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To toy or not to toy in supermarket instant reward programs

Supermarket
instant reward
programs

Claire Lambert and Edmund Goh

School of Business and Law, Edith Cowan University, Perth, Australia

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Abstract

Purpose – This industry viewpoint paper provides a comprehensive overview and critical viewpoint on the use of collectable toy premiums via instant reward programs (IRP) within the retail industry as a marketing tool.

Design/methodology/approach – This paper draws upon the uses of a “free” collectable toy premium promotion with a fixed purchase spend (via an IRP) in the supermarket industry as a marketing instrument to increase customer basket spend and repeat visits. Reflections on the recent use of toy premiums by Australian supermarket retailers are also utilised to highlight the ingredients for a successful promotion but also the controversies associated with such promotions.

Findings – One of the key findings suggest that the role of toy premiums is a successful marketing tool by retailers to increase customer total basket spending. However, notable points of caution regarding offering IRPs incorporating collectable toy premiums promotions are established, including environmental concerns and the social, ethical dilemma as to whether these promotions are indirectly targeted at children rather than adult consumers.

Practical implications – The findings have important implications for retailers to attract customer attention, increased market spend and repeat purchases through a desired collectable premium promotion (via an IRP).

Originality/value – This is the first paper to critically review the usage of collectable toy premiums within the supermarket retail industry.

Keywords Toy collectable premium, Instant reward promotions, Sales promotion, Supermarkets

Paper type Viewpoint

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1. Introduction

The global retail industry is worth approximately USD 23,460 billion annually (Research and Markets, 2018). In Australia, the industry’s annualised turnover through 2018–2019 is expected to rise to AUD \$103.4 billion, with a five-year growth forecast rise of 2% (2023–2024) to AUD \$114.4 billion (IBISWorld, 2018). Although the cost of entry is high, several international supermarket brands have expanded their operations overseas to Australia (such as Aldi) in competition with local Australian supermarkets. In Australia, the supermarket industry is dominated by two retail juggernauts (Coles and Woolworths) with a 50% market share of the \$100 billion grocery sector (Roy, 2018).

This increased competition in a crowded marketplace forces local businesses to adapt, innovate and create a point of difference to protect their market share. Many pursue digitalisation as a solution to enhance the shopping experience, offering their customers a seamless and convenient encounter to generate more foot traffic and basket spend. However, sometimes these strategies are not enough to stand out from the competition, with supermarkets now looking to more novel approaches. Besides dependence on advertising, discounts, and other traditional marketing tactics, supermarkets have borrowed the “Happy Meal Toy” strategy from the fast food industry to stimulate short-term sales with collectable toy premiums. This form of instant reward promotions (IRP) is a rapid strategy to reward customers instantly, with a small free premium per fixed spend (Minnema *et al.*, 2017).

Increasingly, supermarkets are now utilising IRPs to lure customers to not only spend more but also revisit on multiple occasions. This is becoming a global trend with Albert Heijn, a Netherlands supermarket chain, being one of the first to promote “free gift” with purchase



collectable sets in 2012 (Thyne *et al.*, 2019). These collectable toy premium campaigns have also been successfully implemented in other countries, including but not limited to Australia, France, Germany, Italy, New Zealand, South Africa, Switzerland and the United Kingdom.

Today, IRPs have been a compelling factor in driving sales growth and seizing momentum among competitors. For example, the “Little Shop” promotion run by Coles in 2018 helped achieve a 5.1% growth in same-store sales in comparison to Woolworths’ 1.3% same-store sales growth for the same period (Elmas, 2018). However, there is limited understanding as to what other outcomes IRPs provide the retailer in the short and long term or whether there are any downsides associated with such promotions.

1.1 Significance of industry viewpoint paper

The justification for this industry viewpoint paper rests upon the limited attention focused on the adoption of the toy collectable premium promotion as a sales promotional tool. Within the paucity of past studies, the predominant focus was on the influence of collectable toy premiums on children’s consumer behaviour with a food focus, including children’s responses to foods paired with premiums (McAlister and Cornwell, 2012); children’s knowledge of toy premiums and consumption of fast food (Longacre *et al.*, 2016); children’s influence on toy premium purchases (Lambert and Mizerski, 2010); and children’s decisions to share toy premiums (McAlister and Cornwell, 2011). Thus, past research has largely focused on the influence of premium promotions on children’s awareness and consumption behaviour. However, limited attention has reviewed the actual specific features of the toy premium used within the offering or the overall mechanics of an effective premium promotion. More importantly, limited research has explored the potential downsides of offering a collectable toy premium promotion as a marketing instrument to increase customer spend in an increasingly competitive supermarket industry.

Concomitantly, it is acknowledged for an IRP promotion incorporating collectable toy premiums to be successful customers must not only desire the premiums but also want to collect multiple premiums (i.e., be a collector). When it comes to collecting behaviour, research has predominantly focused on adults and their motivations to collect (Kossenjans and Buttle, 2016; Zhang and Gao, 2016; Gao *et al.*, 2014). Few studies have investigated children as collectors (Lekies and Beery, 2013; McAlister *et al.*, 2011) or people who collect on behalf of others – “community collector”. The current study aims to pursue these gaps.

As the usage of IRPs by retailers’ increases, it is pertinent to explore these aspects to understand the outcomes IRPs offer retailers beyond the ability to generate short term sales. As a result, this paper will explore IRPs utilising collectable toy premiums as a sales promotional tool. Collecting behaviour and premium collectors is then presented as a key foundation for a successful premium promotion as it relies on consumers to not only purchase but also repurchase (i.e., the act of collecting). The paper focuses on the recent use of IRPs in the Australian supermarket industry, specifically the two market leaders of Coles and Woolworths, to then explore the elements of an effective IRP utilising collectable toy premiums. It reviews actual implemented IRPs in the market, highlights the strengths of IRPs, and presents points of caution for retailers to consider for future IRPs to overcome any potential downsides of such promotions.

As the purpose of this paper is to provide a broad overview of the use of collectable toy premiums as an IRP and sales promotion tool, the style of the paper will be predominantly a descriptive critique (practitioner paper), rather than a qualitative or quantitative research paper. It is important to highlight that this viewpoint is not about conducting a systematic review but rather an exploratory review of related literature as recommended by past viewpoint papers (Goh and King, 2020; Goh and Okumus, 2020). Thus, the paper does not present a methodology or results section but instead focuses on the literature, critiques

current executions of IRPs and presents industry implications. The intention will be for future qualitative and quantitative research to develop upon this critique to provide marketers and industry professionals with key learnings to digest upon the use of collectable toy premium IRPs. Finally, this paper aims to provide marketing practitioners with points of consideration regarding the future use of IRPs.

2. Review of literature

2.1 Premiums and IRPs as sales promotion tools

Premium promotions are a frequently used type of non-monetary sales promotion offered as a tangible reward such as a toy, collectable, household good or souvenir (D'Astous and Jacob, 2002). Premiums are broadly defined as "*articles of merchandise or services (e.g., travel) manufacturers offer as a form of gift to induce action on the part of consumers and possibly also retailers and the sales force*" (Andrews and Shimp, 2017, p. 576). There are several types of premiums, including packaged-related premiums, continuity premiums, referral premiums, free-gift-with-purchase or mail-in premiums, point of purchase premiums, self-liquidating premiums, door opener premiums, and bounce-backs (Andrews and Shimp, 2017). Premiums can also be categorised into direct (e.g. a premium on or inside the packaged product) or delayed premiums (e.g., the consumer must mail away proof of purchase in order to receive the premium) (D'Astous and Jacob, 2002).

Recently, Minnema *et al.* (2017) defined a new category of premium promotions called "*instant reward program*" (IRP). IRPs combine the collectability aspect of continuity premium promotions to rewarding customers instantly, with a premium (part of a collectable set) per fixed spend (minimum targeted basket spend). Typically, the premiums offered within the IRP are a collectable toy premium. McAlister and Cornwell (2012, p. 196) defined collectable toy premiums as "*toys that belong to a larger, predefined set and that are offered as a bonus to promote the purchase of another product*".

There are two commonly used methods for customers to earn premiums as a free gift: (1) based on a fixed spend (e.g., a premium per every \$20 spend); and (2) with purchases of a focal brand (e.g., buy Coca-Cola and receive an additional premium) acting as a non-price promotion tied to an IRP (Minnema *et al.*, 2017). Free gifts have been found to increase the perceived value of the promoted brand (Palmeira and Srivastava, 2013) and serves as the closest comparison to an IRP (Minnema *et al.*, 2017). However, in contrast to free gifts, retailers are now also incorporating the opportunity for customers to earn a bonus premium when they purchase a focal brand concurrently in an IRP (Minnema *et al.*, 2017). This widens the scope of the promotion to encompass more brands and products, where brands pay to have their brand featured in the promotion (i.e. focal brand associated with the bonus premiums) with expected increased sales and exposure (Edwards, 2015). Strategically, continuity premium promotions such as IRPs are carefully engineered to reward customers with a free premium for purchasing a specific brand repetitively, or shopping frequently at a retailer, over a specified period of time (Shimp and Andrews, 2017).

In the past, Coles and Woolworths have used promotions such as petrol discount docket (4 cents per litre of petrol) or school fundraising initiatives (such as "Earn and Learn" and "Sports for School") as mechanisms to increase customer spending. Consistent with IRPs, for a customer to be eligible to participate they must meet a certain spend threshold per transaction. Supermarkets today have shifted their IRP targeting focus from adults to children, with items representative of toys. It is a highly effective way of influencing the family shopping basket spend, especially as children are highly adept at influencing household spending (Page *et al.*, 2018). In Australia alone, it is estimated children influence over \$17 billion of supermarket revenue (Page *et al.*, 2018).

Since 2013, Coles and Woolworths have been offering IRPs. These IRP offerings initially commenced with a promotion involving a larger number of premiums to collect, with an associated lower spend threshold. They later evolved to IRPs offering fewer premiums to collect, with a higher associated spend threshold (see Table 1). IRP campaigns executed by supermarket rivals Coles and Woolworths have utilised popular licensed toy premiums like “Pixar Domino Characters”, “Disney Words” and “The Lion King Ooshies”, as well as non-licensed properties such as “Little Shop” and “Stikeez”. The campaigns were also executed with supporting accessories to purchase (e.g. Collector’s storage folders) and other initiatives such as apps, games and bonus collectables, to enhance engagement and set them apart from other collectable set schemes (Thyne *et al.*, 2019).

Linking food purchases with collectable toy premiums is not new, rather it has been a prominent form of food marketing (Ferreira and Agante, 2018). In fact, providing toy premiums with children’s meals has been an increasingly popular marketing practice employed by the fast food industry leader of McDonald’s since 1979 (Whitten, 2018). Commonly these toy premiums, which are often in the Happy Meal offering, also feature a cross-promotion with major film partnerships or licensed partners such as Disney and Mattel to include popular characters from children’s movies or TV programs.

2.2 Collecting behaviour and toy premiums

A key element of a successful IRP is the requirement for customers to want and collect, via multiple purchases, the associated collectable premiums. So, what motivates a person to collect toy premiums? The key to understanding this behaviour stems from what is known as “collecting behaviour”, which is “the process of actively, selectively and passionately acquiring and possessing things removed from ordinary use and perceived as part of a set of non-identical objects or experiences” (Belk, 1995, p. 67). In collecting behaviour, the acquisition is fundamental in the collecting form of consumption, and is different to most other types of consumption, as it involves forming a set of things—the collection (Kossenjans and Buttle, 2016; Belk *et al.*, 1991). Emotions are attached through the highly involving passionate consumption act, which seems irrational in comparison to the terms of the customary functions of consumption (Belk, 1995). However, this irrational behaviour is rationalised once

Retailer	Year	Promotion name	Premiums in the set	Spend threshold (\$AUD)
Woolworths	2013	Aussie Animals trading cards collector set	108*	\$20
Woolworths	2013	Baby Wildlife trading cards collector set	36*	\$20
Woolworths	2014	Super Animal trading cards collector set	108*	\$20
Woolworths	2015	Pixar Dominos Characters	44	\$20
Woolworths	2015	Ancient Animals (Minicraft)	81 cards, 21 stickers	\$20
Woolworths	2017	Marvel Heroes Super Discs	42	\$20
Coles	2018	Little Shop	30	\$30
Coles	2018	Little Shop (Christmas Edition)	5	\$30
Woolworths	2019	Disney Words	36	\$30
Coles	2019	Stikeez	24	\$30
Woolworths	2019	The Lion King Ooshies	24	\$30
Coles	2019	Little Shop 2	30	\$30

Note(s): *Receive four cards per one pack when you spend \$20

Table 1.
Examples of instant reward programs used by Australian supermarkets

a premium becomes a collection item, and thus, becomes “*special*” and “*sacred*” (Belk *et al.*, 1991). One can also link collecting behaviour to the concept of FOMO (fear of missing out), commonly used in marketing appeals and literature (Hodkinson, 2019). The notion of “*missing out*” on a limited toy premium, while others are collecting, could motivate shoppers to purchase more grocery products to increase their toy premium collection.

Besides emotionally driven reasons, there are collectors who intentionally purchase toy premiums with the speculation that the premiums will appreciate over time, and thus generate a financial return for the collector (Burton and Jacobsen, 1999). More recently, Saridakis and Angelidou (2018) found both financial and non-financial motives (for example, adventure, gratification, social, idea motives) to jointly influence collecting behaviour.

Past studies have also attempted to categorise collectors into different groups based on a different set of collection criteria. For example, Danet and Katriel (1994) grouped collectors into two distinctive groups based on the effort expended on completing their collection. The “*Type A*” collectors obtain items they affectively engage with and are not worried about completing the collection set. The “*Type B*” collectors are more selective with acquiring items of the series and are continually enhancing their knowledge concerning the collection. In contrast, Saari (1997) identified four types of collectors: (1) passionate collectors, (2) inquisitive collectors, (3) hobbyists, and (4). expressive collectors. Passionate collectors are obsessed and likely to pay any price for a collectable they desire; the inquisitive collector sees collecting as an investment; the hobbyist experiences enjoyment in collecting, and the expressive collectors engage in collecting as a form of self-expression.

Collectors can also be grouped based on the collector’s interaction levels with other collectors (Lee and Trace, 2009). There are three collector segments in this category: (1) casual collectors who focus solely on collecting items but have no focus on contacting peer collectors; (2) social collectors who enjoy the socialising interactions with fellow collectors; and (3) serious collectors who are engrossed in exchanging information and knowledge about their collections. Our observations suggest an emerging clear behavioural trait reoccurring throughout the various supermarket IRF promotions of the fourth group of collectors known as “*community collectors*”. This sees the “*community*” collective aspect of collecting, which involves more than one person collecting the collectables on behalf of another, to complete a set. For example, the parents, grandparents, friends and extended friends act as collectors to hunt around to secure the elusive missing item to complete the collectable set for a child. With the advent of technology, this community collecting behaviour is further sustained via online community swap group sites. For example, the “Coles mini Little Shop collections swap group”, centred on a Coles collectable premium IRP, and provided an outlet for collectors to swap premiums to assist with completing their set.

IRPs also enable a sense of community spiritedness to develop as collectors swap and trade premiums, aiming to be the first to complete the entire set. Interestingly, some keen entrepreneurs even sold the complete set of the Coles “*Little Shop*”, including the storage folder on eBay for up to \$1,000 (Hook, 2019). This is a good example of organic marketing by the act of growing customers and brand recognition without paid advertising via secondary market of swap days, Facebook swap groups and school recess trades.

2.3 Elements of an effective IRP utilising collectable toy premiums

As mentioned, an IRP incorporating collectable toy premiums must have a wide market appeal. Toy premium campaigns that are not only aimed at children but designed to appeal to parents amplifies the promotional pull as the parent is just as motivated to shop multiple times (increase purchase frequency) to collect the complete set. The element of mystery and surprise are also key to a successful marketing campaign. For example, the Coles “*Little Shop*” promotion in 2018 was highly successful on both fronts. The gamification aspect, alongside

the playability opportunities of the premiums, appealed to both parents and children (Bell, 2018). The mini-collectable toy premium was packaged in a small opaque bag, so the customer was surprised and unaware of which collectable they were receiving until the transaction was completed. Along with the toy premiums, there were other revenue opportunities from supporting branded accessories, including little stands, trolleys and storage folders to purchase. These accessories were sold separately and fostered a “collect-them-all” mentality. The accessory items also place the brand into the playroom of the child as they pretend to play with these branded premiums and shopping merchandise. The gamification aspect is also evident simply via the participation and experience of being part of something (i.e. being part of the collecting community). This aspect fosters engagement with the brand to enhance the emotional involvement with customers, and ultimately develop a long term brand commitment.

The scarcity appeals evoked via the limited availability of the premiums, and the additional release of limited edition premiums (e.g., only 100 available of a certain premium) associated with the collectable items enhance the competitive desire to rapidly acquire the complete set (Laran and Tsiros, 2013). The limited or exclusive premiums also create a perception of being “more valuable” in the eyes of the customer, which instigates the fear of missing out. Thus, enhancing the competitive edge of the promotion as well as motivating increased purchase frequency to be the first to secure the illusive premium.

There are also several consumer psychological motivations as to why the “Little Shop” promotion was so successful. It is easy to understand that when something is given for “free”, it is psychologically harder to refuse. Customers are also motivated to work harder to complete an unfinished collection, which explains why most shoppers cannot help but want the full set (i.e., completion bias). The opaque bag adds excitement to the promotion as the consumer never knows which premium, they are going to receive. It draws on reinforcement theory, where rewards/punishments are used to reinforce desired behaviour (Skinner, 1953). There is excitement upon receiving a randomised, exclusive reward or a motivation to revisit when the opaque bag does not reveal a missing collectable premium. It becomes a game to complete the set, with an incomplete set frustrating the customer and driving them to revisit to complete the set.

The piecemeal technique used by IRPs in which customers are rewarded via repeated small rewards generates a sense of achievement and further motivates the customer to keep gaining the rewards (Minnema *et al.*, 2017; Zhang and Gao, 2016). What further enhances the effectiveness of the IRP is the collectability aspect of the premiums. As a result, the customer would do their utmost to complete the entire set of premiums (Carey, 2008). The added feature of the bonus premiums act as another touchpoint of promotional reinforcement for the retailer and elevates the level of reward for the customer to generate a greater commitment to the promotion for collecting households. Thus, the receiving of multiple premiums on one visit via achieving the required spend threshold, and purchasing a brand associated with a bonus premium, can trigger a collection motive (Minnema *et al.*, 2017; Gao *et al.*, 2014). Furthermore, research in developmental psychology has illustrated “*motivational pull of collectable toys is very strong*” (McAlister *et al.*, 2011, p. 15). The collectable aspect motivates customers, particularly children, to acquire the whole set after receiving an initial toy from the collection set. The desire to collect the entire set of toys can be so strong that the child will pester to secure the remaining toy premiums (Roberts and Pettigrew, 2007).

The timing of the reward also needs to be instantaneous, in that the reward needs to be received instantly at the point of purchase to create a level of excitement and salience for the promotion (Minnema *et al.*, 2017). There needs to be more than one collectable item to create a commitment to collect more of the set (Carey, 2008) and generate a sense of achievement since the collector moves up the completion ladder (Zhang and Gao, 2016). The promotions must

also be simple for the customer to follow and participate in. In most cases, the only requirement is a minimum spending threshold to be met for an instant reward to be received.

Perhaps, the most important equation is the type of toy premium for collection. Arguably, licenses provide an extra pull factor to encourage children to want the premium offering. As previously mentioned, Woolworths has historically utilised licensed campaigns for its collectable promotions of “*The Lion King Ooshies*”, “*Marvel Heroes Super Discs*” Collectibles, “*Disney Words*”, and “*Dominos Stars*”. Many of these premiums also command a hefty price tag online, especially for “*vintage*” premiums. Interestingly, a strong third-party license is not mandatory for a successful collectable premium promotion, but rather a sense of customer familiarity/ association with the featured theme of the premium promotion is required. For example, Coles utilised popular grocery brands like Vegemite and Milo with their very successful “*Little Shop*” promotion. In their 2019 “*Stikeez*” promotion, Coles used non-licensed collectables of familiar cute mini fruit and vegetable characters with personalised names. Both licensed and non-licensed approaches have been successful.

It is the combination of the above elements, which presents a significant opportunity for a retailer to motivate customers to desire, purchase, and repurchase the collectable premiums to subconsciously develop a collecting behaviour. This collecting behaviour has a positive outcome on increased basket spend, repeat visits, purchase frequency and ultimately increased sales and loyalty for the retailer during the promotional period.

2.4 Strengths of IRPs as a sales promotional tool

There are some clear strengths for retailers when offering collectable toy premium promotions via an IRP. Collectable toy premium promotions drive sales, as seen in the Coles “*Little Shop*” 2018 promotion achieving a 5.1% growth in same-store sales (Elmas, 2018). Incorporating a spending threshold increases the average basket spend by encouraging the customer to buy more items to reach the spend threshold or complete a “*big*” shop rather than a “*small*” shop to qualify for multiple premiums in a single visit. Participating brands have also found their sales increasing, in some cases, by up to 50% (ABC, 2019). Such promotions also result in increased average transactions and repeat visits to the retailer (Minnema *et al.*, 2017), which is an effective tool in increasing the brand choice probability of the consumer purchasing the focal brand linked with the bonus premium.

One of the significant strengths of an effective collectable toy premium promotion is the retailer is less reliant on discounting, resulting in higher profit margins being maintained during the promotion. This goes against the historical reliance on the promotional tactic of discounting that has plagued the grocery market. IRPs also combat shoppers’ price-based promotional fatigue by presenting customers with a new reason to visit supermarkets.

2.5 Points of caution regarding IRPs incorporating collectable toy premium promotions

In parallel to retailers’ growing use of collectable toy premium campaigns, mainstream media has emphasised controversy and concern around utilising such promotions. Similarly, past research on waste in the service industry has attributed attitudes as the key driver of waste behaviour (Goh and Jie, 2019). The most dominant concern centres around sustainability and the environmental impact of plastic waste. Environmental groups have lobbied Coles for their continued use of plastic toys with a blatant disregard of the environmental effect (Spring, 2019). Headlines such as “*A disgrace: Backlash after Coles releases new plastic collectables*”, “*What fresh hell is this plastic abomination . . . !?*” and “*A legacy of plastic waste: Coles launches new collectables series*” have dominated the media. Shoppers also criticised Coles for their mini collectables promotional use of virgin plastic, just weeks after Coles’ banning of plastic bags appeared in contemporary media. Many customers viewed the plastic wrapper as useless and the premiums as wasteful plastic items that will leave a legacy of plastic waste in landfills

(Truu, 2019; Lock, 2018). In response, Woolworths adhered to the environmental concerns of customers in their “*Disney words*” IRP in 2019. The “*D. words*” toy premiums were positioned as both educational and environmentally sustainable, with the collectable premium (a tile) made from recyclable tin-plated steel, wrapped in recycled paper. Woolworths’ later premium promotion, “*The Lion King Ooshies*” went one step further by partnering with the recycling company TerraCycle to offer a recycling solution for any unwanted Lion King Ooshies.

Alarming there appears to be a “*dark side*” associated with collecting the collectable toy premiums, with pushy customers displaying inappropriate aggressive behaviour during supermarket swap events (Rolfe, 2019). In recent years, contemporary media in Australia has reported on intense, and at times, inappropriate competition amongst parents attempting to secure the remaining collectables required for a set. Some of the major media outlets published terse headlines such as: “*Furious parents savage supermarket after staff members accused of swiping collectables*” (Carey, 2018), “*You should be ashamed: Coles ‘Little Shop’ craze hijacked by greedy shoppers*” (Yahoo News, 2018). At one Woolworths IRP campaign swap day, people were barging into each other, adults were grabbing premiums off children, some stole premiums, and many acted like “*piranhas*” to secure the premiums required to complete their set (Cox, 2019). The media also highlighted the negative influences of such promotions on children: “*Coles toy promotion setting kids up to gamble, grandmother says. . .*” (Elliott, 2018) where Coles’s “*Little Shop*” promotion was accused of encouraging gambling traits in young children.

The creation of a black market for selling recent limited-edition Coles and Woolworth’s collectable toy premiums can also result from IRPs incorporating collectable toy premiums. Striking while the iron is hot, black marketers sell off the collectable premium set fast before the fad dies and demand weakens for the entire set. In some cases, just one collectable, not even the entire set, can amount to a significant financial return with one bidder paying \$50,000 for the “*Gold Billy Banana Stikeez*” on eBay (Dean, 2019). The opening of a black market also incites misbehaviour from employees and customers. Supermarket staff have been accused of swiping coveted collector folders, stealing premiums and selling them online. Customers have also been trolled on social media after attempting to sell a limited-edition premium for a premium price (Hall, 2019).

3. Discussion viewpoint and industry implications

It is widely established that monetary sales promotions such as discounts or coupons can be very effective in generating short-term effects on sales. The downside is, they can lead to price wars and diminished brand equity in the long run. Monetary promotions are also non-discriminatory, particularly in grocery, where sales are a common technique used in a marketplace where there is constant competition for shopper’s attention. As a result, retailers look for new ideas to sustain the interests of their shoppers, with interest having a positive influence on consumer’s reactions to advertising (Sung *et al.*, 2016). Thus, supermarkets have more recently incorporated nonmonetary sales promotions in the form of IRPs incorporating collectable toy premiums, to differentiate and enhance the attractiveness of their overall offering.

Weng and de Run (2013) established premiums to be the most preferred sales promotion technique to use for convenience products (e.g., grocery). For customers, collectable premiums can liven up the very dull utilitarian purchase of groceries. They are novel, offer greater customer appeal, and can build customer loyalty to the supermarket brand during the promotional period. Collectable toy premiums work as they draw on the human motive to collect, where the possession of the collection becomes an extended self (Belk, 1995).

IRPs have a clear customer appeal of being simple to participate, as well as instantly rewarding, with the customer immediately receiving a reward upon achieving the stipulated

spend threshold. This is in stark contrast to the conventional reward programs supermarkets have traditionally employed of frequency reward programs (FRPs). FRPs are more complicated for the consumer, offer delayed rewards after many purchases, and their overall effectiveness has been debatable (Minnema *et al.*, 2017; Zhang and Breugelmans, 2012). IRFs also generate an emotional connection between the customer and the brand, which many other sales promotional tools struggle to achieve. They have a significant perceived value to the consumer, especially if they are a child and the collectable completes their set. Thus, achieving instant gratification and a sense of achievement.

3.1 Considerations for future promotions

As more supermarket brands offer collectable toy premiums, future promotions will soon become a “*me-too*” marketing technique, evolving into a non-discriminatory and less exciting offering to the consumer. This can lead to promotional fatigue, whereby the customer will enervate these promotions and simply stop patronising supermarkets for collecting toy premiums.

So, what should supermarkets do to maximise the effectiveness of toy premiums? Supermarkets need to harness the considerable momentum generated at the time and sustain customer interest for as long as possible. Past collectable toy premium promotions have indicated that new non-monetary giveaways will excite customers. In the dynamic supermarket industry, customer expectations are changing faster than ever, and supermarkets must be on the front foot. Customers want to be rewarded more for their visitation, with exciting and novel promotional offerings, and retailers need to be fresh and innovative with their promotional approaches. More importantly, retailers need to explore the optimal frequency of running such promotions, before promotional fatigue emerges and weakens the overall effectiveness of collectable toy premium promotions. However, in some industries (i.e., the fast food industry) collectable premium promotions have become a necessary evil and run for copious years with promotional fatigue not being so apparent. Future research needs to explore the occurrence of promotional fatigue associated with running collectable premium promotions, and what influence the nature of the industry has, on both the presence and expediency of such promotional fatigue.

Next, retailers must address the environmental concerns stakeholders have over the packaging and material used to produce the toy premiums. Although most customers possess positive emotions about collectable toy premiums, retailers have encompassed scrutiny and criticism from other stakeholders for their usage. Coles could not have anticipated the degree of the backlash they received from the media, consumer and environmental groups when they launched the “*Little Shop*” promotion in 2018. There were petitions for boycotting the supermarket, and many questioned the retailer’s commitment to be “*Australia’s most sustainable supermarket*” (Coles Group, 2019). It is also important to note that the criticisms Australian supermarkets have incurred for their use of collectable toy premiums are vastly different from the reproach that the fast food industry has historically endured. In the case of the supermarket industry, the criticism rests more directly on the materials used—the content of the actual premium itself and its packaging. Supermarkets need to embrace a more sustainable approach in their use of collectable toy premiums within an IRP or look to replace the plastic entirely in the offering in order to escape some of these criticisms.

As more scrutiny has been placed on advertising to children, with calls for banning this promotional technique within the industry, retailers need to refrain from the temptation to directly advertise to children. Policymakers, health authorities, and advocates have argued that food marketing to children via toys is persuasive and often associated with poor nutritional quality food that can lead to childhood obesity. The commercialisation nature of

such promotions targeting children will still trigger criticism. Society does not like to see corporations profiting at the “expense” of young children. Retailers must recognise the success of IRPs utilising collectable toy premiums does not come easy nor without some underlying level of societal scrutiny. However, if retailers can design an IRP with an educational approach to children, whilst being free of the plastic, they could be onto a real winner.

3.2 Areas for future research

One strength of offering an IRP with collectable toy premiums is the ability to foster brand loyalty throughout the promotional period. What is unclear is if this loyalty sustains after the post-promotion stage. Future research needs to explore the development of loyalty via these promotions and the long-term effect of such loyalty. It might be that loyalty could be sustained from IRPs by linking the promotion to the supermarket’s already present loyalty rewards program. This approach could strengthen loyalty during and post-promotion through rewards and new membership.

As mentioned, a key element of a successful collectable toy premium promotion is the presence of collectors. People who not only want the premium but will repeatedly revisit the retailer to purchase the entire collectable set. This paper recognised a newly emerging type of collector, the “community collector” stemming from these IRPs, who look to collect on behalf of another (e.g., Grandmother collecting for her grandchild). In relation to collecting behaviour, there has been differing approaches to categorising collectors and an individual’s motives for collecting. However, limited research has been conducted about the community collector, what their potential is or their motives for collecting on behalf of a significant other. Future research needs to explore the motives for their initial involvement in collecting, and whether this involvement leads to subsequent IRP collecting involvement as a community collector. What overall influence does this collecting behaviour have on them individually with respect to developing their own collections and collecting behaviour? Retailers need to foster this community collecting behaviour in order to subsequently attract and engage a wider customer base into their promotional campaigns. Ultimately, future research needs to influence the community collector’s future purchase behaviour to remain with respective retailers, over competitors, in the long term. Embracing the above considerations will help the retailer determine whether “To Toy or not to toy”.

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About the authors

Dr Claire Lambert is Lecturer at Edith Cowan University. She specialises in family and children marketing issues and has published extensively in the area of marketing management. She has published in leading journals such as the *Journal of Business Research*, *Journal of Brand Management*, and *International Journal of Web Based Communities*.

Dr Edmund Goh is Deputy Director, Markets and Services Research Centre, School of Business and Law, Edith Cowan University, Western Australia. Edmund sees his research as the nexus to address education and industry gaps. He has published in leading journals such as *Asia Pacific Journal of Marketing and Logistics*, *Journal of Tourism and Travel Marketing*, *Journal of Vacation Marketing*, *Tourism Management*, *International Journal of Hospitality Management*, *International Journal of Contemporary Hospitality Management*, *Environmental Education Research*, *Tourism Management Perspectives*, and *Tourism Recreation Research*. Edmund Goh is the corresponding author and can be contacted at: e.goh@ecu.edu.au

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