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#### A word from our Co-CEO, Hong Liem



<sup>1</sup> World Retail Congress 2020 | <sup>2</sup> Ipsos MORI

#### Dear friend of UNGA,

While COVID made 2020 a very challenging year for the world, as well as for UNGA, I'm proud that UNGA also had its *record year* in terms of financial results as well as customer and employee satisfaction. This is a great reason for me to look back at this extraordinary year to thank you all for your cooperation.

UNGA was founded in 2006, focused on Family Retail Loyalty in The Netherlands, only starting expanding internationally as of 2013. Between 2013 and 2020, we grew on average by 50% each year, now servicing grocery retailers in 40 countries with an amazing team of 80.

In Caribbean Dutch, UNGA means "to play". As such, we are convinced that "play" is essential for children to grow into smart, social human beings while having fun. Therefore, at UNGA, we believe in the power of play and have made it our mission to create smiles on kids' faces across the globe. Moreover, we love to co-create playful campaigns with our mass retail customers, achieving an emotional bond between supermarkets and their family audience.

I'm proud that in 2020, we created no less than *half* a *billion smiles*, with all the flow-packs and toys handed out to grocery shopping families. During a year of extreme stress for so many people, I hope (in all modesty) that we contributed at least a little to their relief.

This year strikingly established that *grocery* eCommerce is here to stay. Driven by COVID, eCommerce accounted for 87% of global retail

growth, whereas before COVID, it was forecasted at 64%. But the array of digital choices, transparency, and comparison has made Loyalty Campaigns more relevant than ever—demanding more creativity than ever as well.

Additionally, sustainability for Retail Loyalty reached a tipping point, with consumers demanding active efforts from retailers<sup>2</sup>. At UNGA, we're proud that the campaigns we created and crafted this year were produced more sustainably: from our Little Garden seedling kits and Little Shop 2 with recycled plastic at Marks & Spencer to Magnit's tailor-made and nearly fully cardboard Monopoly Junior game. I'm happy that we started investing in more sustainable R&D many years ago and continue to do so.

So what else made our UNGA hearts tick this year? We helped children to eat healthier through football icons like Ronaldo and many others at Carrefour France. We launched our subscription-based kids' book club "Hey Reader," making reading more fun for kids. We released a new series of our "5 Surprise Mini Brands" toy in the UK with our partner ZURU. Not only that, we expanded our own office in China. And most of all, we had fun while doing so and supported each other during this pandemic as the united UNGA family.

Many thanks again to our customers, suppliers, licensors, and above all, our team! There is much more to come from UNGA in 2021. Stay tuned!

With playful regards,

Hong Liem Co-CEO, UNGA

### UNGA at a glance

#### Play to *grow*. That's our philosophy.

We design toys and games with which kids have fun, leading to educational and *meaningful family moments* that parents enjoy.

With these playful concepts, we create opportunities for retailers to connect with families and *foster sustainable relationships* with their loyal customers of today and tomorrow.

Our passion for play and design really brings out our inner child. That's how we develop loyalty campaigns that help families and businesses across the globe to grow through the power of play.

#### Play, Grow, Sustain



+50%
Growth per year

Based in *Amsterdam*, we also have offices in Russia, South Africa, the USA, the Pacific

and China

#### i i i i i i i

20 nationalities
are represented within
our team: a variety of
cultural backgrounds and
languages for broader
perspectives



We have reached 70% of families with kids in 40 countries



We have rolled out loyalty campaigns for retailers across the globe



In 2020 alone, we created

#### half a billion

smiles on kids' faces, with fun toys, games and collectibles



#### Growing through the Power of Play since 2006

It all started with our love for families.

Since our humble beginning 15 years ago, UNGA has been a proactive company in crafting toys and games that draw smiles on faces.



**UNGA** was founded as a toy design studio



2008

1st campaign at Albert Heijn, Netherlands, followed by 3 Disney campaigns (2009-11)



2012

Development and 1st campaign of Little Shop



2014

**Development** of bio-plastic



2013

- New office and brand identity
- Starting the international roll-out of campaigns



2016

Launch of our 1st shelf product: My Little Christmas





2017

Little Shop wins the Loyalty Magazine Award - Short-term loyalty programs category



Little Garden wins the Loyalty Magazine Award - Short-term loyalty programs category





- Launch of Hey Reader
- 1st campaign produced out of recycled materials
- UNGA Head of Marketing is in the World's Top 30 Loyalty Experts
- New partnership with Right To Play
- Launch of 5 Surprise Mini Brands in the UK and Ireland
- We have a staff of 80!

#### 2019

- Our China office opens
- Launch of 5 Surprise Mini Brands in the USA
- Inauguration of our new office in Zuidas, Amsterdam





# Winning over families with *loyalty* campaigns

The retail industry is highly competitive, in that shoppers' loyalty is precious. It increased in 2020, with 37%\* of consumers reporting that they prefer to consistently shop with the same retailer rather than shopping around elsewhere.

That's more loyal customers than ever! Retailers must therefore  $grow\ a\ future-proof\ relationship$  with their customers—adults as well as the youngest generation—already influencing families' shopping decision-making.

We believe that the key to connect and grow with families is through play. So we design fun and educational concepts tailored to kids and families, combined with *powerful retail marketing mechanics*.

### **Building hype** around supermarkets

From concept design, production, and digital innovation to post-campaign evaluation, UNGA provides a complete range of services to a successful loyalty campaign.

With our renowned in-house intellectual properties (Little Shop, Little Garden, Little Chefs, Bricks...) or famous licenses, we deliver to retailers not only playful customer rewards but the tools to run 360° campaigns that generate hype around their supermarkets.

See our Top 7 Loyalty Campaigns in 2020 (p.9)

In addition to building retailers' brand equity, our ROI-driven loyalty campaigns have the power to:

- Increase shopping cart value
- Drive up footfall
- Bring double-digit sales growth
- Strengthen customer loyalty



A selection of retailers who used the *power of play* in 2020:













5 | A year with UNGA - 2020 | un.ga

<sup>\*2020</sup> Retail Customer Loyalty Study - Customer Communications Group

## Leading innovation and *change*



Our creative team is constantly researching and developing new ways to make our toys and campaigns more attractive, innovative, and sustainable.

With our own office in China as well as our trusted partners and suppliers, we handle the entire sourcing, quality, and production process before the display of our products, both in loyalty campaigns and on shelves.

#### R&D and Concept design

2020 marked the *rebirth of family time*. As such, families took care of their homes and gardens throughout the year, showing a growing desire to spend quality time together.

We have been researching the new trends and providing our partners with insights about families' preferences for toys and games. More importantly, we have, as always, relied on these findings to design and develop innovative concepts loved by families.

### Towards more *sustainability*

More than ever, consumers find it *important for* brands to be sustainable and environmentally responsible (77%), support recycling (76%), and use natural ingredients (72%). This also applies to loyalty campaigns, toys, and games\*.

We have therefore made it a priority to explore sustainable alternatives and eco-friendly materials. Accordingly, to meet shoppers' expectations, we offer our partners and clients advanced materials that are either plant-based or of recycled origin, without compromising on creativity or appeal.











<sup>\*</sup> Meet the 2020 consumers driving change - IBM in association with the NRF

# Learning and growing

in a world in *motion* 

To make things happen, our team is constantly meeting and collaborating with our partners, along with networking, sharing knowledge, and researching. Since 2020 was more virtual than the past years, we never stopped connecting and learning.

#### LI©ENSING LEADERSHIP SUMMIT





#### Where the *action* is

Physically or online, we made sure not to miss the most important events in our industry. We met with retail leaders and experts at the Retail's Big Show in New York City. We shared and gained insight during the World Retail Congress. Moreover, we explored the toy trends and discussed innovations at the largest international trade fair for toys and games in Germany. We connected and learned from the best-in-class global trendsetters shaping the licensing industry.



#### Driven by *insights*

Throughout 2020, we have continuously conducted research to learn and *make sure our portfolio* remains relevant and updated.

- We partnered up with and relied on market research specialists such as Nielsen, Kantar, IGD, and Kids Insights
- We conducted new focus groups with kids and families
- We ran research to evaluate all our 2020 campaigns and learn how well they performed, what appealed to customers, and how we can grow our concepts
- We translated all these findings into a world of loyalty to create campaigns that resonate with retailers and families

UNGA

"UNGA's creativity is nourished by our knowledge of families' behaviors across the world as well as shoppers' needs, expectations, and preferences."

Woes Weinberg, Head of Marketing

#### *Adapt* and be ready

#### Our switch to online pitching

Face-to-face meetings in three dimensions have been replaced by those in two dimensions, and stepping into boardrooms has turned into online video conferences.

This is a whole new game, but our sales team has *accepted the challenge*! Now, after months of virtual pitching, our Account and Project Managers can totally picture rounds of pitches taking place remotely in the future. As our Senior Account Manager Patricia Thomopoulos puts it, "That will save time, money, and a carbon footprint for everyone."

"There is still a good-natured feel, and the relationship can still be maintained through this medium. A big lesson is to prep, prep, but that's not new!"

Anthony Pohlen, Senior Account Manager



#### Big win in the field

When it comes to supply chain management, we have rarely faced a more complex situation with challenging conditions than in 2020.

Our sourcing and production team managed to get the production going together with our China office. The quality team oversaw the entire production at our partners and suppliers to guarantee that the desired quality was met. We were able to maintain, schedule and deliver all projects and campaigns to go live in 2020. The campaigns were delivered on time, without compromising on quality. A big win for our team, and above all for our clients!



"In these challenging times, we need to have contingency plans prepared to get our goods delivered."

Jeroen Teeuwen, Director of Sourcing and Production

### Top 7 loyalty campaigns that *marked* 2020

During the past year, our love for families and commitment to a brighter future only grew bigger. Together with inspiring retailers, we brought joy to millions of families and helped them grow through the power of play.

Discover our selection of family-centered campaigns and why they stood out in the world of retail loyalty.





- Campaigns that raise awareness about the environment among families
- Customer rewards: seedling kits and collectibles made of plant-based and recycled materials; minimum to 0% use of plastic



#### Encouraging healthy eating

- Campaigns that give kids and families the keys and recipes to eat healthier
- Featured customer rewards and activities: recipes, stickers, and albums on cooking



#### Creating family moments

- Campaigns that encourage families to spend quality time through play, away from screens
- Activities featured: cooking, gardening, board games and pretend-play

"In a year that was uncertain for everyone, these campaigns were able to bring joy, education, and playfulness to shoppers and their kids.

Next to that, they delivered tangible business results and brand equity for our partners all over the world."

Wouter Aalberse, Commercial Director



#### Lidl Shop 2 | Lidl

#### **Portugal**

- 40 miniatures of Lidl staple products to recreate a mini Lidl shop at home with our amazing collector's case
- A special booklet featuring recipes and facts to learn more about the food and products available at Lidl
- Instant-reward campaign putting family moments in the spotlight and encouraging kids to learn while pretend-playing as little shopkeepers

#### Have fun with Hasbro Games | *Magnit*

#### Russia

- Licensed campaign co-designed with Hasbro
- 5 popular board games to be redeemed: Monopoly Classic, Monopoly Junior | Magnit Edition, Cluedo, Guess Who, and Trivial Pursuit
- Monopoly Junior | Magnit Edition: custom-made, recreating Magnit supermarkets' universe in 3D
- Redemption campaign encouraging playful family moments with games nearly-fully made of cardboard



#### Little Garden 3 | New World

#### **New Zealand**

- 24 seedling kits to grow a diverse Little Garden
- Plastic-free customer merchandise including a collector's tray made of sugarcane pulp
- Instant-reward loyalty campaign contributing to educating families on gardening, nutrition, and healthy habits







#### Little Garden | M&S

#### **UK & Ireland**

- 1st Little Garden campaign in the UK and the Republic of Ireland
- 12 varieties of vegetable, herb, and flower seedling kits to grow at home
- Environment-friendly loyalty campaign helping kids to learn how to grow plants and food



#### Little Garden | Checkers

#### **South Africa**

- 24 season-appropriate seedling kits to collect and grow herbs, flowers, and vegetables
- Local sourcing and production that empowered communities and women in South Africa with 150+ jobs created
- Sustainable loyalty campaign teaching kids how to grow a bee-friendly garden

#### $\begin{array}{l} \text{Mange comme un} \\ \text{champion} \mid \textit{Carrefour} \end{array}$

#### France

- Stickers of renowned football players and their favorite healthy recipes in an inspiring collector's album
- Athlete Endorsement: 35
   European football players featured, such as Ronaldo, Varane, and Verratti
- Loyalty campaign encouraging kids and families to eat healthier with recipes and tips



#### Little Shop 2 | M&S

**UK & Ireland** 

- 1st recycled-plastic campaign
- 26 mini versions of M&S iconic products to collect, made out of cardboard and recycled plastic
- Loyalty campaign encouraging pretend-play and raising awareness about recycling, energy, food, and saving money



### Playing in the major league:

#### Awards and Honors

Each year, the Loyalty Magazine Awards brings together the leaders of the loyalty business from across the globe to celebrate innovation, creativity, and sheer brilliance. This ceremony rewards the best loyalty initiatives of the year and reveals the 30 Under 40 Loyalty Royalty, celebrating the talent emerging and flourishing in the loyalty industry.

### UNGA Head of Marketing is in the World's *Top 30 Loyalty Experts*

Woes Weinberg, UNGA's Head of Marketing, has been chosen for the prestigious 30 Under 40 Loyalty Royalty for 2020.

Woes connects the most relevant IPs (intellectual properties or ideas) to strong loyalty concepts and retailers across the globe. As UNGA's Head of Marketing, he ensures that an IP comes to life as strong as possible during a campaign and simultaneously grows the partner brand and campaign goals.





#### Finalists of the Loyalty Magazine Awards 2020

From our collaboration with grocery retailers worldwide, two of our meaningful campaigns of 2019 led us to the *finals of the Loyalty Magazine Awards* 2020.

In South Africa, *Little Checkers* helped the retailer to build customer loyalty. Moreover, the bricks campaign had customers lined up at supermarkets to collect 35 different building block packs that turned into a mini Checkers store.

In the Netherlands, the *Little Chefs* designed for PLUS was acclaimed for adding flavor to children's lives. Families collected 20 seedling kits with the help of cheerful characters who introduced kids to new ingredients and tastes in a fun way.



"This award is a well-deserved recognition of UNGA's achievements and the meaningful work accomplished by the entire team to ensure retailers grow".

Woes Weinberg, Head of Marketing





#### Spreading the Power of Play

beyond loyalty

Furthermore, UNGA employees tracked their physical activity and *moved to help children* worldwide benefit from play-based programs. We unlocked 3,000+ rewards!

At the end of the year, our entire team also had a play workshop with Right To Play, emphasizing once more the power of play, only this time at work. This *Play to Perform* session was a fun way to celebrate our partnership and discover more about the games that Right To Play implements in its programs as well as their impact.

We moved for children worldwide and unlocked:

UNGA and Right To Play

the world to grow.

2020 also marked the start of new

collaborations and entrepreneurial

adventures, always focused on the power of play to help families and children around

We proudly started a new partnership with Right To Play, an international charity whose values perfectly align with UNGA's. Through the power of play, Right To Play protects, educates, and empowers children in some of the most difficult places on earth.

Together, we want kids to smile, dream big, and have a prosperous and deliberate future. So by providing a yearly contribution, we support Right To Play in their initiatives to educate and lift children globally.











"With your support, we were able to keep children healthy, learning and mentally strong! A true example of a powerful partnership where play is at the heart of everything we do together. Thank you, UNGA!"

Marije Dippel, National Director, Right To Play Netherlands

#### Hey Reader: Launching the *first kids' book club* in the Netherlands

In 2020, families in the Netherlands were introduced to Hey Reader, UNGA's new monthly  $kids'book\,club$  that stimulates reading habits from an early age.

Every month, our expert curators select the best children's books for 3 different age groups: 4–5; 6–7; 8–9, always putting quality first. Moreover, the box encloses arts and crafts activities that make reading more fun.

Subscribers receive information about the book of the month, reading tips and much more. Truly, Hey Reader is for kids, but it also *brings families closer together*.

"We combine arts and crafts with books as it is a great combination to keep kids away from screens. Playful activities really help make reading fun."

Daniela Molinos, Brand Manager





#### Addressing families directly

Hey Reader is a new step for UNGA outside of the loyalty business. As our Brand Manager, Daniela Molinos explains, "We've been studying and analyzing families for years now. Research and experience led us to understand that families tend to go back to authentic products and want convenience. Above all, they seek more quality time together. Knowing this, it only makes sense that we start helping them directly."

#### 5 Surprise Mini Brands: Bringing the #1 US Toy Trend to

#### Europe

In 2019, we launched the "5 Surprise Mini Brands" toy in the US and Canada with our partner Zuru, the leading toy distributor.

Our mini brands sold out at Walmart, Target, Amazon... everywhere! It quickly took over children's wishlists for Christmas and became the #1 Googled toy in December 2019.

Following this massive success, we proudly released a new series of the "5 Surprise Mini Brands" toy in the UK and Ireland in Summer 2020.





#### Behind the

scenes



#### From the office to our *homes*

Following the health authorities' recommendations, our team was working from home for most of 2020. Quickly rethinking our daily organization helped to protect employees and stakeholders, as well as to curb the spread of coronavirus. Our Human Resources department played a major role in creatively maintaining a positive feeling across the staff and ensuring the team stays committed.

In that spirit, our HR team did a lot to help employees stay fit and healthy. Just as they would in the office, employees were still able to attend yoga and workout sessions, only online while working from home. "Yoga and sports are helpful when it comes to *personal development*, *fun*, *or relaxation*. After all, happy employees lead to happy customers!" shares Valeria Lindeman, HR Director.

"All the initiatives that we took have been well received by our employees, according to the results of our internal survey. We have tried to keep the UNGA culture alive while working remotely. And we did it!"

Valeria Lindeman, HR Director



#### Treats from our *chef*

Valeria Lindeman and her HR team quickly came up with more ideas to bring fun to employees' homes and keep on playing. For instance, instead of having a great lunch prepared at work, UNGA delivered boxes filled with fresh veggies and vitamins to everyone's homes.

This operation was a huge hit! Many employees followed the recipes and shared their photos with the rest of the team. Playing with ingredients and trying to cook with our Chef turned out to be a great team experience that brought our employees closer together when they were not able to meet in the office.

"An essential part of my work is to create smiles and happy faces on UNGA colleagues in our own restaurant. During the lockdown, I've added all my love and effort into the UNGA boxes and healthy recipes to keep them smiling at home."

Wiljan Koopmans, UNGA Chef





### Keeping the UNGA family spirit alive

At UNGA, we pride ourselves on being more like a family than a group of colleagues. Therefore, keeping the culture and family spirit alive was essential.

With the help of many remote events, such as the weekly Town Hall meetings, online workouts, webinars, pub quizzes, etc., we were able to stay connected, active, and entertained albeit from a distance. As a result, 80% of our employees still feel like a part of the UNGA family, even now that we have been working from home for a long time.

"Looking back at 2020, I can really say 'wow', look at what we have achieved all together as an organization!" shares Valeria Lindeman.



### On our way to 2021

If there's anything to remember from 2020, it is that anything can shake up our world—how we shop, consume, do business, communicate, and live. Yet, even in challenging circumstances, we were all *able to adapt*. We have witnessed—in the food retail industry, the loyalty business, and homes and families—that we are resilient.

"Retailers will have to go the extra mile, demonstrate, and be relevant in an increasingly critical and transparent society."

Hong Liem, UNGA Co-CEO All we need is to look ahead. Now, although we can't predict the future, we must rethink it and *make it brighter than the past year*. Retailers have a major role to play, and UNGA and loyalty campaigns will support them all the way.

In 2021, grocery retailers must strengthen their positioning and build up their relevance, focusing on bringing more value to their customers: to families.

To keep growing, the key to success for retailers will lie in marketing-supported campaigns that deliver both ROI and brand equity.

In retailers' strategies, 3 main trends that have already accelerated in 2020 will resonate even more in 2021 and beyond.

# With e-commerce gaining prominence, loyalty campaign mechanics, customer rewards, and activation will also take a digital turn.

#### Improve families' lives

Supporting families' quality time at home and encouraging them to eat and live healthily will be at the center of retailers' promotional activities.



# Retailers will bridge marketing to CSR with a greater focus on sustainability and more initiatives empowering their community.

Positive impact

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