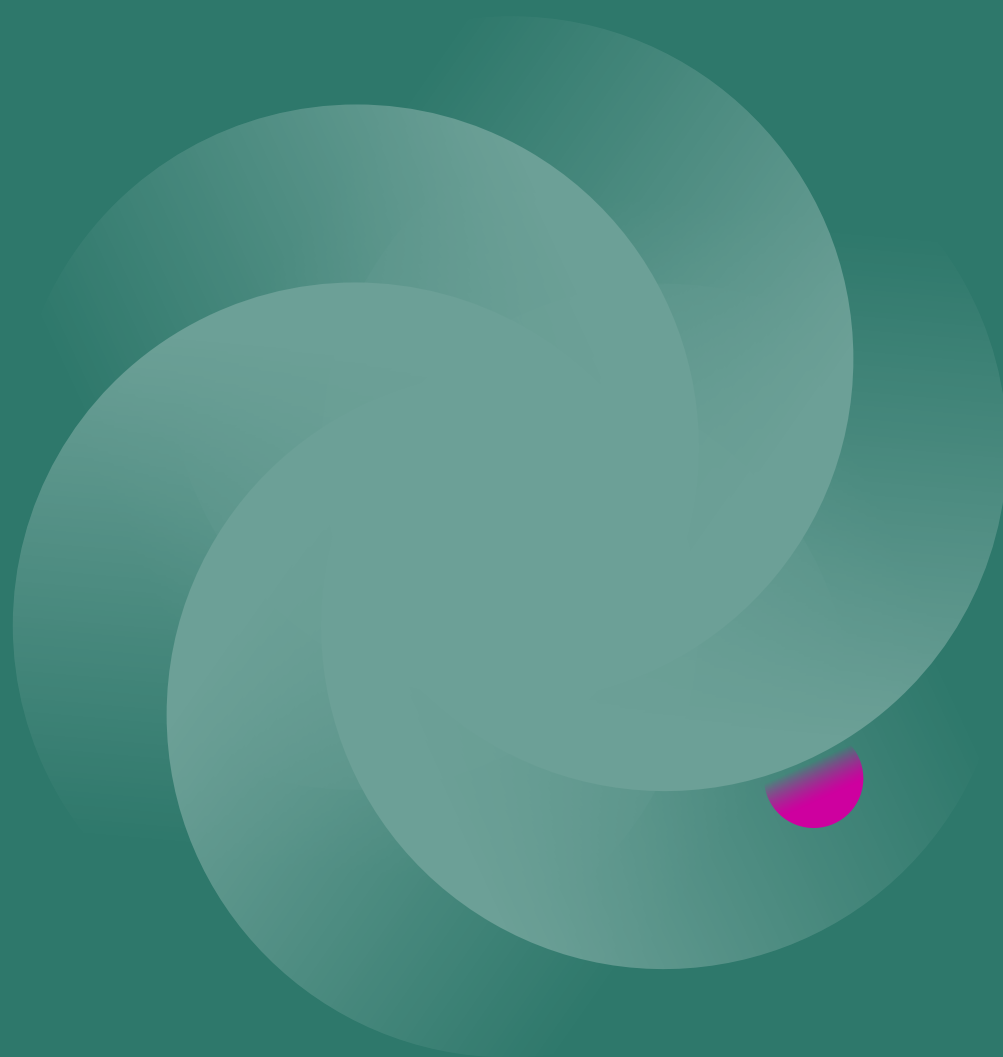


# The Loyalty Report.

State of Loyalty.

2020  
CAN

EXECUTIVE  
SUMMARY



# A Decade of Loyalty.

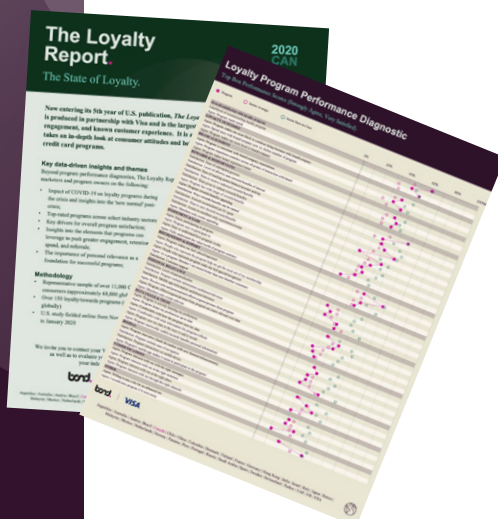
In its 10th year of publication, The Loyalty Report is proudly known as the leading source of insights and guidance into an ever-evolving world of customer engagement and loyalty—and the launch of this year's report couldn't be more timely. In the midst of a global pandemic and economic slowdown, the challenges facing Brands in 2020 have never been more complex. The urgencies for digital transformation, complete with empathy and focus on human needs and experiences, are heightened. The opportunities for Loyalty Programs to help Brands accelerate recovery are very real and present.

While savings have grown more important in light of recent events, so has the value of great service, time, and added convenience, along with the feelings of security that strong Brands engender. New customer expectations, preferences, and behaviors are normalizing. Traditional loyalty mechanics like points, discounts, and rewards are table stakes. To stand out and earn loyalty that sticks, Brands now must focus on true drivers of Member Engagement—and that starts with a foundation of Personal Relevance to the Member, extended through the interconnectivity and influence of digital and human experiences within your program.

In partnership with Visa, Bond surveyed almost 70,000 consumers on more than 100 attributes that examine over 1,000 Loyalty and Credit Card Programs across 34 global markets. This decennial edition of The Loyalty Report shares several of the most important lessons learned for Brands charting their path towards the “new normal.” How will your program stay relevant with the changing State of Loyalty?

## How do I access the complete report?

Contact us to learn more about how you can subscribe to the most in-depth research study on consumer Loyalty and rewards Programs, and gain access to insights into some of the 1,000+ Loyalty and Credit Card Programs operated globally.



# The World's Largest Study of Loyalty, Engagement and Known-Customer Experience.



Sample of more than

68K

Consumers

In

34

Markets

Across

AMERICAS  
EUROPE  
ASIA PACIFIC  
MIDDLE EAST

Examining more than

1000+

Programs

In

15+

Industry Sectors

- Airline
- Apparel Retail
- Automotive
- Big Box Retail
- Car Rental
- CPG
- Entertainment
- Quick Serve Restaurant & Dining
- Gas & Convenience
- Grocery
- Health & Beauty
- Hotel
- Informal
- Online Retail
- Payments
- Pharmacy... and more.

Across

100+

Attributes

- Loyalty Mechanics
- Program Influence
- Behavioural Loyalty
- Emotional Loyalty
- Earn Mechanics
- Rewards & Redemption
- Brand Alignment
- Human Experiences
- Digital Experiences... and more.











11K Canadians provided feedback on 150+ Loyalty Programs between November 27, 2019 and January 20, 2020.

# Fast Facts.





## Sector Engagement

Member Engagement score comprises satisfaction, advocacy, emotional connections and spend.

### Member Engagement Ranked by Sector

-  Coffee
-  Auto Rental
-  Hospitality
-  Grocery & Pharmacy
-  Specialty Retail
-  Gas & Convenience
-  Coalition
-  Canadian Airline

### Top Credit Card Performers

-  Travel Focused Credit
-  Cashback Focused Credit
-  Merchant Credit
-  Bank Branded Points Credit

## The Influence of Loyalty

Loyalty continues to bring positive outcomes for Brands, and the impact on advocacy, retention and spend (or “say, stay, spend”) remains strong.

**Say**  
**69%**



I am more likely to recommend Brands with good Loyalty Programs.

**Stay**  
**79%**



Programs make me more likely to continue doing business with Brands.

**Spend**  
**64%**



I modify amount spent to maximize points.

### New Memberships Remain Steady but not all are Active

Active

**8**









Memberships

**13**



## Anatomy of the “Active 8”

Average number of active memberships in wallet, by sector:

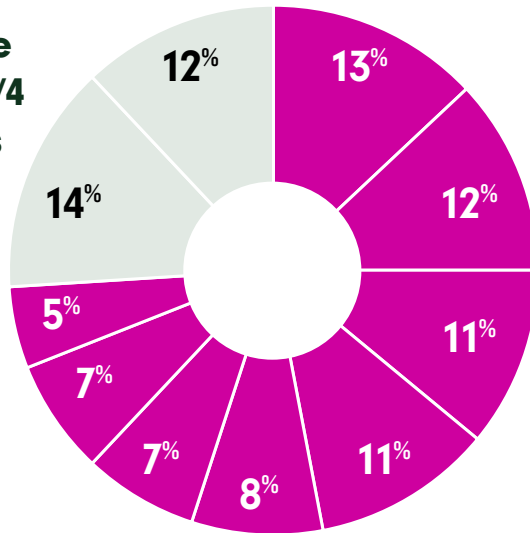
		2020	% Change vs. 2019
	Payment	1.5	8% ↑
	Specialty Retail	2.0	4% ↑
	High-Frequency Retail	1.4	3% ↑
	Coalition	0.8	6% ↓
	Travel	0.7	2% ↓
	Dining	0.7	49% ↑

# Fast Facts.

**The Experience Accounts for 3/4 of What Drives Engagement.**

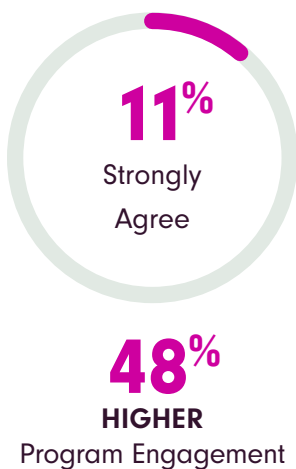
Experience  
**74%**

Earn + Burn  
**26%**



13%	Ease + Enjoyment	8%	Data Usage + Trust
12%	Recognition + Support	7%	↑ <b>Communications</b>
11%	Brand Alignment	7%	Digital
11%	↑ <b>Personal Relevance</b>	7%	Meets Needs

↑ Drivers of increased importance in 2020



## Human Experiences Made Personal

Only one in ten Members strongly agrees that program representatives make them feel special and recognized, but programs getting this right experience 48% higher engagement.

## Digital Experiences Made Personal

Loyalty Programs achieving high levels of personalization along the Member Lifecycle experience considerable lifts in key outcomes.



**Say**  
**5.8×** Lift



**Stay**  
**4.8×** Lift



**Spend**  
**6.4×** Lift

Travel Focused Credit Card programs achieving high levels of personalization along the Member Lifecycle experience a \$278 lift in spend on card, per member, per month.

**\$278** Lift

## Tailored Offers

Members who receive relevant offers that become more relevant over time are 8× more likely to go out of their way to use them.

**8×**

# Providing Relevant, Timely Insights.

## 2020 Chapter Highlights



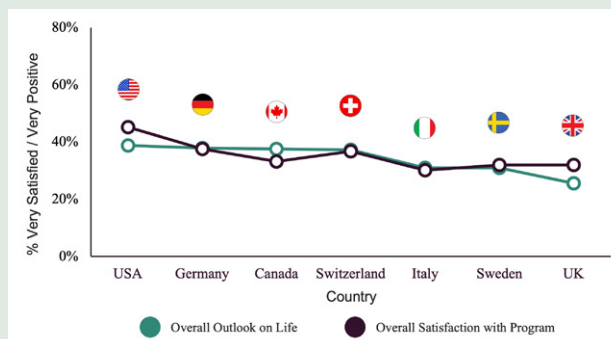
### 01. Key Program Performance Measures and Drivers of Engagement

By examining key attitudinal and behavioural performance measures, for both Loyalty and Credit Card Programs, our study showcases the importance of Loyalty in strengthening relationships between Brands and their customers. We outline why marketers, in addition to building balanced programs that are competitive on value proposition, must differentiate on Member experience—a crucial factor in driving Member Engagement, being one of the “active” programs in a Member’s loyalty wallet, and avoiding disruption from competitive programs.

#### A barometer for marketers

Member satisfaction echoes their outlook on life.

Follow the Member sentiment in your region to evaluate performance on expectations.



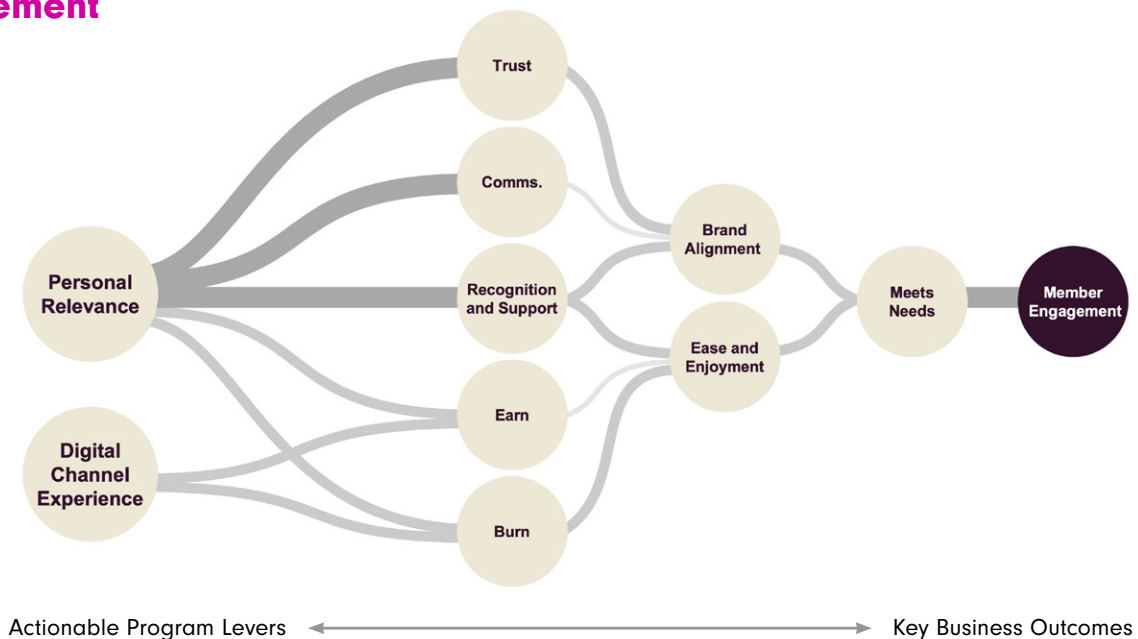
## COVID-19: Recovery and Beyond

In 2020, the COVID-19 pandemic has changed the way we live on a global scale. Our [recent series of research studies](#) has been integrated to provide timely insights. Bond is able to point out the impact of this global health crisis when it comes to consumer behaviours overall and within customer Loyalty Programs—and we reveal how Brands should continue to operate these programs.

## 02. Path to Engagement

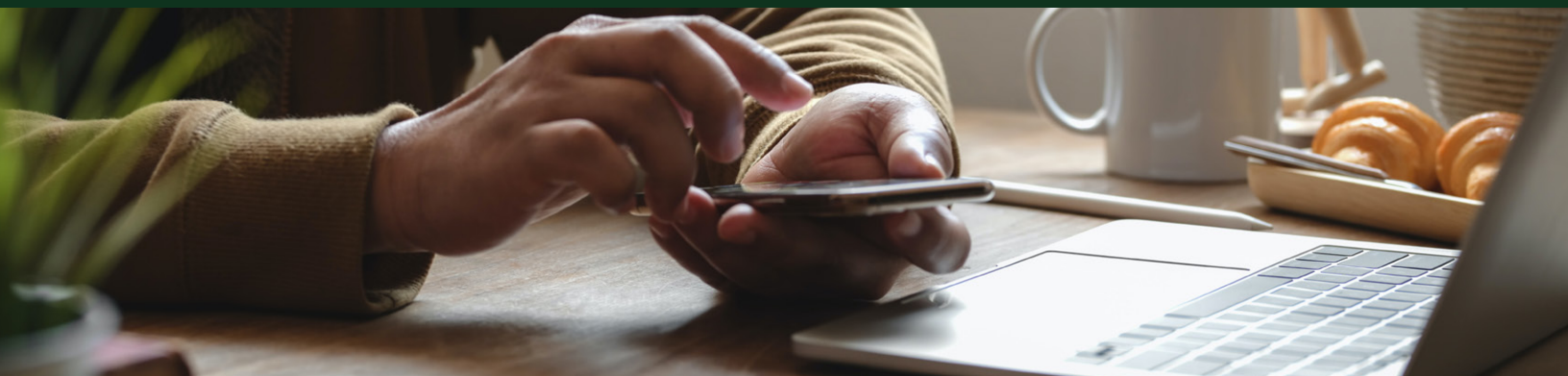
Bond has leveraged a neural network analytical method to create a Loyalty Path Analysis. New to this study, this research approach proves that Personal Relevance is a foundational element to establishing successful Loyalty Programs. We lay out a recommended roadmap for Program operators by showing both the strength and direction of interconnectivity across a set of Member Engagement drivers.

### The path to Member Engagement



Bond's neural network assessment identifies the strength and direction of interconnectivity among the fundamental aspects of each driver of Member Engagement. The Path Analysis prioritizes the most actionable program levers right through to key business outcomes—revealing that success starts with Personal Relevance carried through the entire loyalty strategy.

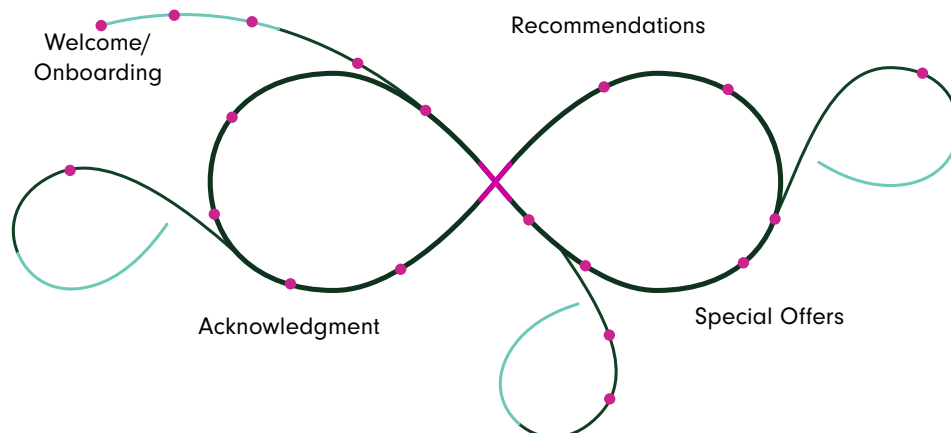




### 03. Digital Interactions

Bond shares insights and examples to specify how clients/partners can more effectively utilize digital communications and interactions to deliver Personal Relevance to Members. This includes isolating the touch points, sector by sector, that hold high importance and value in improving personalization within the Member Lifecycle—which ranges from onboarding and activation all the way through to attrition. Analysis includes a deep dive into the role of “offers,” with insights into the areas of improvement that will drive strengthened efficacy of promotional spend, in order to drive engagement with the program and the Brand.

#### Simplified Sample Lifecycle



### 04. Role of the Rep

Looking ahead to a post-COVID-19 world, one that is sure to remain increasingly digital, this chapter shares insights into the importance of the role that representatives play in Member Engagement. To fulfill their role in delivering the Loyalty Program promise: now, more than ever, insights convey that representatives need to excel on key competencies that strengthen (make) the Member relationship, while correcting for those that can destruct (break) it.

Programs achieve a **3.7× lift in satisfaction** and **47% higher engagement** among Members who strongly agree its representatives help them get the most out of it.



# Top Loyalty Programs.

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## Coffee

1. Starbucks Rewards



2. McDonald's McCafé Rewards



3. Second Cup Coffee Co. Rewards



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## Canadian Airline

1. WestJet Rewards



2. Porter Airlines VIPorter



3. Air Canada Altitude



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## Grocery & Pharmacy

1. Co-Op Membership



2. Metro & Moi / My Metro



3. PC Optimum



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## Retail

1. Amazon.ca Amazon Prime



2. Costco Executive Membership



3. SCENE



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## Gas & Convenience

1. Petro Canada Petro-Points



2. 7-Eleven 7Rewards



3. Fas Gas Litre Log Program



# Top Loyalty Programs.

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## Hotel

1. Hilton Honors



2. Marriott Bonvoy Rewards



3. Wyndham Rewards



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## Department

1. The Simons



2. Hudson's Bay Rewards



3. The Nordy Club



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## Health & Beauty

1. Sephora Beauty Insider



2. The Body Shop  
Love Your Body Club



3. Sally Beauty Rewards



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## Coalition

1. SPC (Student Price Card)



2. More Rewards



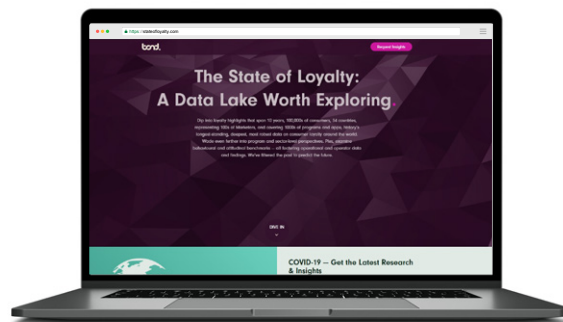
3. AIR MILES Reward Program



# Introducing.

## The State of Loyalty Data Lake

Dip into loyalty highlights that span 10 years, 100,000s of consumers, 34 countries, representing 100s of Marketers, and covering 1000s of programs and apps; history's longest-standing, deepest, most robust data on consumer loyalty around the world. Wade even further into program and sector-level perspectives. Plus, examine behavioural and attitudinal benchmarks—all featuring operational and operator data and findings. We've filtered the past to predict the future.



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## Get more from The Loyalty Report.

Contact us for more detailed report findings, to learn about purchasing the complete report, or to schedule an engagement workshop.

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Email: [info@bondbl.com](mailto:info@bondbl.com)

# About Bond.

## **We solve complex customer challenges.**

Bond solves complex customer challenges with a unique blend of human-centred design, data science and loyalty mechanics that transforms how brands win, serve and keep audiences. Recognized by Forrester and Gartner as a leader, and working globally with iconic brands, Bond is sought after for transformative digital strategies, executions that are aligned to real human needs, and an impressive acceleration of results. Bond designs, builds and operates experiences that create measurable, authentic, and long-lasting relationships through a combination of solutions that includes customer experience design, loyalty consulting and management, CRM and digital marketing, research and analytics, channel and employee engagement, and program and platform engineering.

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