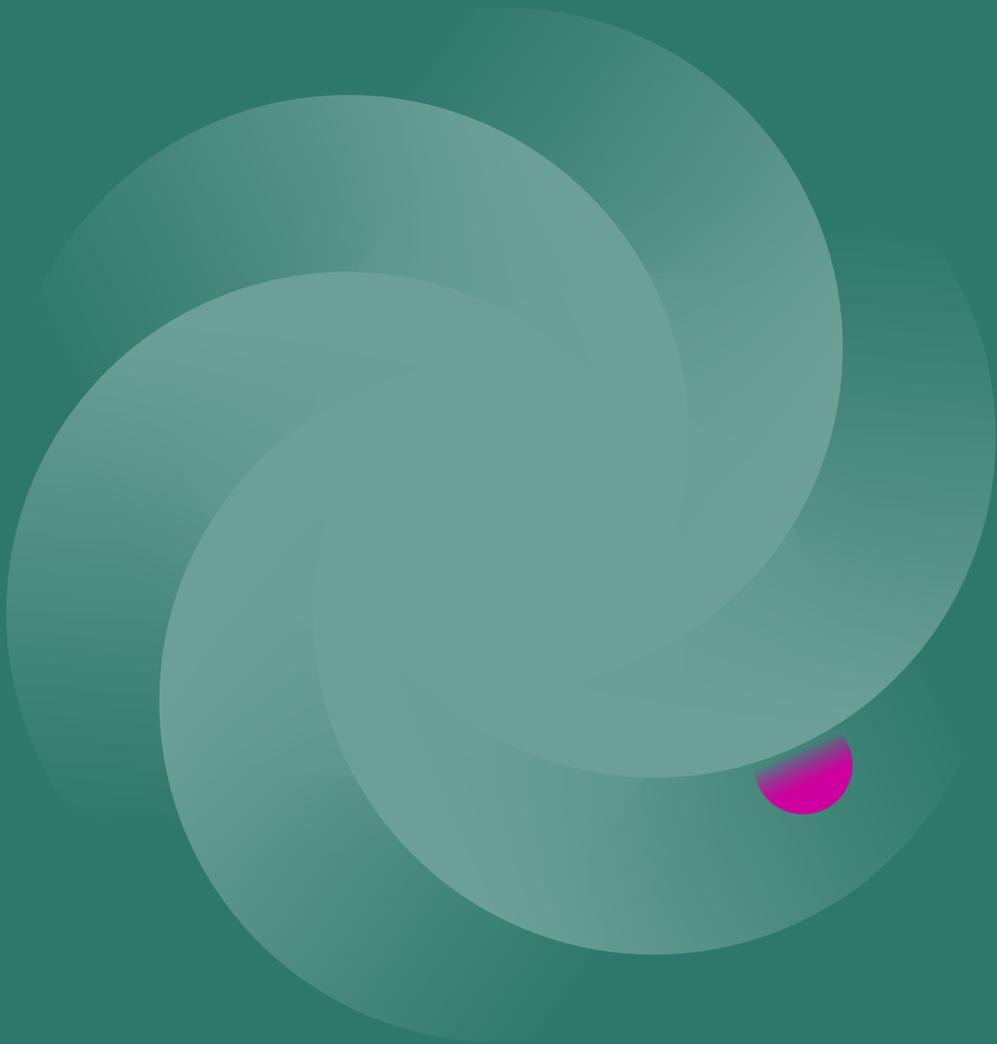


The Loyalty Report.

2020
USA

EXECUTIVE
SUMMARY

State of Loyalty.



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



17K Americans provided feedback on 300+ Loyalty Programs between December 3, 2019 and March 17, 2020.

Fast Facts.

Sector Engagement

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

Member Engagement Ranked by Sector

-  Entertainment
-  Gas
-  Hotel
-  Dining
-  Grocery
-  Specialty Retail
-  Cruise Line
-  Auto Rental
-  Apparel Retail
-  Airline
-  Drug Store

Top Credit Card Performers

-  Bank Branded Cashback Credit
-  Bank Branded Points Credit
-  Co-branded Credit
-  Private Label 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
72%



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

Stay
78%



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



Memberships



Anatomy of the “Active 7”

Average number of active memberships in wallet, by sector:

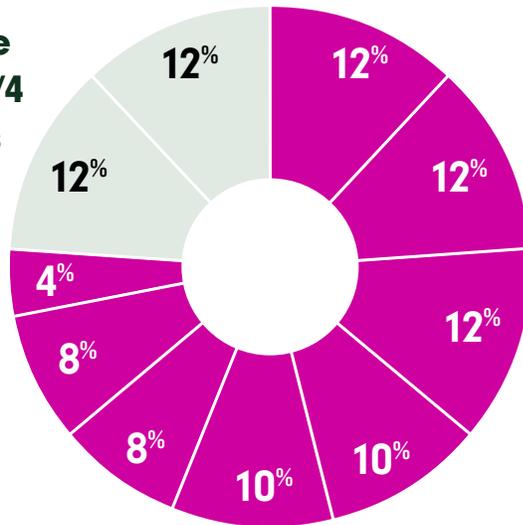
	2020	% Change vs. 2019
 Payment	1.9	18% ↑
 Specialty Retail	1.3	20% ↓
 High-Frequency Retail	0.9	14% ↓
 Travel	0.8	11% ↑
 Dining	0.8	6% ↑

Fast Facts.

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

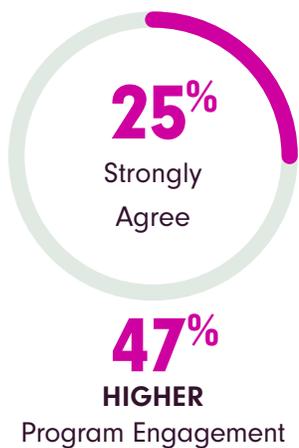
Experience **76%**

Earn + Burn **24%**



- 12% Recognition + Support
- 12% ↑ Personal Relevance
- 12% Ease + Enjoyment
- 10% Brand Alignment
- 10% ↑ Data Usage + Trust
- 8% ↑ Communications
- 8% ↑ Digital
- 4% Meets Needs

↑ Drivers of increased importance in 2020



Human Experiences Made Personal

Only one in four Members strongly agrees that program representatives make them feel special and recognized, but programs getting this right experience 47% higher engagement.

Digital Experiences Made Personal

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



Say **7.5x** Lift



Stay **5.4x** Lift



Spend **6.4x** Lift

Credit Card Programs achieving high levels of personalization along the Member Lifecycle experience a \$196 lift in spend on card, per Member, per month.

\$196 Lift

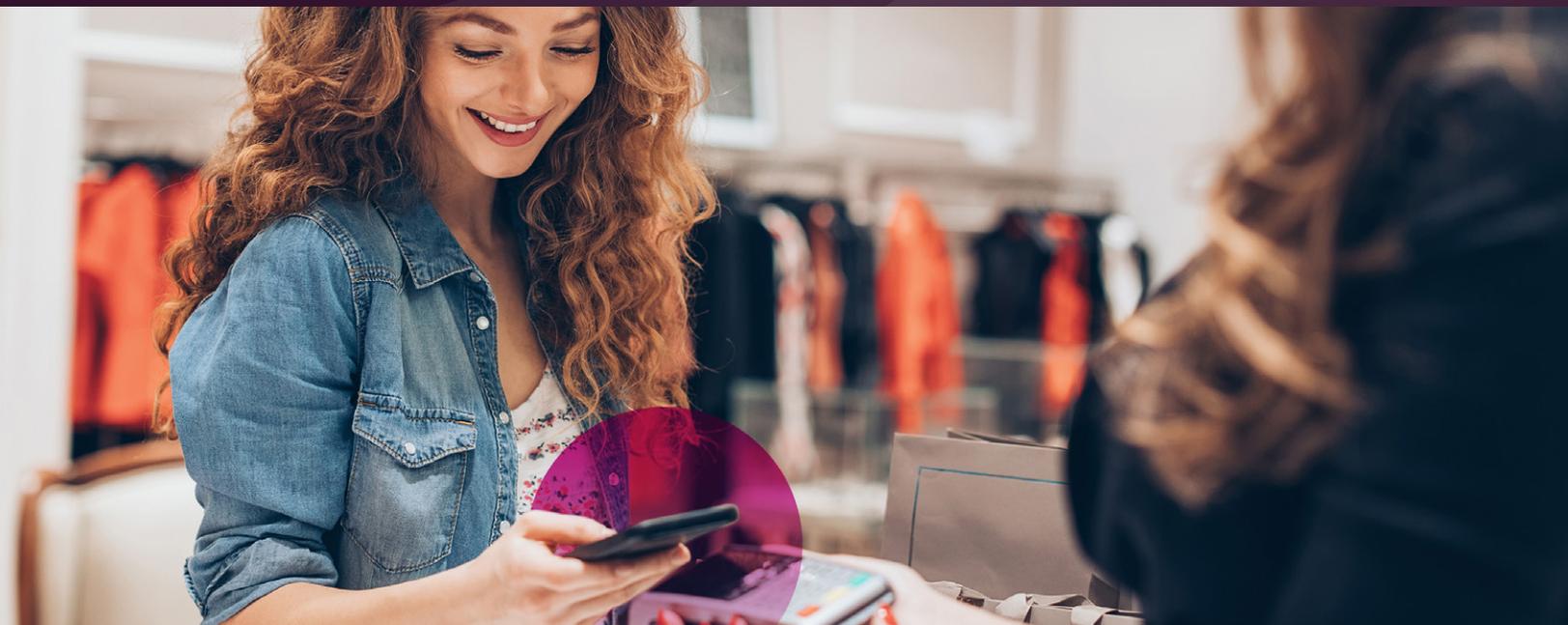
Tailored Offers

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

8x

Providing Relevant, Timely Insights.

2020 Chapter Highlights



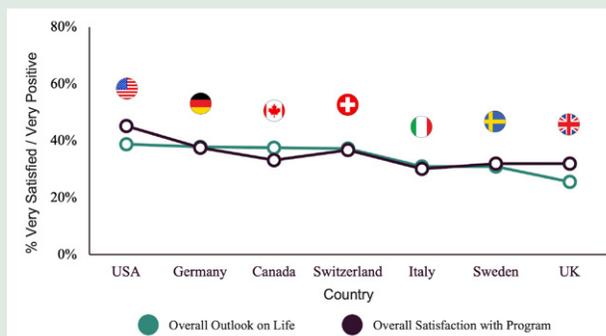
01. Key Program Performance Measures and Drivers of Engagement

By examining key attitudinal and behavioral 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.



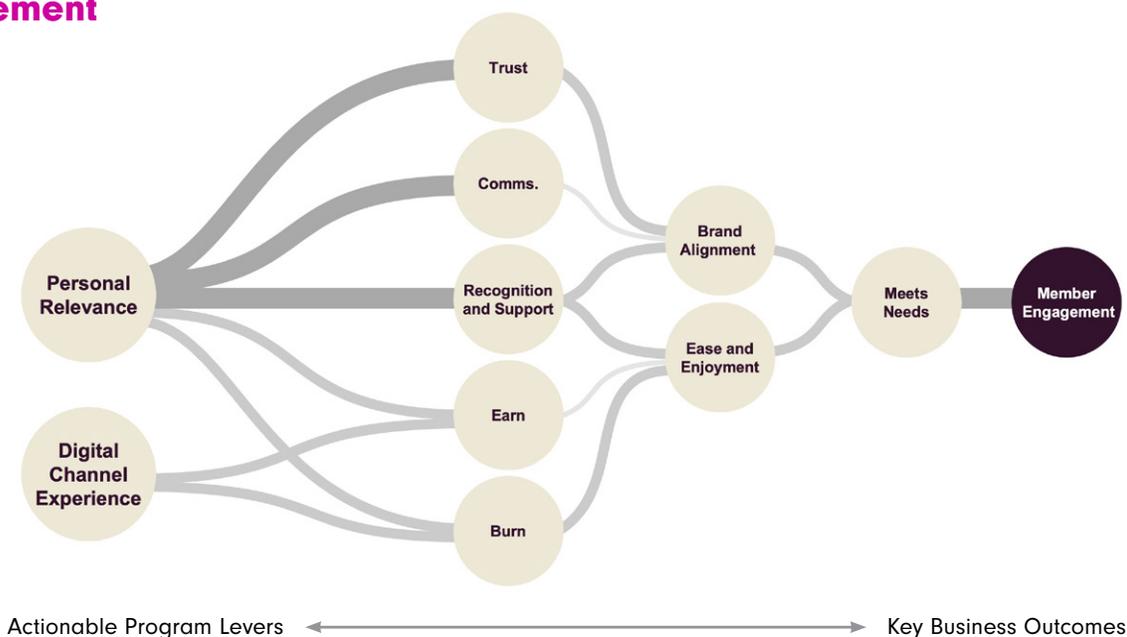
COVID-19—Loyalty in a Time of Crisis

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

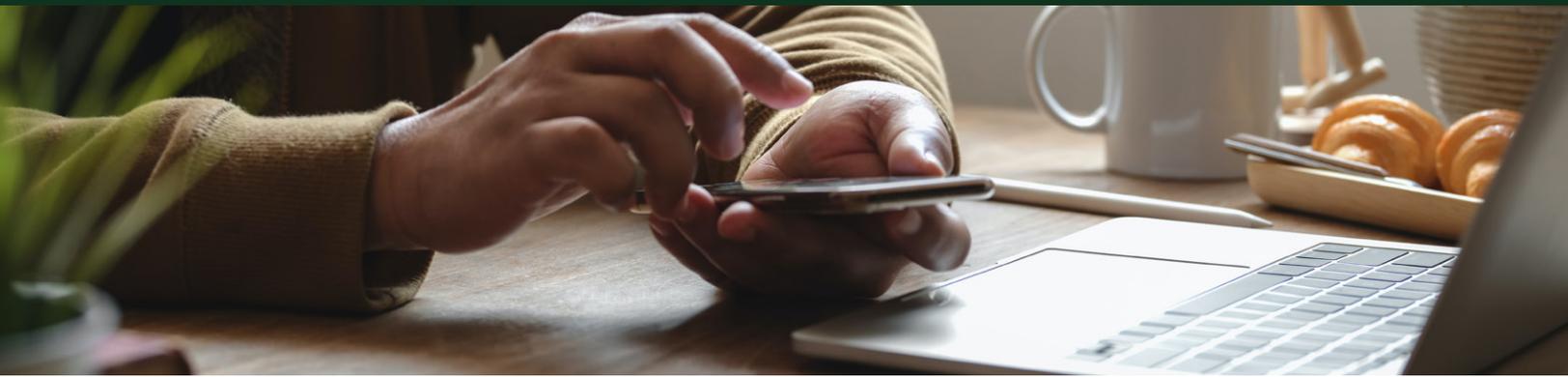
02. Path to Engagement

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



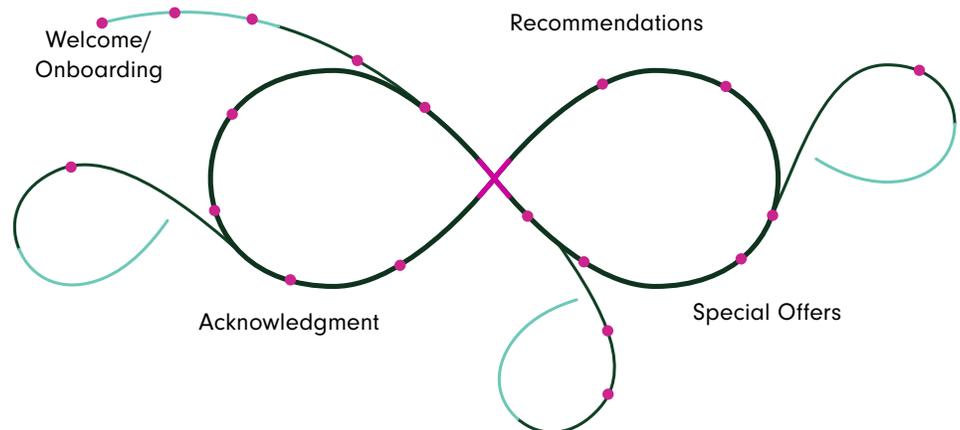
Bond’s neural network assessment identifies the strength and direction of interconnectivity among the fundamental aspects of each driver of Member Engagement. The Path Analysis prioritizes the most actionable program levers right through to key business outcomes—revealing that success starts with Personal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



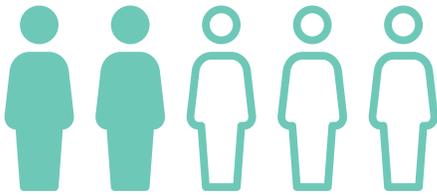
04. Role of the Rep

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.

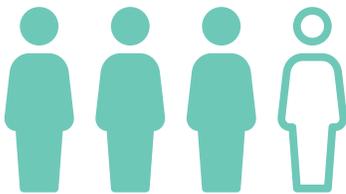
05. Co-brand Congruence

Brand-aligned payment extensions of non-tender Loyalty Programs drive multiplicative value for Members and the Brand. Bond's insights validate the purposefulness of aligning credit card and program loyalty mechanics. Members participating in both programs need to derive benefit and value that solidifies and strengthens the relationship—and that expands beyond what would be achieved if the Member was only participating in one or the other.



Only 2/5 of Members

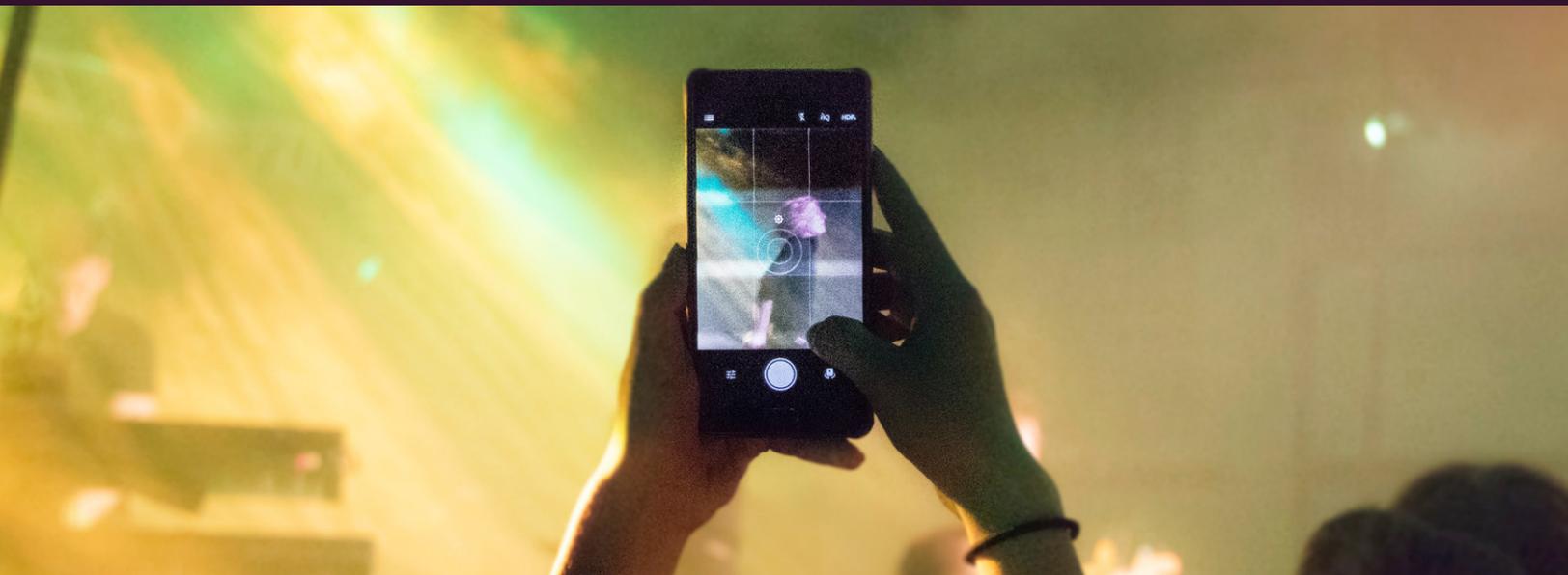
strongly agree that Loyalty Programs and their associated co-branded credit cards are working together seamlessly.



3/4 of Members

in a co-branded Credit Card or Loyalty Program feel strongly that these programs are a key part of their relationships with Brands.

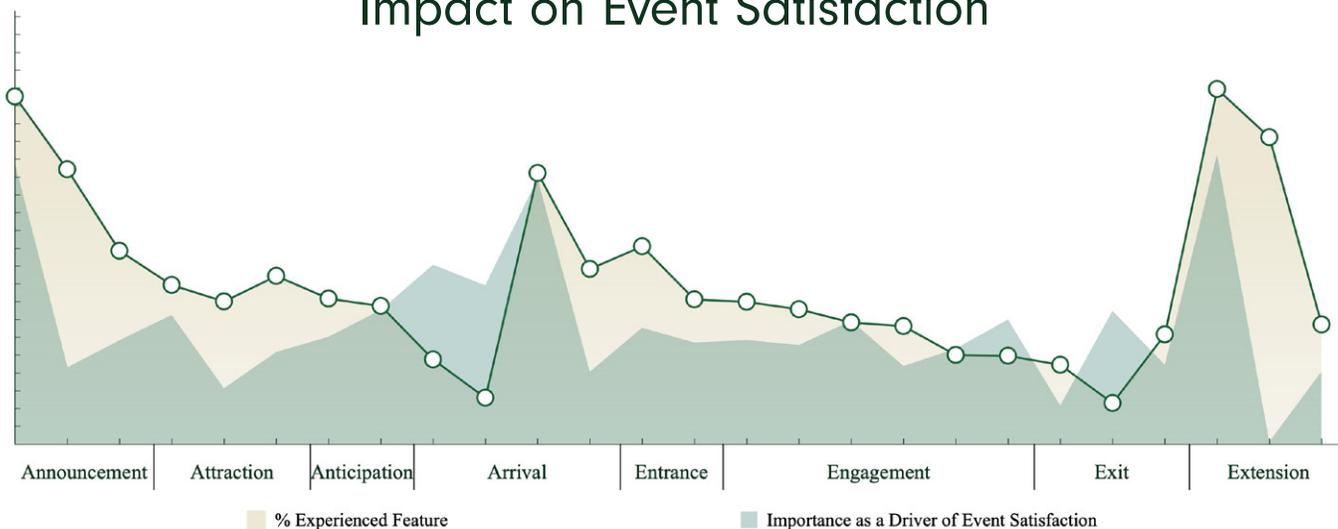




06. Live Experiences

In this chapter, we dissect the cornerstone elements that drive successful Member-exclusive live Brand experiences so that Program operators can find a path to an attributable return on investment. While the current climate may have put a pause on these interactions, they will shift and adjust in the “new normal” to become an integral point of engagement. Bond’s research highlights experiences that drive the most value from engaging participants before, during, and after the event—all within the context of current market dynamics and future dynamics of what may be the “new normal.”

The Experience Ribbon™ Impact on Event Satisfaction



Top Loyalty Programs.

Airlines

1. JetBlue TrueBlue

**TRUE
BLUE**

2. Southwest Airlines
Rapid Rewards

Southwest
Rapid Rewards

3. Alaska Airlines
Mileage Plan

Alaska
Mileage Plan

Hotel

1. Hilton Honors

Hilton
HONORS

2. MGM M Life Rewards

Mlife
REWARDS

3. Marriott Bonvoy Rewards

MARRIOTT
BONVOY

Retail: Grocery

1. Food Lion MVP Program

FOOD LION
MVP
customer

2. H-E-B Points Club Rewards

**POINTS CLUB
REWARDS**
H-E-B

3. Smith's Fuel Program

Smith's
FOOD & DRUG STORES

Retail: Drug Store

1. Rite Aid Wellness+

wellness+
rewards

2. CVS ExtraCare

extracare

3. Walgreens Balance
Rewards

balance
rewards

Retail: Health & Beauty

1. My Bath & Body Works
Rewards

my
Bath & Body
Works

2. Sephora Beauty Insider

BeautyINSIDER

3. Sally Beauty Rewards

SALLY BEAUTY

Top Loyalty Programs.

Retail: Department

1. JCPenney Rewards



2. Kohl's Yes2You Rewards



3. The Nordy Club



Retail: Apparel

1. Nike+



2. myAbercrombie



3. The Children's Place
My Place Rewards



Retail: Specialty

1. Amazon Prime



2. Bed, Bath & Beyond Beyond+



3. Harry's Shave Plan



Dining & Quick Service Restaurant

1. Chick-Fil-A One



2. Domino's Piece of the
Pie Rewards



3. Dunkin' Donuts DD Perks



Gas & Convenience

1. Cumberland Farms Smart
Pay Mobile App



2. Wawa Rewards



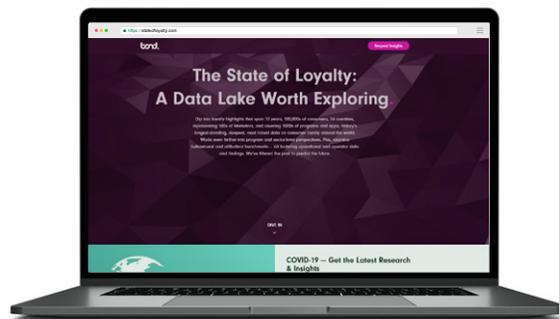
3. MAPCO MY Reward\$



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 behavioral and attitudinal benchmarks—all featuring operational and operator data and findings. We've filtered the past to predict the future.



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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About Bond.

We solve complex customer challenges.

Bond solves complex customer challenges with a unique blend of human-centered 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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