooding. "The work our team members did was remarkable," Holyk said. "We now have customers for life."

Holyk expects Walgreens to continue to evolve. "We are going beyond product and price to information and expertise," Holyk said, referring to Walgreens' pharmacists and beauty advisors. "How do we bring that to life across the entire store? We'll find more ways to do that."

He also talked about the importance of Walgreens' corporate social responsibility, or CSR, in "helping kids in the U.S. and abroad." There are four primary components of that: Red Nose Day; Get a Shot. Give a Shot; Vitamin Angels; and Me to We, which all receive a plethora of marketing support.

Holyk offered this advice to the brand marketers in attendance: "Understand how your products and services help Walgreens deliver on its brand promise. Help us to understand the relevance of your brand. Make it specific to the Walgreens customer. Fit the broader Walgreens strategy." SM