

Loyalty Research Report

## 2018 Loyalty Program Consumer Survey

How today's consumers want to engage with loyalty programs



 **Code  
Broker**

## About CodeBroker

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CodeBroker's mobile marketing solutions are used by the world's most recognizable brands and retailers 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 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](http://www.codebroker.com).

## Key Takeaways

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1. CodeBroker surveyed 1,287 consumers on a range of loyalty program engagement topics.
2. Nearly two-thirds of respondents actively engage with less than half the loyalty programs to which they are members. Only 18% actively engage with all the loyalty programs to which they are members.
3. Nearly 75% of consumers say that they would actively engage with loyalty programs if they could access their rewards information from their smartphones.
4. Less than one-third of consumers want to access loyalty programs via a mobile app.
5. Consumers have a range of preferences for accessing and engaging with loyalty programs via mobile – including SMS, app, digital wallet, and email.
6. For the broadest reach, loyalty programs must be accessible to consumers through several mobile channels to appeal to each individual consumer's preferred channel.

## About the Survey Respondents

1,287 U.S consumers participated in the research.

### Age range:

18 to 29:	30%
30 to 44:	33%
45 to 60:	22%
51 to 65:	14%

### Gender:

Female	54%
Male	46%

### Loyalty program membership:

Retail:	60%
Credit Card:	54%
Hotel:	52%
Airline:	41%
Other:	10%

### Number of loyalty programs respondents belong to:

Retail:	60%
1 - 5:	88%
6 - 10:	9%
10+:	3%

# The Results

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



**65%**

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



**41%**

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



**18%**

Engage with all the loyalty programs in which they belong

The data confirm what we hear from loyalty leaders – that program engagement is down. The top reasons attributed by loyalty program executives include:

**More loyalty program competition:** Every major brand has a loyalty program, giving consumers more options.

**Continued use of physical cards:** The rapid adoption of smartphones means that more and more consumers want to access loyalty programs via mobile.

**Messaging Challenges:** Loyalty marketers often don't know the best contact strategy for each individual member.

**Now let's hear what consumers had to say.**

# What is your biggest gripe with loyalty programs?



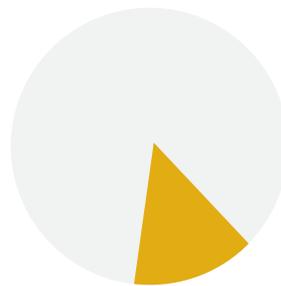
**31%**

My rewards expired before I could use them



**23%**

Don't know when I have rewards available



**14%**

Carrying the card



**13%**

It's hard to access my rewards information

More than half of the respondents lack basic insights into their rewards – from what they have earned, to their rewards simply going unused. Comments overwhelmingly point to the complexities associated with program participation, which drives down engagement and, therefore limits the insights that consumers have into their rewards status.

## What respondents had to say...

"It's hard for me to access my rewards and they expired before I could use them."

"I just forget I have them and when I realize, it's too late."

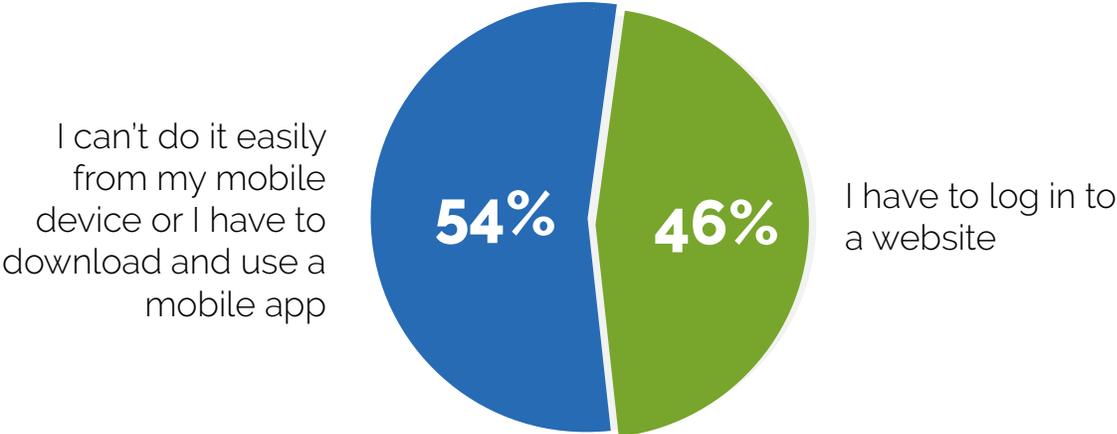
"I don't know when I have rewards available."

"I need something to remind me to use my rewards."

"The website for some of the cards is never easy to find, and honestly I end up forgetting about most of my rewards because they're out-of-sight, out-of-mind."

"I don't know what my rewards are when I need the information to make use of them."

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



As we learned from the previous two questions, members lack insights into their rewards status, therefore rewards go unused. Here, we begin to understand one of the chief causes – the difficulties that members experience when they try to simply access their rewards information. Respondents indicate that they want to access their rewards easily from their mobile devices, and they don't want to be required to log-in or download an app.

## What respondents had to say...

"Can't access from mobile phone."

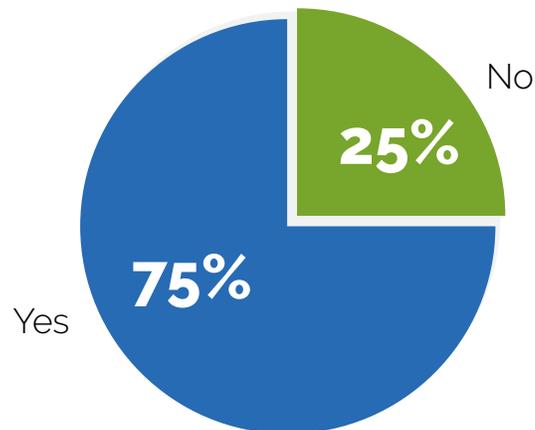
"Too complicated to be worthwhile."

"I have to pull the data -- the program should push the data to me."

"I always forget my password."

"If I don't have my card with me, it is often a pain to look up."

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



Card-based loyalty programs no longer work for most consumers, with a high percentage saying that they would engage more actively with loyalty programs if they could do so easily from their smartphones. As we dig deeper, we learn that there are a range of different ways consumers want to access programs from their phones, and mobile apps are not at the top of the list.

## What respondents had to say...

"If it is easy to access and use."

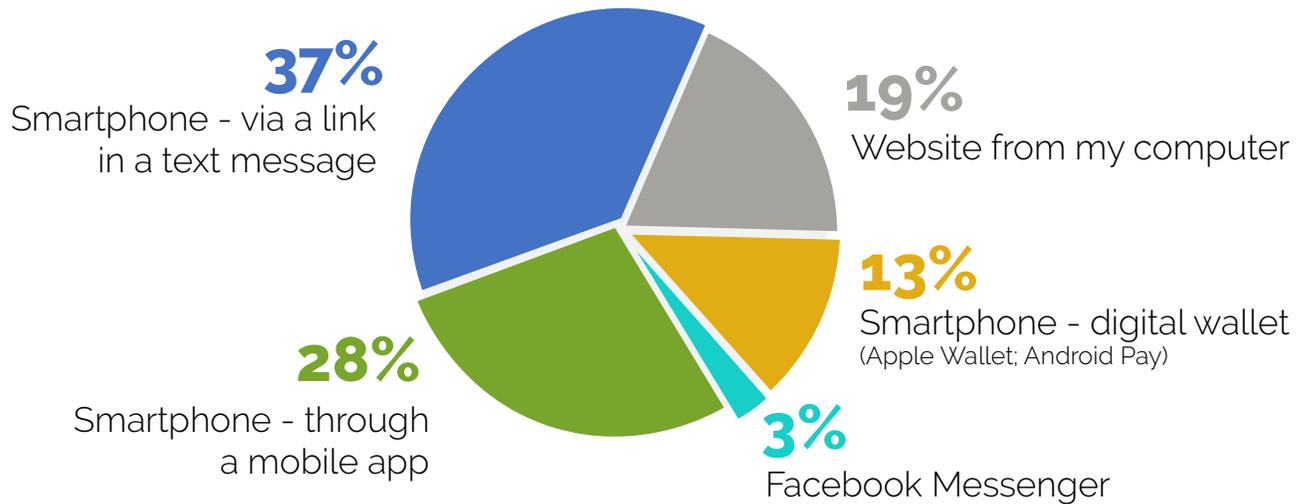
"As long as I don't have to download an app to my phone."

"They are pushing for mobile apps."

"If they sent me a push notification when I received rewards."

"If I don't have to remember numbers associated with my account."

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



The large majority of consumers prefer to access loyalty programs from their smartphones, but mobile is a platform with several distinct communication channels. A channel preferred by one consumer may not be favored by another.

Many brands have employed their loyalty program via a mobile app in the belief that they have a mobile loyalty program. However, only 28% of members wish to engage with loyalty programs via a mobile app – and the majority of respondents' comments had to do with their aversion to using mobile apps to access their rewards information. To engage all members effectively, loyalty programs must give each member program access via his or her preferred mobile channel.

## What respondents had to say...

"I don't like that I have to download 80 different apps and waste space on my phone to participate in rewards programs."

"I hate apps for everything nowadays."

"I want an email on my smartphone."

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

"A link that the company pushes to me."

"Through a monthly email or text message."

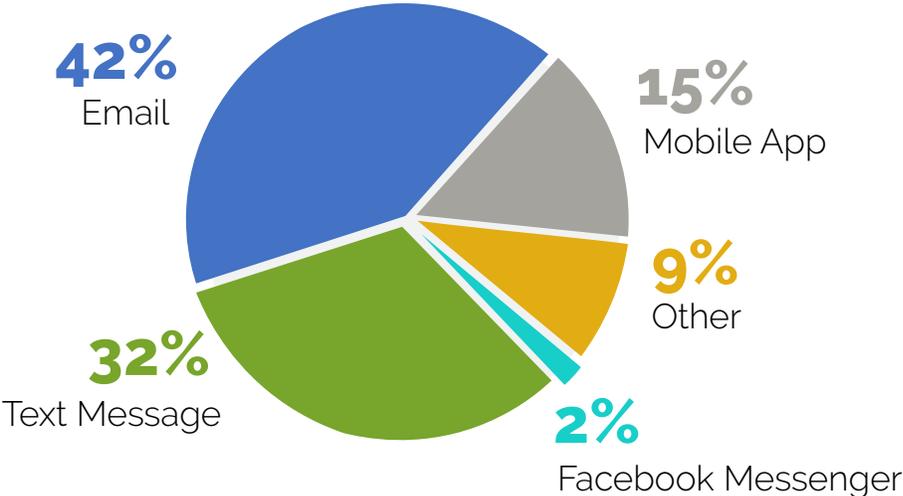
"Apps take up too much storage space."

"Stop with the apps already."

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

"Too many apps bog down the phone."

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



Consumers not only have a preferred channel to access loyalty programs, but they also have a preferred channel to receive loyalty program communications, such as rewards updates, expiring rewards, promotions, etc. 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

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Meeting the needs of each member – this is the new imperative for loyalty programs. The majority of today's loyalty program members 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**

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Phone: 800.928.7315

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