

JUNE 2ND, 2026

KPM Brand Growth Webinar

Winning with Loyalty & Promotions: Driving Trial and Retention



KPM FUNDAMENTALS

Learning Objective

Learn how to leverage promotion & incentive solutions to drive trial, increase repeat purchases, and build long-term customer value.



MEET THE TEAM



Your Training Team



STEVEN MAVROLAS
Client Partnerships



CATHERINE HOFERER
Client Success



CHARLOTTE MOCK
Solutions Education



BRIANNA ARNOLD
Strategy & Activation



BROOKE MCLAUGHLIN
Strategy & Activation

Housekeeping



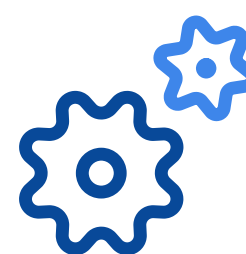
HAVE QUESTIONS?

Please use the Q&A function to submit questions throughout this session.



FOLLOW-UPS

This session is being recorded. The recording and presentation will be uploaded to the Prism & Kroger Ad Platform Learning Center following the conclusion of this session.



DATA PRIVACY

All data demonstrated in systems is masked and not reflective of true campaign performance.



FEEDBACK

Please fill out the two-minute survey at the end of this training. This ensures we do an even better job on our future trainings!



WANT TO LEARN MORE?

Please visit the [Prism Learning Center](#).

TODAY'S AGENDA

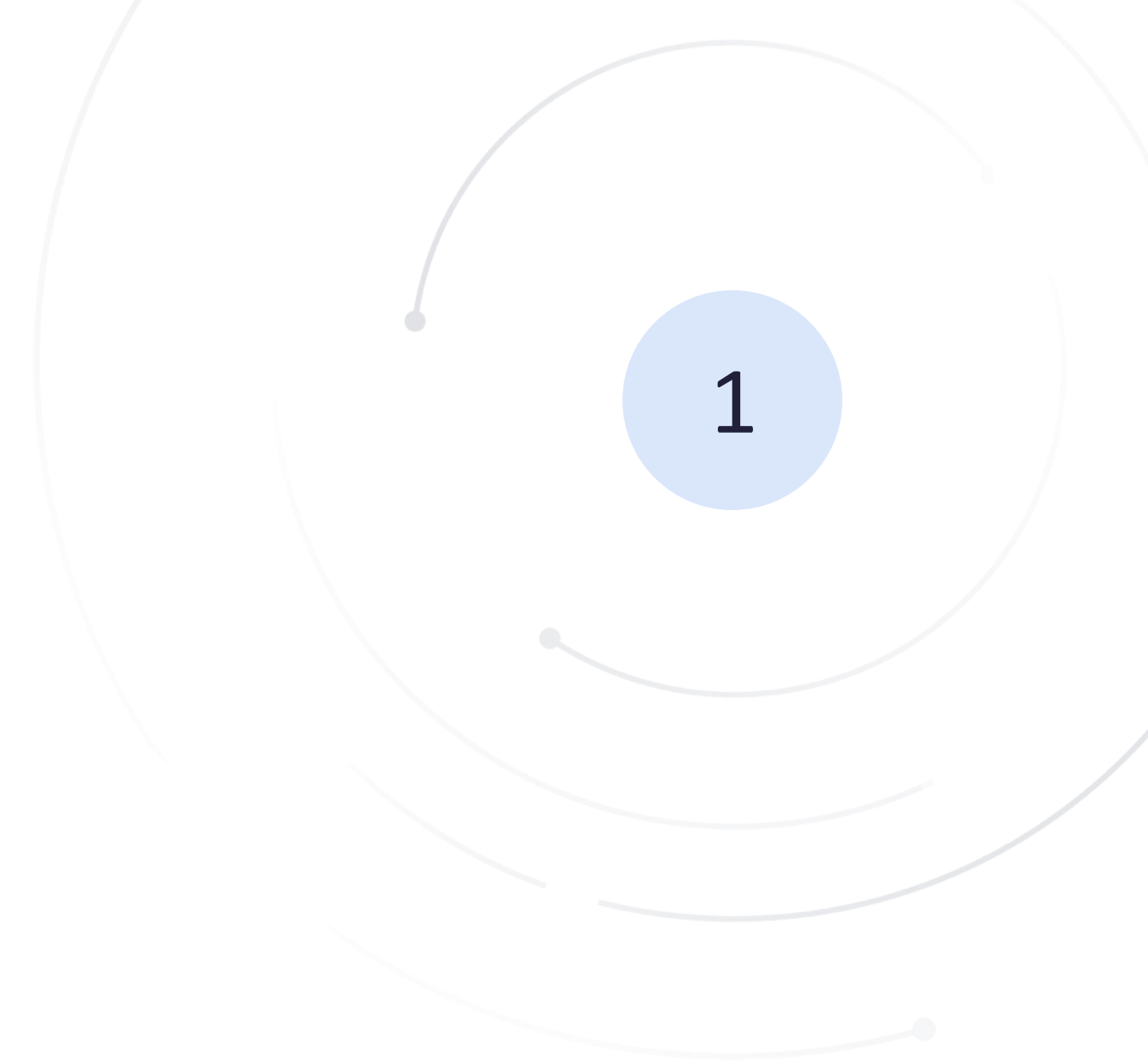
→ **Setting the Stage**

→ **Using Incentives to Drive Brand Growth**

→ **Incentive Solutions at KPM**

→ **Best Practices & Next Steps**

SETTING THE STAGE



Consumers Are More Value-Conscious Than Ever

Shoppers are actively looking for ways to stretch their grocery budgets — making personalized value more important than ever.



80%

cite grocery prices as their #1 concern

Price sensitivity continues to rise across all income groups



88%

are reducing grocery spend, quality, or quantity

Consumers are actively changing shopping behavior



51%

are using digital coupons to save money

Digital savings are now mainstream shopper behavior



VALUE DRIVES EVERY PURCHASE.

Sources: U.S. Bureau of Labor Statistics, Federal Reserve Bank of New York, Federal Reserve Bank of St. Louis, Axio, University of Michigan Survey of Consumers, Economic Policy Uncertainty, Circana Research

1 in Every 2 U.S. Households are Kroger Shoppers

62+ MM Households shopping 2,700 locations in 35 States



Kroger's loyalty program captures 95% of sales resulting in robust data for insights, audiences, activation and measurement.



INCENTIVES PROGRAM

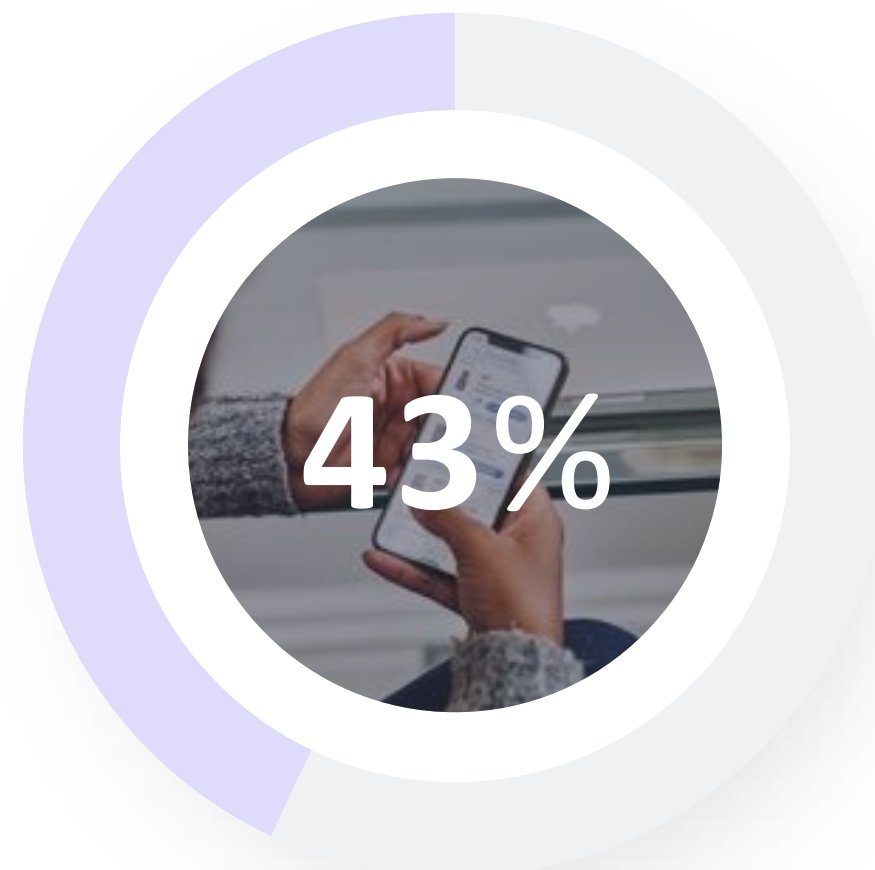
Engaged shoppers sign up for and participate in value exchange incentives program



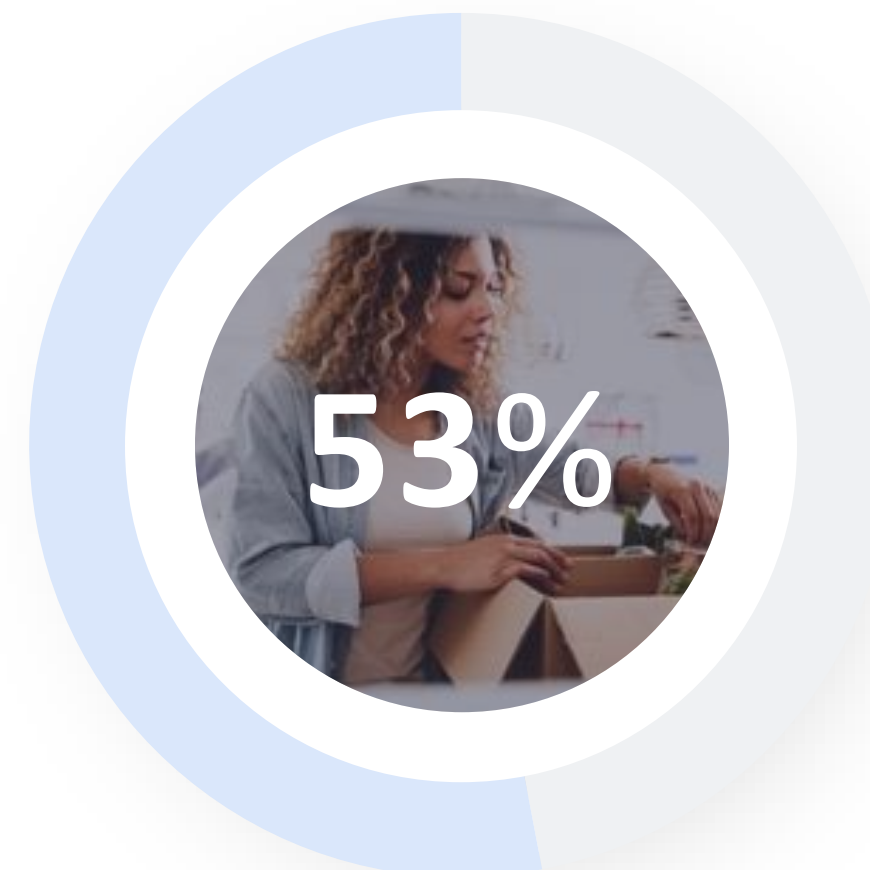
SAVINGS & REWARDS

Shoppers earn coupons, fuel points and personalized offers for participating

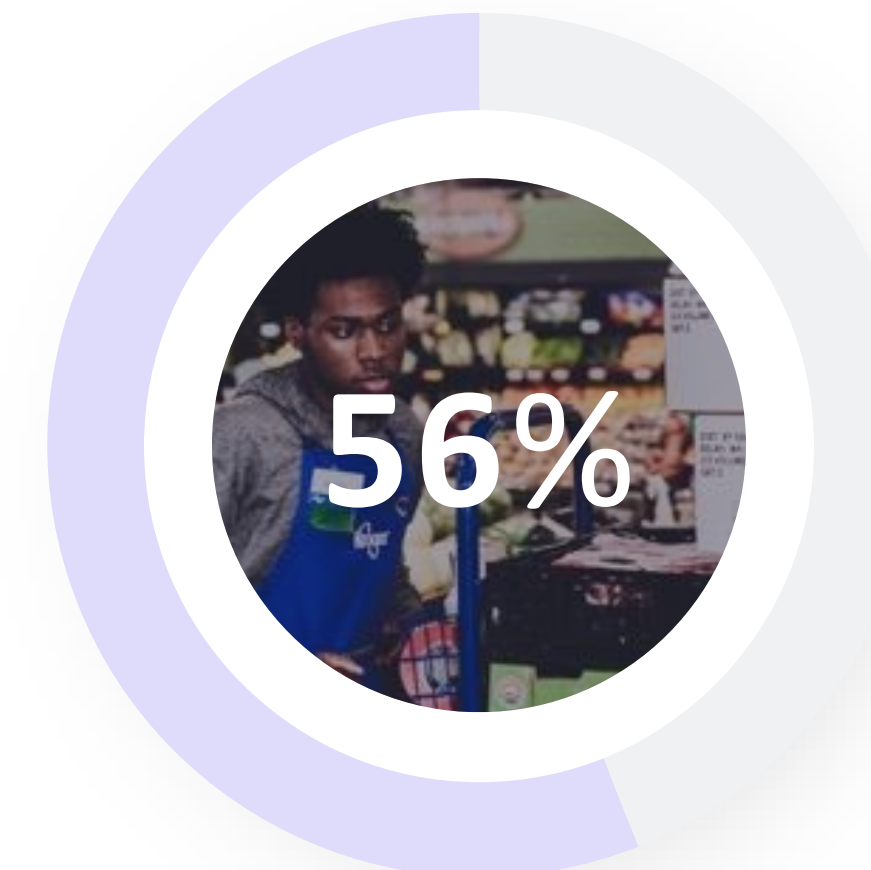
Economic Pressure is Real for Kroger Shoppers, and Incentives Continue to be a Value Lifeline



of surveyed Kroger shoppers note grocery prices are driving their current financial comfort.



of surveyed Kroger shoppers are highly concerned about inflation/consumer prices.



of surveyed Kroger shoppers are looking for coupons, deals, or sales more often.

Myth-Busting with SLED



MYTH

Incentives only drive deal-seekers and margin loss.



FACT

Incentives drive sustained, incremental growth over time.



**RETENTION DRIVES
PROFITABILITY.**

Brands that improve customer retention by just **5%** can **increase profits by 25–95%**.
— Bain & Company

Incentives Drive Sustained, Compounding Growth

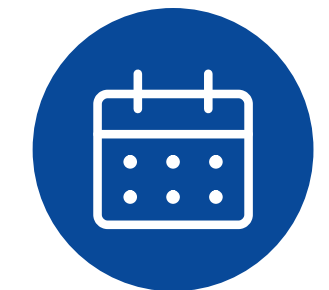
Our data proves the more customers engage, the more incremental value your brand earns over time.

MORE ENGAGEMENT = MORE VALUE



6.14%

Average total sales uplift
per brand in FY24



Sustained Growth. Measurable Results.

Well-targeted L&I drive incremental trail,
repeat, basket expansion and HH growth
over time.

Our Incentives Programs continue to drive value to Kroger, Customers, and Suppliers



FOR KROGER

- Personalized Incentives are a unique differentiator
- \$700MM+ in incremental sales each year
- BCC program drives over 5.9MM incremental trips

FOR CUSTOMERS

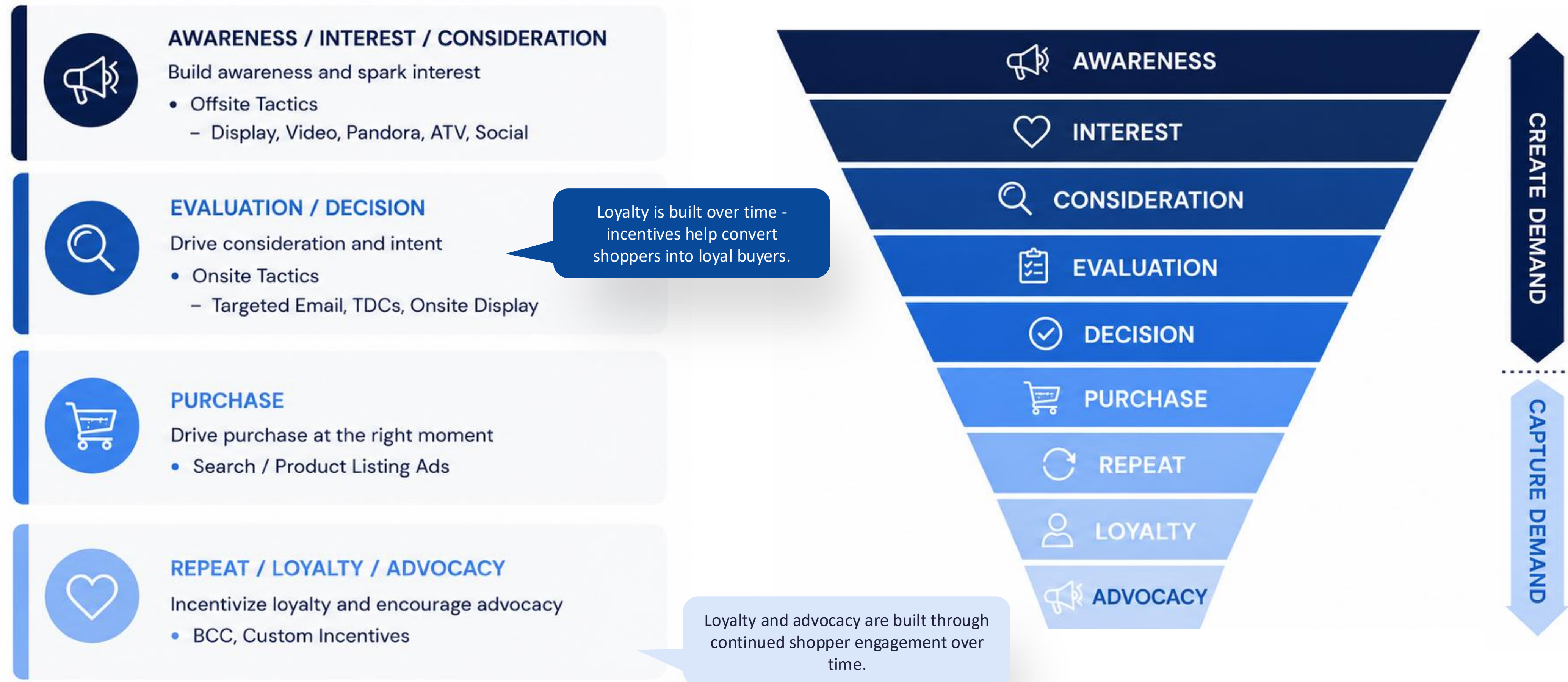
- Customers LOVE personalized offers
- 2.1 Billion personalized offers served each year
- Over \$2.5 Billion in total savings delivered

FOR CPGs

Incentives produce a strong ROI for CPGs:

- BCC: 18x ROAS
- Targeted Digital Coupons: 10x ROAS & +30% sales uplift

Turning Trial Into Loyalty



WHY REWARD?

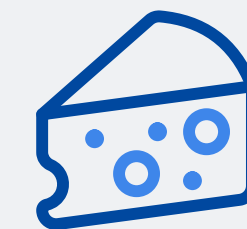
Incentives are the foundation of growth.

Loyal HHs are the engine that drive your brand forward — they spend more, more consistently, more widely, and more frequently than non-loyals. On average, a loyal Kroger HH is 10x as valuable as a non-loyal. Investing in these customers lays the foundation for continued brand performance and growth.



BCC Households visit 5x more often

Contacted vs non contacted households



BCC Households shop 3x more categories

Contacted vs non contacted households



BCC Households spend 6x more \$\$

Contacted vs non contacted households

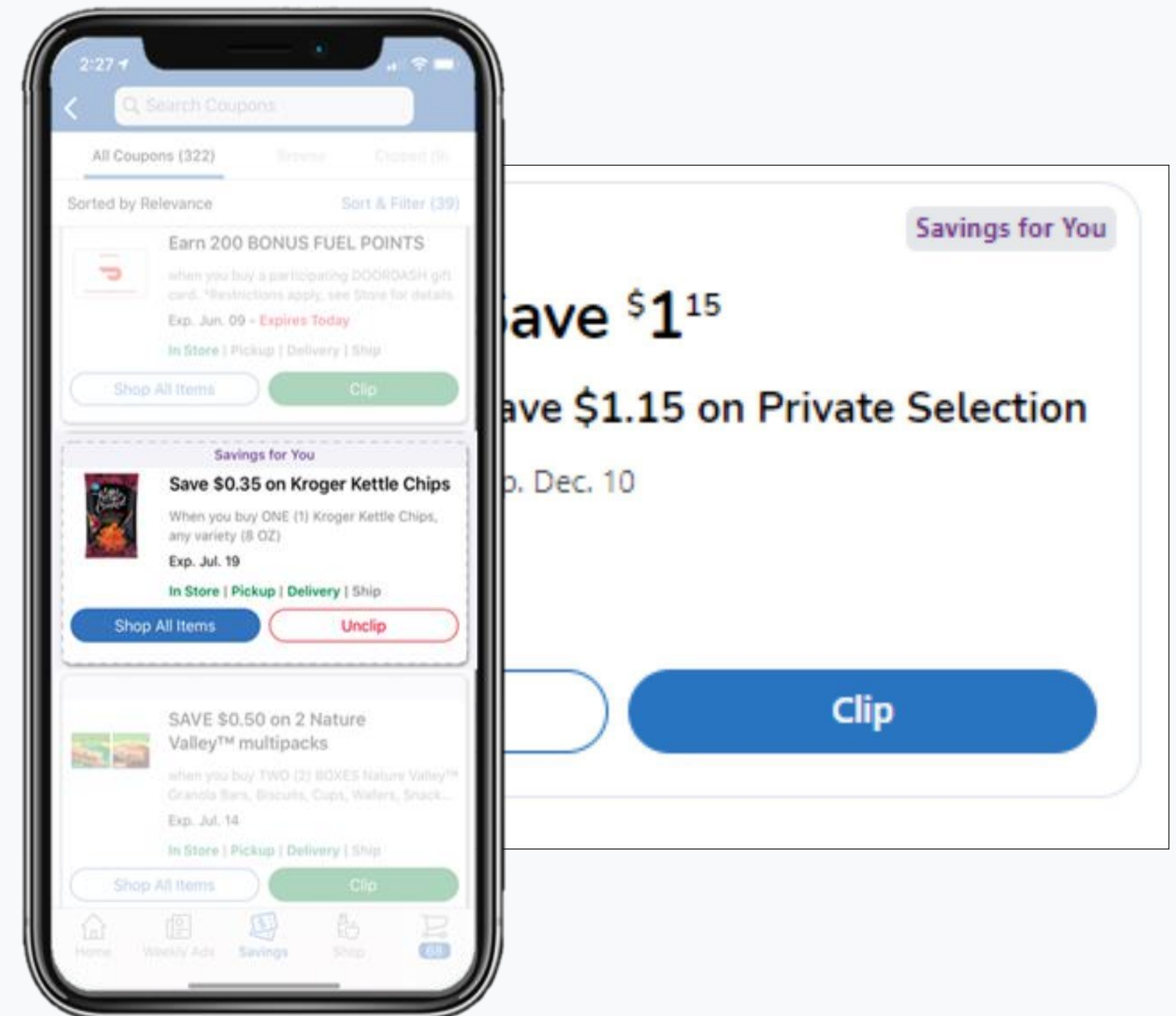
INCENTIVES



INCENTIVES

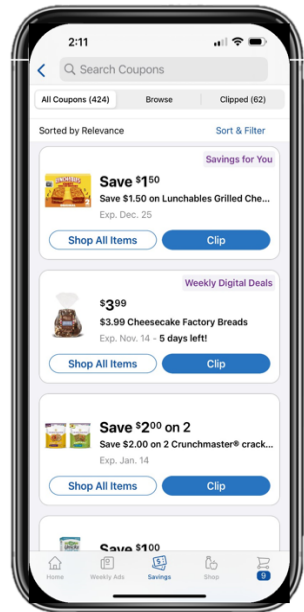
Incentives Activations

Incentive activations use targeted offers and brand-funded promotions to acquire new shoppers, re-engage lapsed buyers, and drive product trial and adoption.

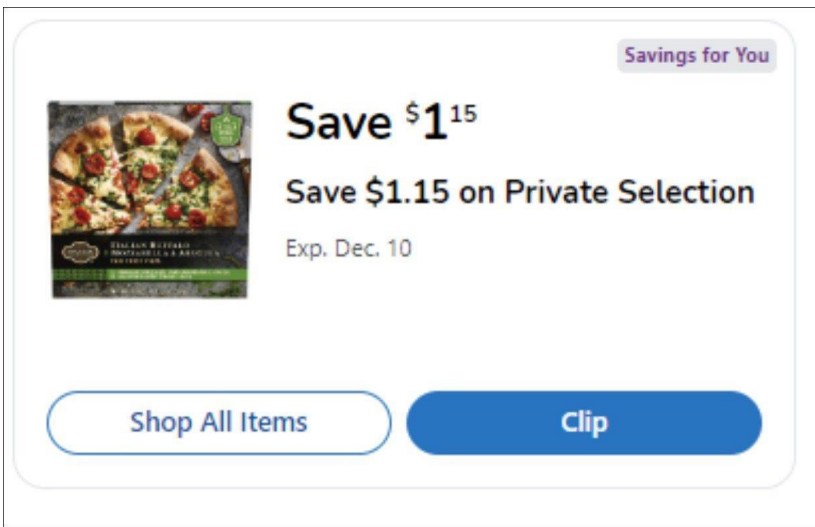


Core Incentive Capabilities at KPM

TARGETED DIGITAL COUPONS (TDC)



Find TDCs today with the "Savings for You" flag



Customize Audiences and Quick Turn



CUSTOMIZE AUDIENCES



FAST LAUNCH



TAILORED TO KEY BRAND KPIs



SHOPPER-SAVING INCENTIVE

Fast 3-week launch timeline

Minimum 200K circulation

ADDITIONAL TACTICS

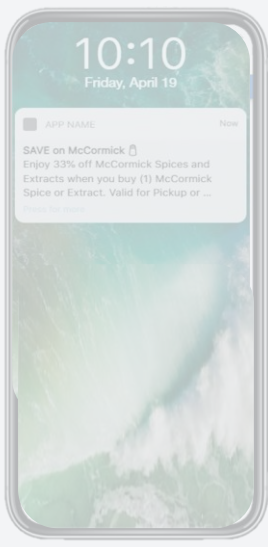
SINGLE SUBJECT EMAIL (SSE)



Drive High Engagement and Conversion

- Personalized 1:1 shopper messaging
- High engagement and open rates
- Strong for conversion + trial
- Includes integrated TDC offer

PUSH



Boost Digital Offers

- Real-time mobile offer reminders
- Re-engage shoppers before purchase
- Effective for driving conversion
- Delivered directly through Kroger app

EMOD



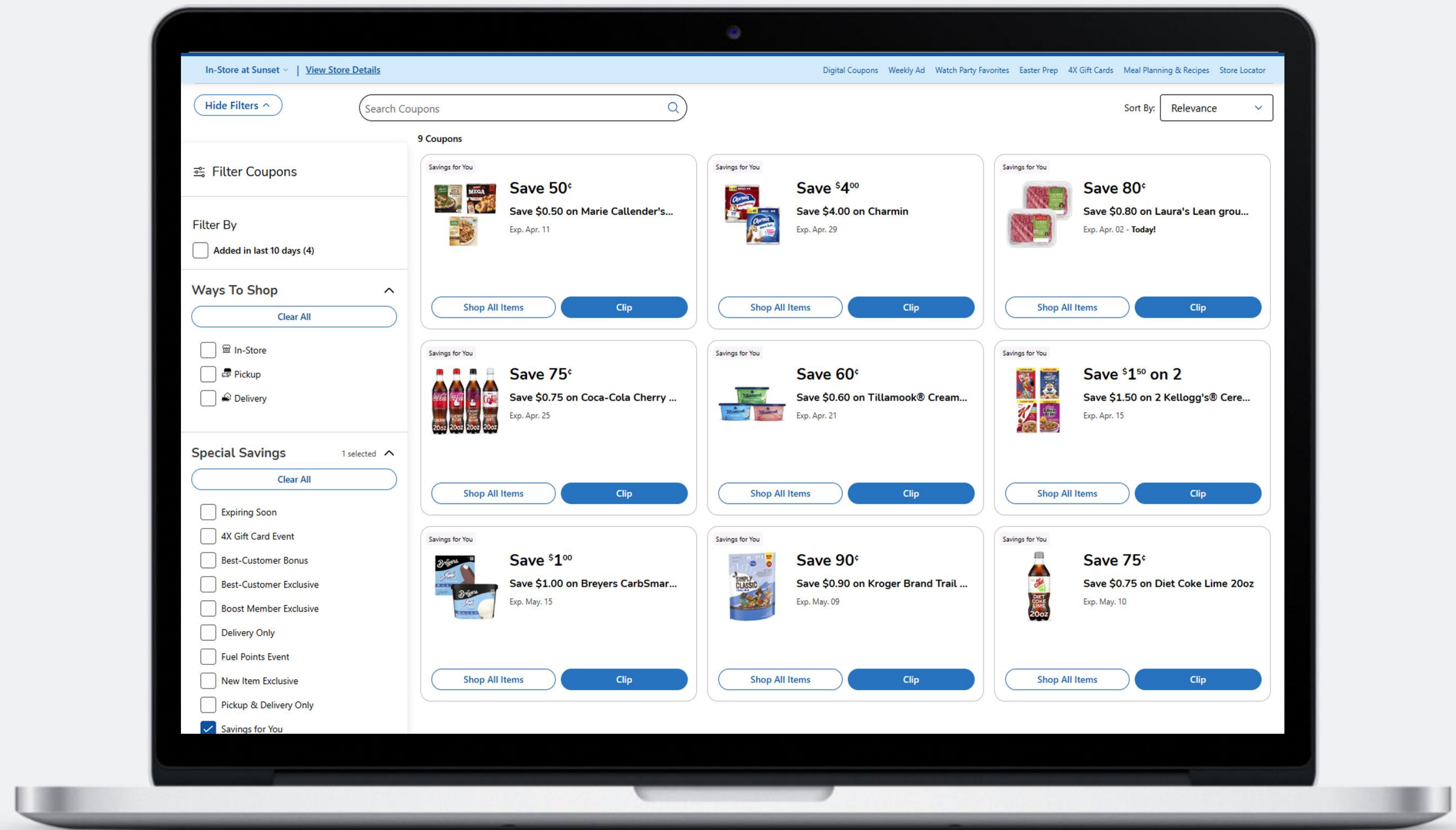
Drive Growth

- Branded content within Kroger email
- High-visibility shopper engagement
- Amplifies onsite + promotional messaging
- Designed to drive awareness and action

Targeted Digital Coupons (TDCs) Deliver Personalized Value to Key Audiences with Kroger 1st Party Data

TDCs are customizable, ensuring value reaches the customers you need to meet your brand's objectives, while also protecting base pricing.

TDCs are labeled as **“Savings For You”** across Kroger's digital platforms, ensuring TDCs are easily accessible to customers and prominently featured for your brand.



How Your Brand Reaches the Right Shoppers with TDCs

Contact your KPM Client Success & Partnerships representative for additional information.



AUDIENCE

TDC universe starts with **9.9MM Kroger households** who have engaged with digital coupons in the last 8-weeks.



TARGETING

TDC campaigns can be **fully customized** with first-party data targeting options to meet your business objectives.



84.51° SCIENCE

TDCs are **ranked within Kroger digital wallets** to ensure the most relevant coupons surface for shoppers, with **industry-leading performance measurement**, like PV360.



TIMELINE

TDCs can be **activated in as little as 3-weeks**. Best in class TDC campaigns run for 3-4 weeks, with a 2-week post period redemption window.



AMPLIFICATION

Pair TDCs with Onsite Media, Push Notifications, Email Modules, or Single Subject Emails to drive Evaluation / Decision / Purchase in the marketing funnel.

Myth-Busting with SLED



MYTH

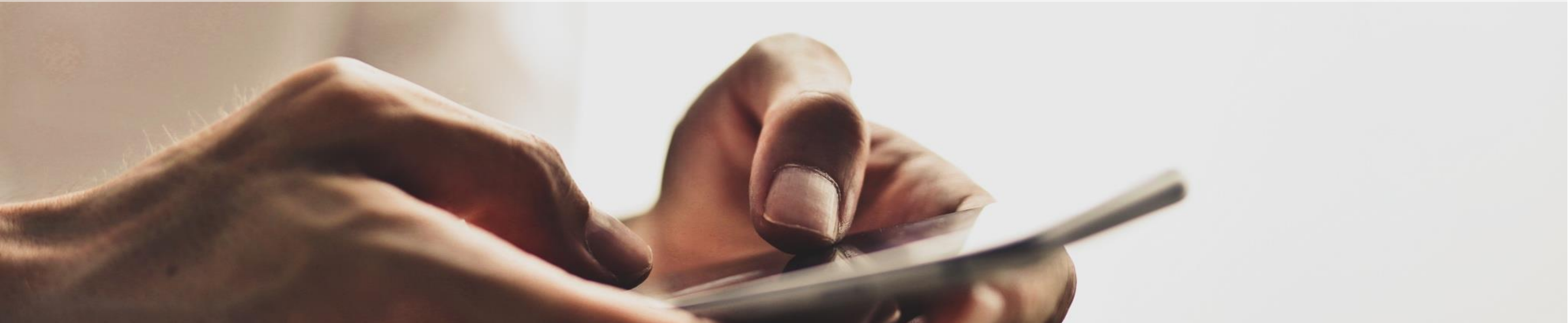
Incentives are just a short-term tactic.



FACT

Incentives can drive acquisition, repeat purchase, and long-term loyalty.

Why do Incentives matter?



82% of Shoppers said availability of digital coupons had an influence on choice of retailer¹

Industry Redemption Volume is up 10% this year after 4 straight years of decline²

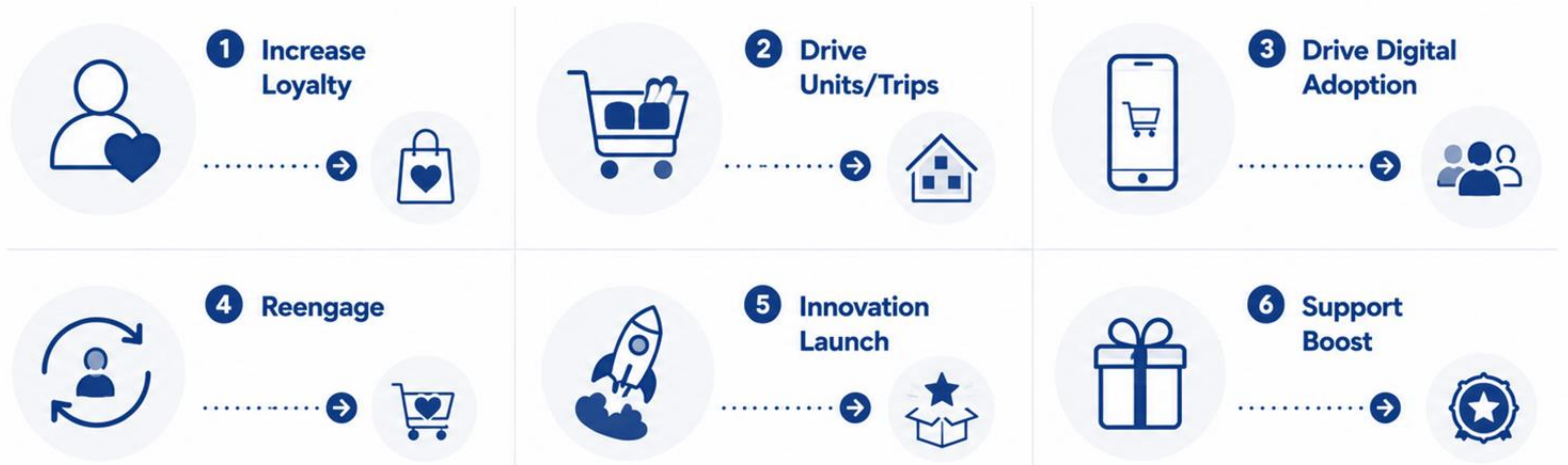
To combat high prices, **70% of Kroger customers look for sales / deals / coupons**³

92% of Kroger shoppers use coupons⁴

48% of Kroger customers use Digital and Paper Coupons⁴

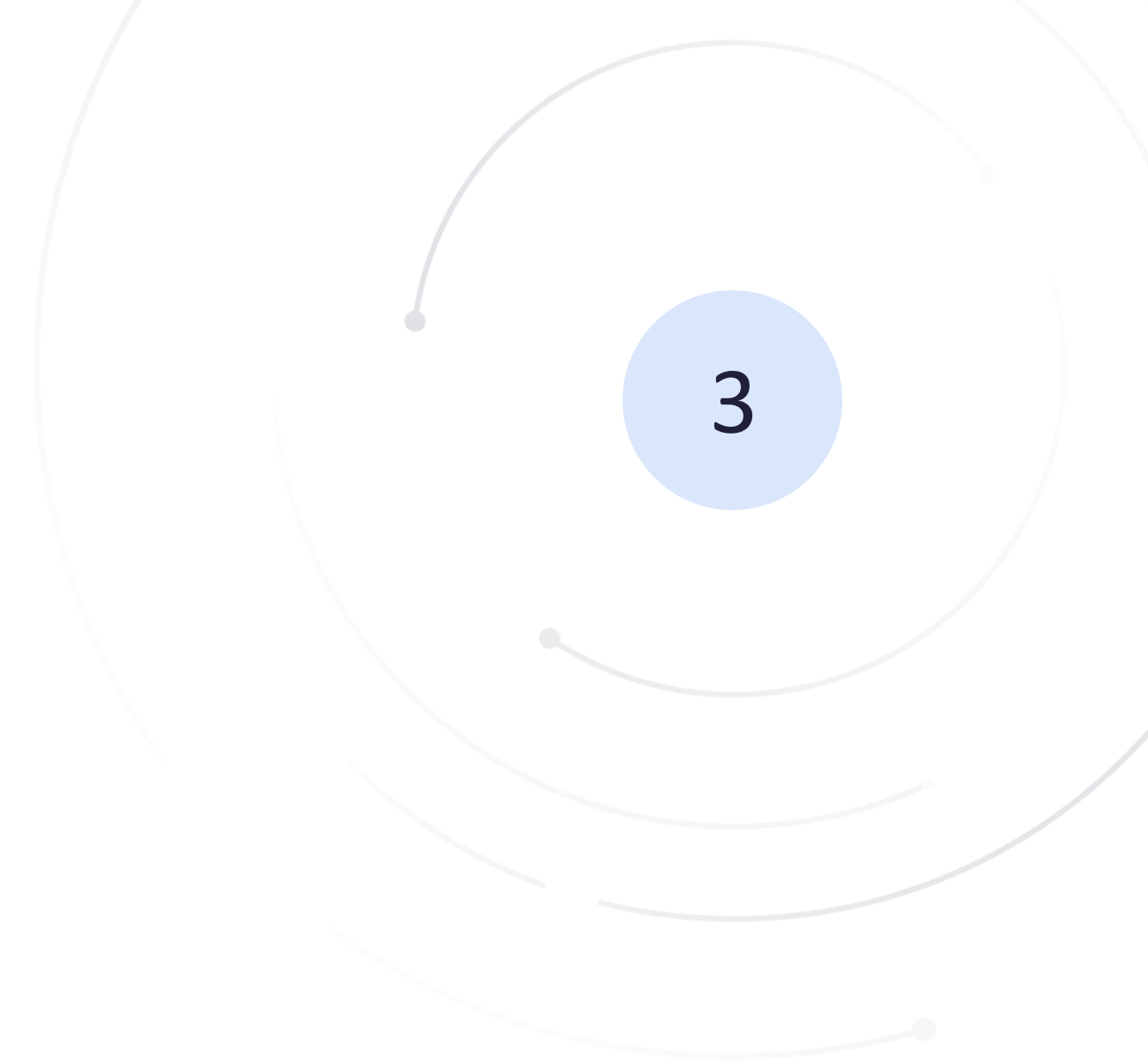
Incentives Built for Every Stage of Loyalty

From acquisition to retention, personalized offers help brands drive stronger shopper relationships.



The **right incentive**, to the **right shopper**, at the **right time** drives stronger results.

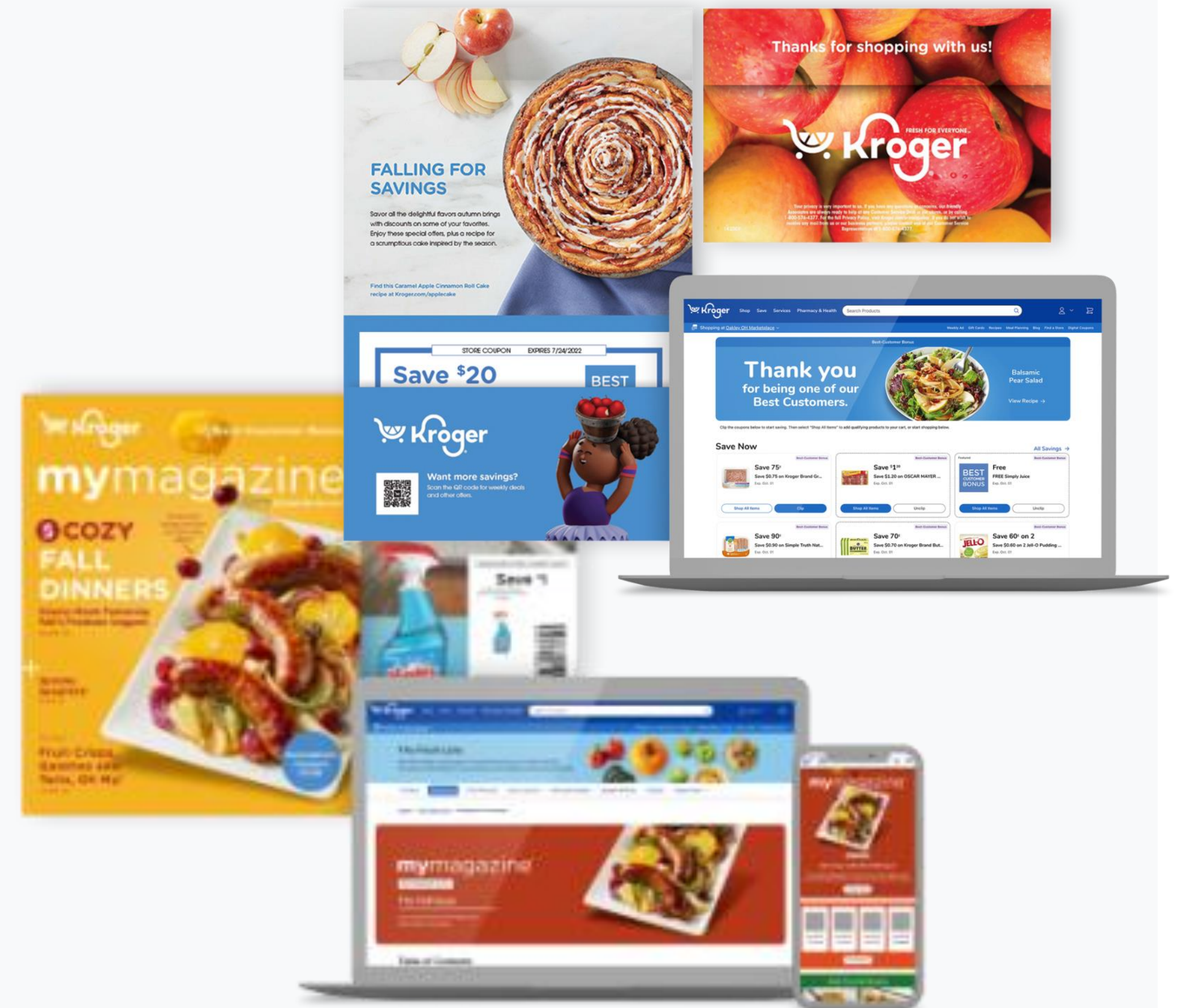
BEST CUSTOMER COMMUNICATION



INCENTIVES

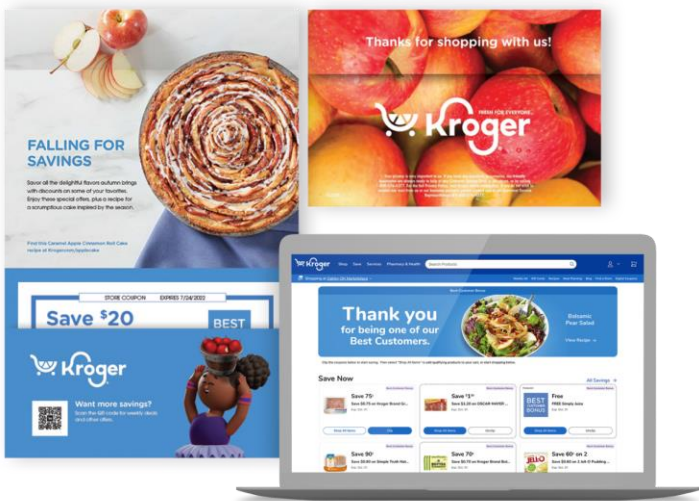
Best Customer Communications Activations

Loyalty activations use personalized offers and rewards to strengthen shopper loyalty, increase purchase frequency, and grow category sales.



Core BCC Capabilities at KPM

LOYAL CUSTOMER MAILER (LCM)



Reward and Retain

- Monthly loyalty-focused mailer
- Retain and reward current buyers
- Targets high-value A/B households
- 1-month redemption window
- Minimum 10K circulation

MY MAGAZINE (MYMAG)



Retain and Acquire

- Premium full-format magazine experience
- Retain existing + acquire new buyers
- Reaches category-engaged households
- 10-week redemption window
- Minimum 50K circulation

Myth-Busting with SLED



MYTH

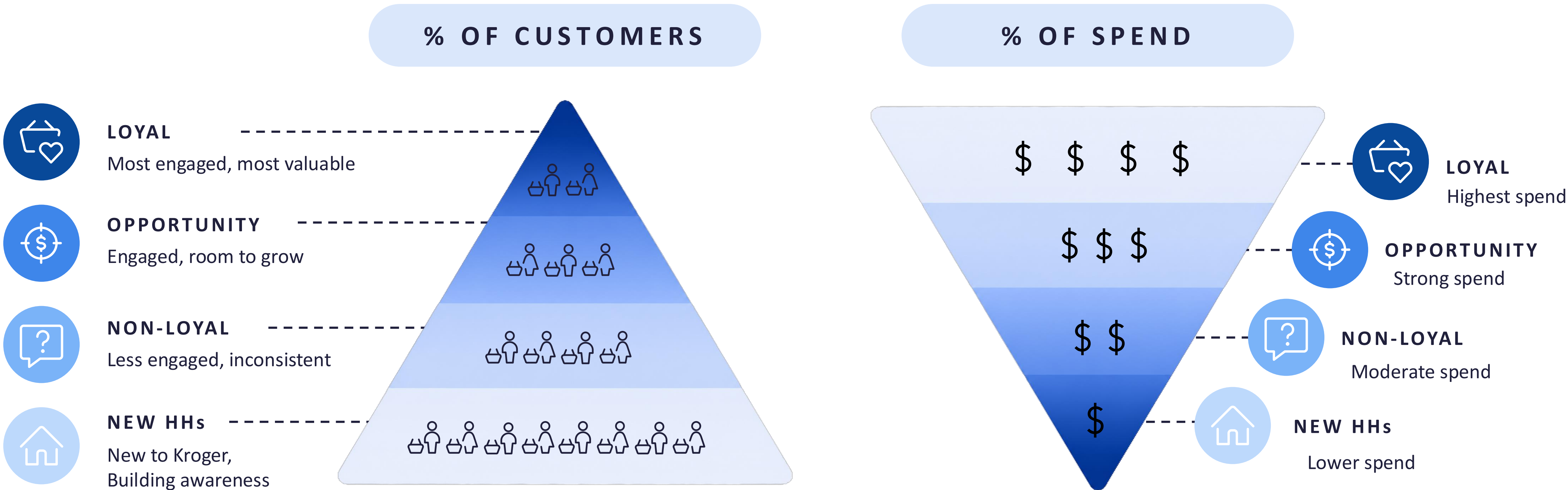
Growth **only** comes from acquiring new shoppers.



FACT

Loyal shoppers drive stronger long-term growth.

Kroger's loyal customers account for over *half* of the spend



Loyal shoppers represent fewer households but higher spend.
Source: 2025 84.51° Stratum

Why does Loyalty Matter?

Loyal households are disproportionately valuable to brands.



Kroger Loyal households are 10x more valuable than Non-Loyals

1 Loyal Household



High Value

=

10 Non-Loyal Households



Lower Value



Loyals drive more value across every key behavior



Visit 5x more often

vs. non-mailed households



Shop 3x more categories

vs. non-mailed households



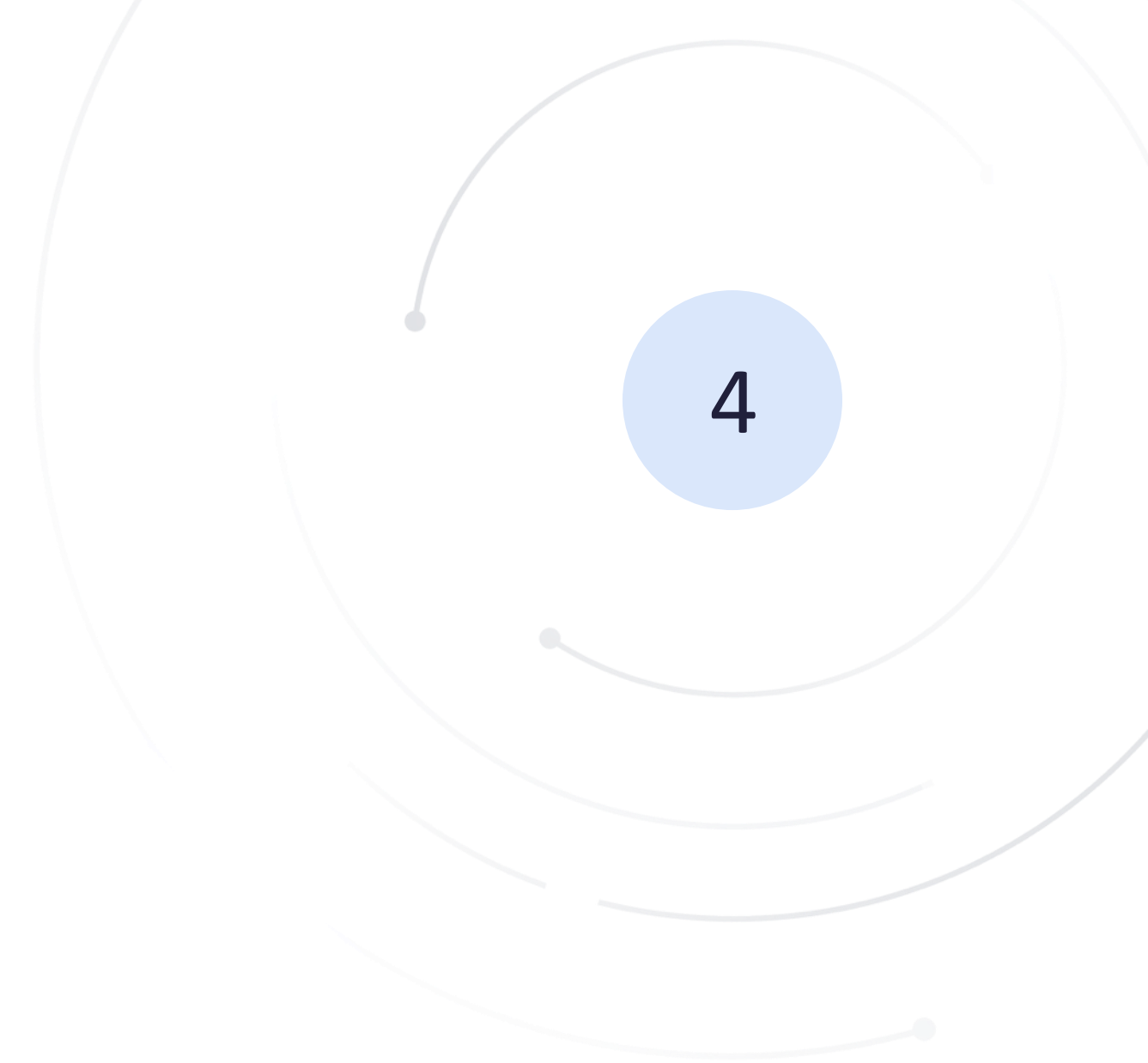
Spend 6x more \$\$

vs. non-mailed households



A brand would need to acquire 10 new households to make up for the loss of a single Loyal household.

BEST PRACTICES



Best Practices

01

Frequency is Key in Retaining Loyal HHs
Keep customers coming back with BCC vehicles.

02

Amplify Promotions with Onsite, Offsite, + In-Store Media
Expand your audience and drive new household engagement.

03

Line Up National + KPM Targeted Offers
Running a national promotion? Pair with KPM targeted offer for boosted performance.



Building Loyal Households Through the Power of Media + Incentives

Media drives awareness. **Incentives** drives trial + conversion. **Loyalty** drives lifetime value.



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LET'S CLOSE THIS OUT



Next Steps

01

Talk to Your KPM Lead

Align TDC, MyMag, and LCM strategies to your brand goals in Prism.

03

Pair Incentives with Media + Insights

Launch a media campaign alongside a promotion to drive stronger results, then use insights to optimize future growth.

02

Launch & Test Campaigns

Activate personalized offers and loyalty campaigns through Prism.

04

Continue Learning with KPM

Leverage KPM resources and trainings to maximize performance.

Your Next Moves with KPM



SURVEY

Ensure we can serve you better.

As we launch this pilot webinar series, we want your feedback to understand how we can continue to improve this training. Help us do this by completing our quick 2-minute survey.

Follow the QR code or
the link in the Q&A.



Thank
you.