

Loyalty Research Report
Restaurant

2018 Loyalty Program Consumer Survey

How today's consumers want to engage
with restaurant loyalty programs

About CodeBroker

CodeBroker's mobile marketing solutions are used by brands to engage consumers, drive purchases, and build loyalty.

The [CodeBroker Mobile Loyalty Experience Engine](#) gives loyalty marketers a true omnichannel approach to mobile loyalty program member acquisition and engagement.

[CodeBroker Text Message Marketing](#) with [SmartJoin](#) combines advanced SMS marketing capabilities with ease-of-use to help marketers rapidly build and market to subscriber lists and loyalty membership securely and at scale.

[CodeBroker Digital Coupons](#) drive restaurant traffic, purchases and customer engagement through on-demand offers, SMS list promotions and in-app promos.

We invite you to learn more at www.codebroker.com.

Survey Overview

CodeBroker surveyed 1,287 consumers who are members of loyalty programs in a range of industries, including travel, credit card, retail and others. Those cross-industry research results can be accessed [here](#).

This report is a subset of the larger research, and focuses on 644 consumers who belong to restaurant loyalty programs. We asked consumers about their frustrations associated with restaurant loyalty programs, how they would like to engage with loyalty programs, and changes they would like to see.

About the Survey Respondents

644 U.S restaurant loyalty program members.

Age range:

18 to 35:	50%
35 to 50:	25%
50+:	25%

Gender:

Female:	51%
Male:	49%

Number of loyalty programs respondents belong to:

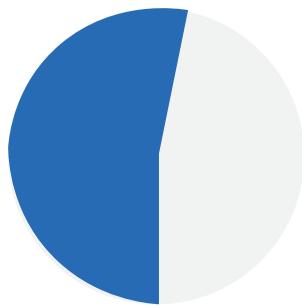
1 - 5:	66%
6 - 10:	24%
10+:	10%

Key Takeaways

1. Only 10% actively engage with all the loyalty programs to which they are members, the lowest engagement of all sectors. Nearly 75% of the respondents engage with less than 50% of the loyalty programs to which they belong.
2. 84% of consumers say that they would actively engage with loyalty programs if they could access their rewards information from their smartphones.
3. 27% of consumers want to access loyalty programs via a mobile app.
4. Consumers have a range of preferences for accessing and engaging with loyalty programs via mobile – including SMS, app, digital wallet, and email.
5. For the broadest reach, loyalty programs must be accessible to consumers through several mobile channels to appeal to each individual consumer's preferred channel.

The Results

Of the restaurant loyalty programs you belong to, what percentage do you actively use?



73%

Engage with less than half the loyalty programs to which they belong



38%

Engage with less than one-quarter of the loyalty programs to which they belong



16%

Engage with ten percent of the loyalty programs to which they belong

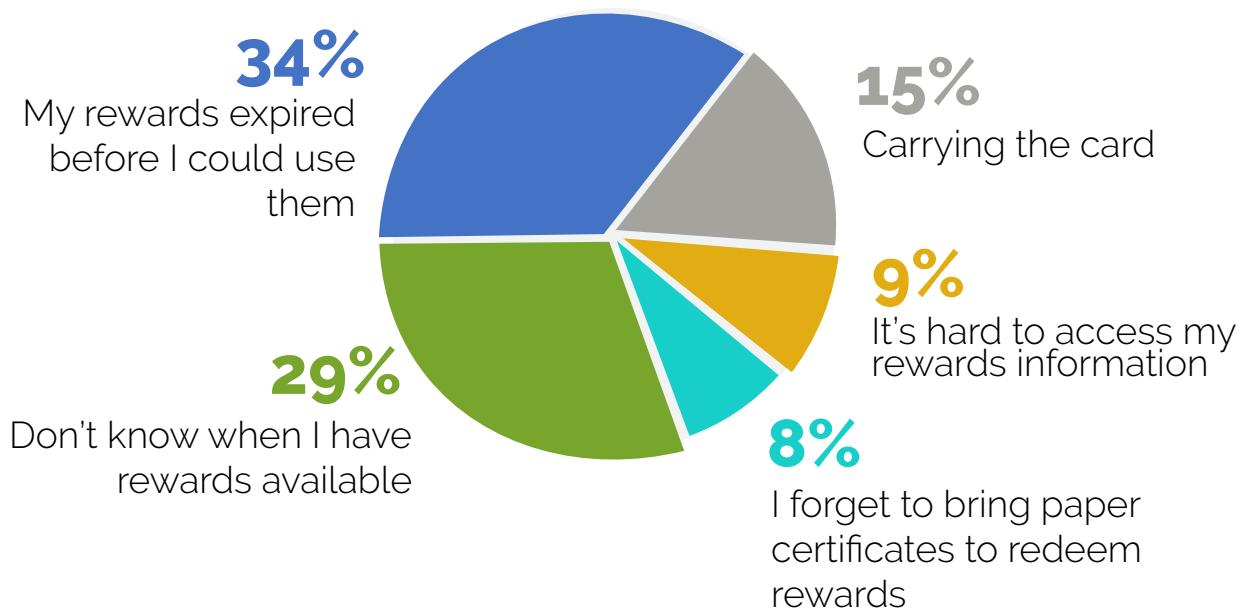


10%

Engage with all the loyalty programs in which they belong.

This data is consistent with what we hear from loyalty executives – that program engagement is suffering due to a range of factors, from more loyalty program competition, to uncertainties about the best contact strategy for each individual customer. One significant difference is that engagement with restaurant loyalty programs is lower than loyalty programs in other sectors. 73% percent of restaurant loyalty members engage with less than half of the loyalty programs to which they belong, versus 65% in other sectors. In addition, only 10% of restaurant loyalty program members engage actively with all the programs to which they belong, compared to 18% in other sectors.

What is your biggest gripe with restaurant loyalty programs?



63% of the respondents lack basic insights into their rewards – which is 10 points higher than the cross-industry survey. Many of the respondents' comments point to the complexities associated with program participation, which drives engagement down and limits the insights that consumers have into their rewards status.

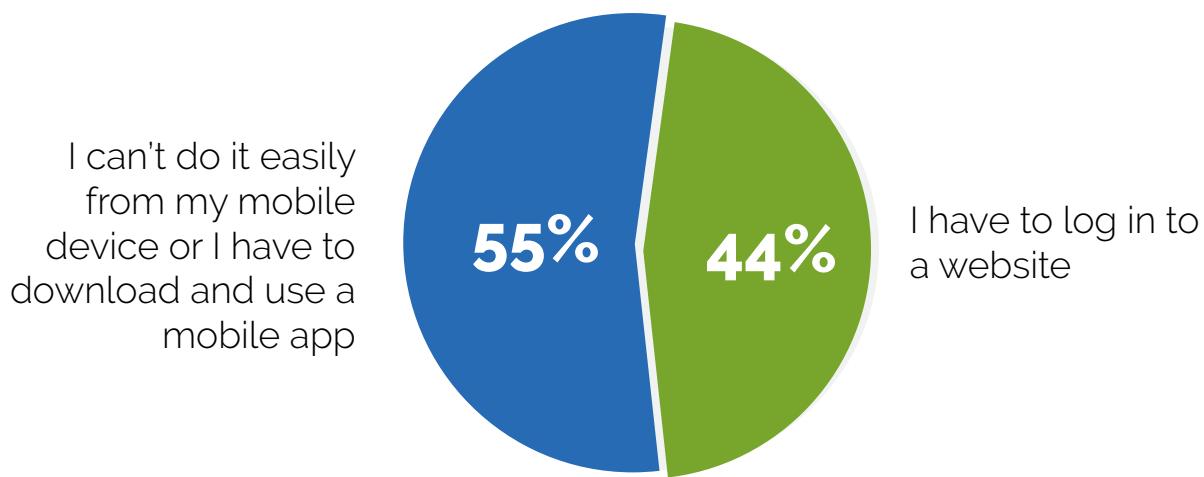
What respondents had to say...

"Too much hassle."

"It's hard for me to access my rewards and I don't know when they are available and they expired before I could use them."

"I don't know when I have rewards available."

What are your top frustrations associated with accessing your rewards, point balance and other program information?



When compared to consumers in other industries, a slightly higher number of retail customers are frustrated by the inability to access from mobile phone easily, with a slightly smaller number bothered by having to log in to a website. As with customers from other sectors, members of restaurant loyalty programs also cite having to download an app as a top frustration.

What respondents had to say...

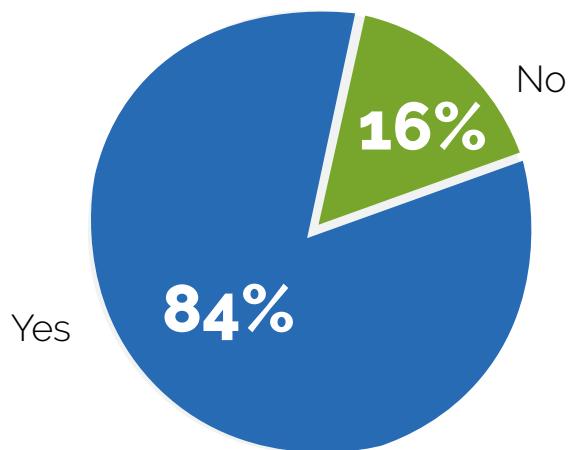
"I always forget my password."

"Too time consuming."

"Convoluted sign up process."

"Remembering my rewards number."

Would you be more likely to participate in a restaurant loyalty program if you could access the program easily from your smartphone?



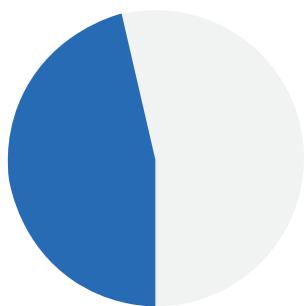
Card-based loyalty programs no longer work for most consumers across all industries, with a high percentage saying that they would engage more actively with loyalty programs if they could do so easily from their smartphones. A higher percentage of restaurant loyalty members prefer to participate via their smartphones by 9% -- 84% versus 75% in other industries.

What respondents had to say...

"If it is easy to access and use."

"As long as I don't have to download an app to my phone."

What is your preferred method for accessing your rewards program info (points balance, redemption info, available rewards, etc.)?



41%

Smartphone - via a link in a text message



27%

Smartphone - through a mobile app



16%

Website from my computer



11%

Smartphone – mobile wallet
(Apple Wallet; Android Pay)

Mobile is a platform with several communication channels, and a channel preferred by one consumer may not be favored by another. Many restaurants have employed their loyalty programs via a mobile app in the belief that they have a mobile loyalty program. However, only 27% of members wish to engage with loyalty programs via a mobile app.

To engage members most effectively, loyalty programs must give each member program access via his or her preferred mobile channel. The data for retail program members is consistent with other industries, however, retail loyalty program members were less likely to want to use their computer and more likely to want to use mobile wallet than members participating in programs in other industries.

What respondents had to say...

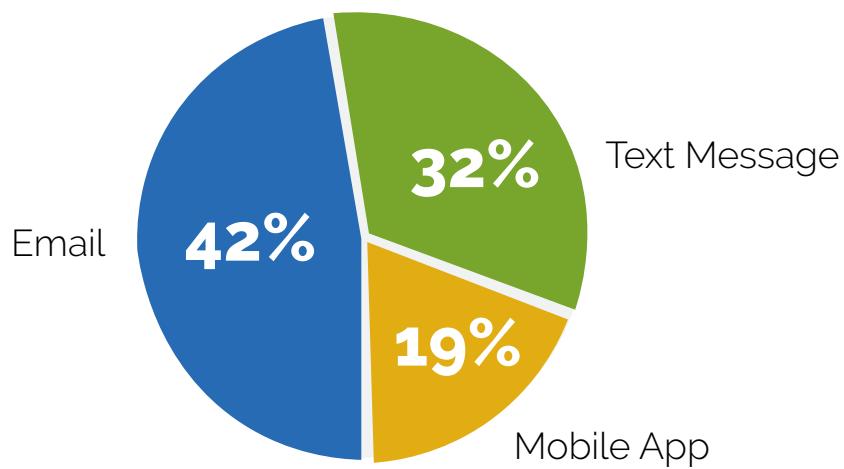
"I would prefer a mobile website with no log-in."

"I want an email on my smartphone."

"A link that the company pushes to me."

"I refuse to participate in those that require an app."

What is your preferred method to receive communications from your rewards program?



Each customer not only has a preferred channel to access loyalty programs, but also has a preferred channel to receive loyalty program communications, such as rewards updates, expiring rewards, promotions, etc. The data from retail rewards members is consistent with loyalty program members from other industries.

The challenge for loyalty marketers is that we often don't know the communication method preferred by each individual member. By employing the right contact strategy for each member, loyalty marketers can improve member insights into rewards status and drive higher levels of engagement and ensure more relevant, consistent messaging across channels. Loyalty marketers can take steps to identifying members' preferred communication channel by providing a range of sign-up options on the front-end. Consumers will more often sign up via their preferred channel, giving marketers the information they need to communicate effectively.

Where to Go from Here

Meeting the needs of each member – this is the new imperative for retail loyalty programs. The majority of today's consumers want it to be easy to access loyalty programs – and their preferences vary, which present both a challenge, and an opportunity for loyalty program leaders.

Loyalty programs that give members options – for program sign-up, access, and communications – have the best opportunity to improve engagement, compete effectively with other programs and to deliver a positive program ROI.

CodeBroker invites you to learn how to add these omnichannel loyalty program capabilities to your existing loyalty platform with the [CodeBroker Mobile Loyalty Experience Engine](#).

Contact CodeBroker to learn more

Email: info@codebroker.com

Phone: 800.928.7315

Website: www.codebroker.com