



ecrebo

THE UK LOYALTY LANDSCAPE

**A LOOK AT UK CONSUMERS'
ATTITUDES TO LOYALTY AND
HOW THEY ARE CHANGING**



THE UK LOYALTY LANDSCAPE

THE LOYALTY CARD LIVES ON



91% OF BRITS HAVE ONE

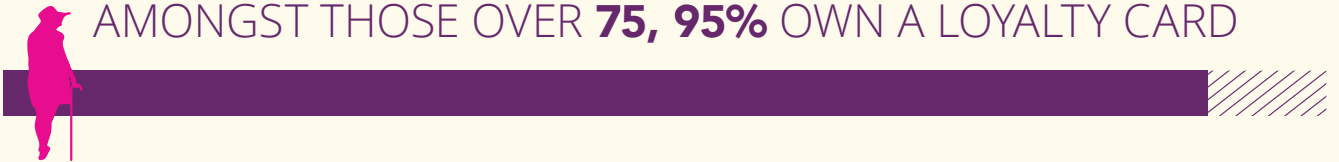


AND USE THEM ON AVERAGE **3 TIMES** A WEEK



THERE'S A CLEAR DEMOGRAPHIC DIVIDE IN TAKE-UP

AMONGST THOSE OVER **75**, **95%** OWN A LOYALTY CARD



WHICH FALLS TO **83%** OF **16-24** YEAR OLDS



CONSUMERS ARE, OVERALL, SATISFIED WITH THE LOYALTY SCHEMES THEY USE

95% ARE **SATISFIED** OR **VERY SATISFIED** WITH THE
LOYALTY SCHEMES THEY USE

5% WERE **UNSATISFIED** OR **VERY UNSATISFIED**



THE UK LOYALTY LANDSCAPE

SUPERMARKETS HAD THE MOST POPULAR SCHEMES



BUT COMPANIES COULD BE DOING MORE




74% said they would be more likely to participate in loyalty schemes if rewards were **personalised** and **tailored** to them



89% said a scheme that was **quick** and **easy** to use would influence where they spend their money



49% said they would be more likely to participate in a scheme if it was **cardless**



30% said they **struggled to understand** how loyalty schemes worked

RESULTS SUMMARY

The research pulls out some interesting juxtapositions amongst consumers who use loyalty schemes.

SIGNIFICANT GENERATIONAL DIVIDE

Although **91% of UK consumers** are currently a member of a loyalty scheme, there is a significant generational divide.

Approximately **1 in 5 (17%) 16-24 year olds** are not signed up to any schemes. This compares to just **1 in 17 (6%) of over 55 year olds** that are not a member of a loyalty programme.

Those who were aged 75+ were the most likely to be a member of a loyalty scheme, with just 1 in 20 (5%) not taking part.

COMPLICATED SCHEMES ARE OFF-PUTTING

The 16-24 year old age group had several issues with loyalty schemes with 45% put-off by the **time rewards took to build up**. **Older generations** are far **more patient**, with just 23% of over 65s experiencing the same problem.

Over a third of 16-24 year olds (36%) found loyalty schemes to be **too complicated**, compared to only a quarter (25%) of those over 35.

For 3 in 10 (31%) in the 16-24 bracket, they felt the **sign-up process** took too long which put them off using a loyalty scheme, almost double any other age-group (with an average of 17% for all those aged 25 years or older).

“Younger demographics are increasingly running their lives digitally so we need to make sure we can deliver fast, high volume and relevant rewards and offers to consumers through digital channels.”

Sir Keith Mills
founder of Air Miles and Nectar card

“Today’s consumers are looking for simple frictionless customer experiences that deliver clear benefits.”

Andrew Mann
VP Insight, Pricing & Digital CRM, Asda

AREAS FOR IMPROVEMENT

Loyalty cards are still clearly important to UK consumers.

They are used on average **3 times a week**, with more than a quarter of shoppers (28%) using them **4 times a week or more**.

On the whole, shoppers appear, on the surface, to be happy with the schemes they use, with 52% very satisfied and 43% satisfied. However, particularly with changing demographic attitudes in mind, there are still areas where things could improve.

REWARDS COULD BE IMPROVED

Just under half (49%) of consumers felt that the rewards they received for their loyalty weren't good enough. Out of the top 10 schemes, only four were considered worthwhile by more than 50% of consumers



“We take the time to get to know the things our customers like, and then reward them with money-off offers exclusive to them, priority access to new product launches and sales, and exclusive invitations to money-can't-buy experiences.”

Harry Bullard

Head of Pricing & Promotions, M&S

CONSUMERS LOOKING FOR MORE THAN JUST POINTS

It also appears that people have **moved beyond points or offers** and are looking for **new ways to be rewarded**. Two thirds (66%) said loyalty schemes would influence where they would spend their money if they received **exclusive products, services or access**. This was notably higher for younger customers, rising to over three quarters (79%) for those under 25.

Those **under 25** were also far more likely to “strongly agree” that **exclusive products, services or access** would influence where they spent money (36%), 10% higher than the next highest group, those in the 25-34 age bracket.

“Traditional card-based, points-based loyalty schemes add complexity. Loyalty creation of the future will be based around creating value in a frictionless digital experience.”

Andrew Mann

VP Insight, Pricing & Digital CRM, Asda



AREAS FOR IMPROVEMENT

STRONG DEMAND FOR PERSONALISED REWARDS

The desire for **greater personalisation** also came through strongly, with nearly three quarters (74%) saying they would be more likely to use a loyalty scheme if **rewards were tailored** to them. This rose to over 8 in 10 (83%) for 16-24 year olds. Strikingly, whilst 4 in 10 (40%) of 16-24 year olds “strongly agreed” that personalisation would affect where they spent money, less than half (18%) of those aged 25 and older felt the same.



“Loyalty schemes continue to play an important role, but today’s shoppers are increasingly looking for a more personalised experience with rewards and promotions that are relevant to them.”

Dr Hassan Hajji
Co-Founder and CEO, Ecrebo

“We understand customers’ frustrations and lack of interest with traditional loyalty schemes, and that’s why we set out with Sparks to offer our customers a more personalised experience.”

Harry Bullard
Head of Pricing & Promotions, M&S



LOYALTY WITHOUT THE CARD

Although they may still use them frequently, just under half of Brits (49%) said they would be **more likely to participate** in loyalty schemes if they **didn’t need to carry a loyalty card**.

Retailers who can make the process as simple as possible will also reap the benefit, with nearly 9 in 10 (89%) people saying they would prefer to spend their money with a brand whose **loyalty scheme was quick and easy to use**. One of the complaints about the sign-up process was that it was “yet more paperwork.”

WHAT DOES THIS MEAN FOR LOYALTY SCHEMES?

ALTHOUGH THERE IS A TEMPTATION TO FEEL CONFIDENT ABOUT THE LEVELS OF SATISFACTION EXPERIENCED BY SURVEY RESPONDENTS, **RETAILERS AND BRANDS CERTAINLY SHOULDN'T BE RESTING ON THEIR LAURELS.**

Younger shoppers, in particular, **need to be engaged through simpler schemes that make them feel more rewarded. Personalisation will be a key part of this**, with younger shoppers far more likely to want tailored rewards.

Similarly, loyalty programmes may need to move beyond a points- or offers-only model, with an increasing number, especially of younger generations, looking beyond traditional rewards to early access to products and services or exclusive events.

Brands and retailers that can innovate to create new ways of engaging and rewarding loyal customers, without the need for sign-up or loyalty cards, will also benefit.



“Ecrebo’s research is completely consistent with our own findings. One size fits all loyalty programmes will gradually decline as newer, faster, much more targeted programmes emerge.”

Sir Keith Mills
founder of Air Miles and Nectar card

“When it comes to loyalty programmes, consumers are looking for a blend of speed of rewards, simplicity and personalisation.”

Dr Hassan Hajji
Co-Founder and CEO, Ecrebo

ABOUT ECREBO

Ecrebo is a point of sale marketing specialist that enables retailers to deliver targeted offers to customers at the till alongside their receipt or digital receipt.

With over 90% of transactions occurring in-store, Ecrebo's POS-based technology opens up a marketing channel with unparalleled reach and precision: it enables retailers to deliver targeted marketing communication, specifically tailored to their customers. In turn, customers benefit from getting relevant offers and incentives delivered in a convenient and non-intrusive way.

Ecrebo powers point of sale marketing for some of the world's biggest brands, including M&S, Waitrose and Arcadia.

ABOUT CENSUSWIDE

Founded in 2012, Censuswide specialises in robust surveys on a range of topics.

The results in this report are based on polling of 1,200 nationally representative UK consumers aged 16 and over, who were surveyed online.

With thanks to our guest contributors: Sir Keith Mills, Andrew Mann and Harry Bullard.

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ecrebo

SoanePoint, 6-8 Market Place
Reading, RG1 2EG, UK

T. +44 (0) 1189 255 195

E. info@ecrebo.com

www.ecrebo.com

 @ecrebo

 [linkedin.com/company/ecrebo-limited](https://www.linkedin.com/company/ecrebo-limited)