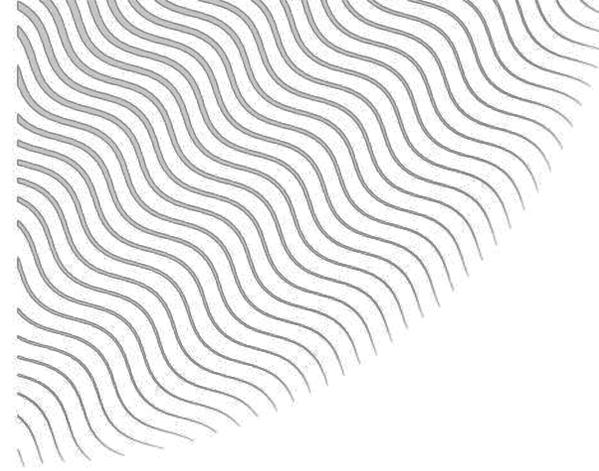




INSIGHTS FROM GLOBAL LOYALTY

APRIL 3, 2019

WHAT WE'LL COVER



Quick Introduction to Collinson

“Taking the Measure of Global Loyalty”

It's not always about the points!

Wrap-up, Q&A

WHO IS COLLINSON?



COLLINSON IS A GLOBAL LOYALTY AND BENEFITS COMPANY

We use our expertise and products to craft customer experiences which enable some of the world's best known brands to acquire, engage and retain customers.



90
Airlines



20
Hotel Groups



600+
Financial Services



170
Countries



2000+
Talented People

TAKING THE MEASURE OF GLOBAL LOYALTY

FORRESTER®

CHALLENGE THINKING. LEAD CHANGE.

GLOBAL LOYALTY PROFESSIONAL RESEARCH

Collinson commissioned Forrester Research to conduct global research on [the state of loyalty](#) today.

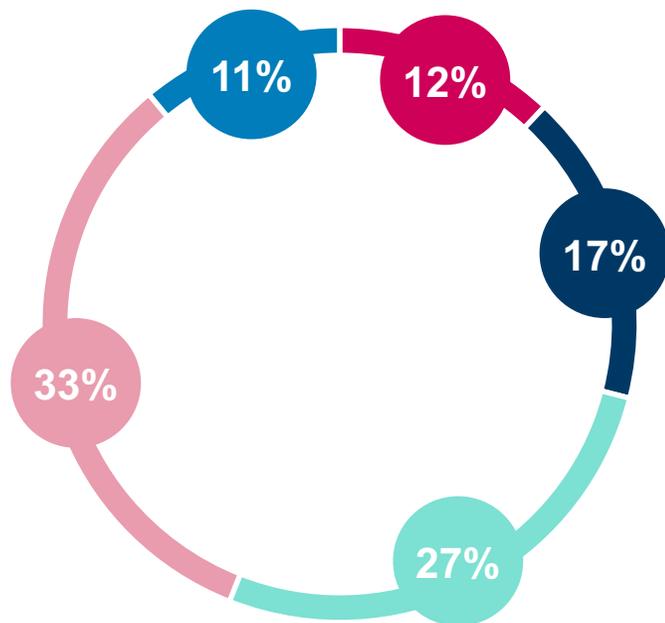
635 respondents from **16 countries**, all loyalty practitioners, evaluated themselves and their programs on a series of measures and shared their key goals and challenges.

The 2018 survey included a range of participants from **retail**, **travel** and **financial services sectors**, all of whom worked in companies with revenue from \$300M to \$5B.

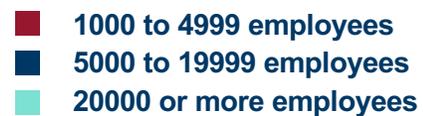
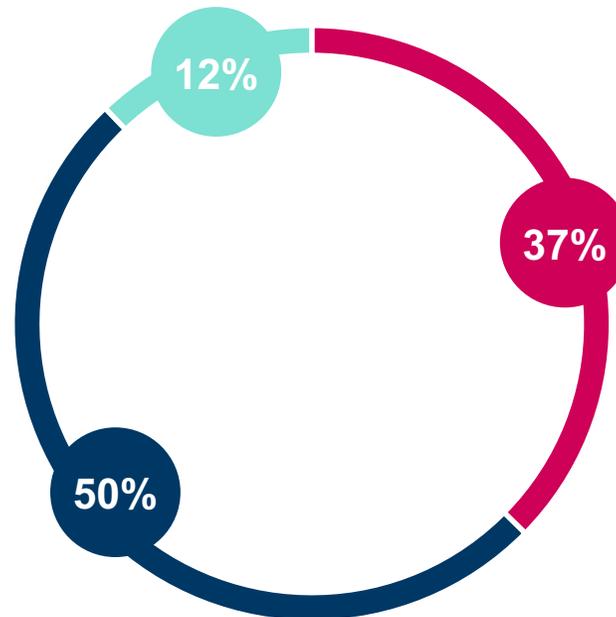


About the research

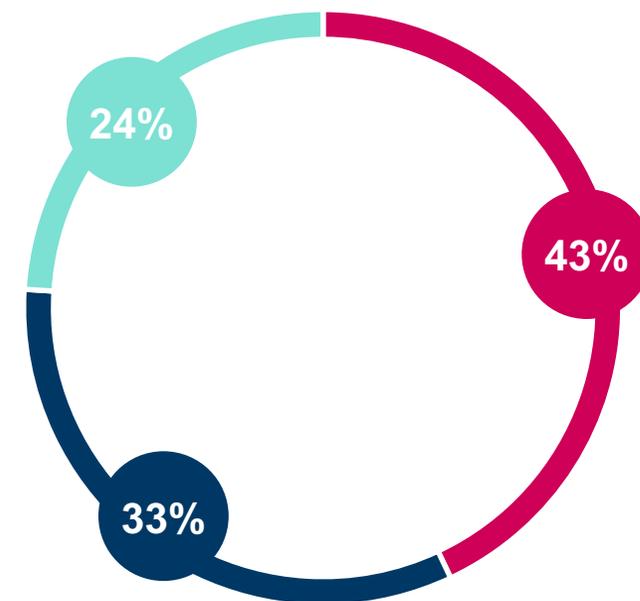
ESTIMATED ANNUAL REVENUE



COMPANY SIZE



LEVEL OF RESPONSIBILITY FOR LOYALTY PROGRAMS AND CUSTOMER EXPERIENCE STRATEGY



LOYALTY REMAINS A VITAL COMPONENT OF CUSTOMER MANAGEMENT

However, the routes to success are many with loyalty strategies and challenges sometimes varying based on region.

68% of respondents believe that loyalty remains a critical or high priority for their companies



INVESTMENT



DATA



OMNICHANNEL



STRATEGY



PERSONALIZATION

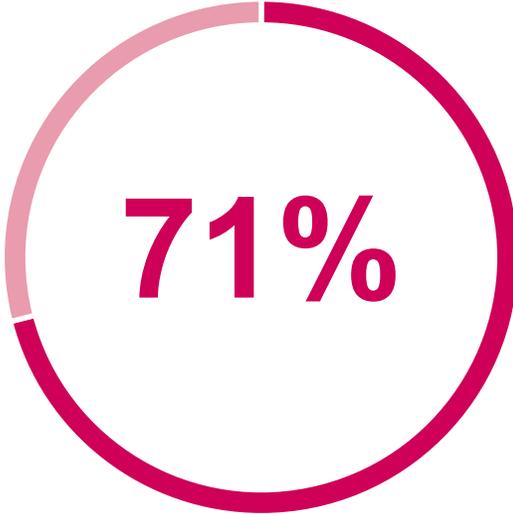


BRAND ADVOCACY

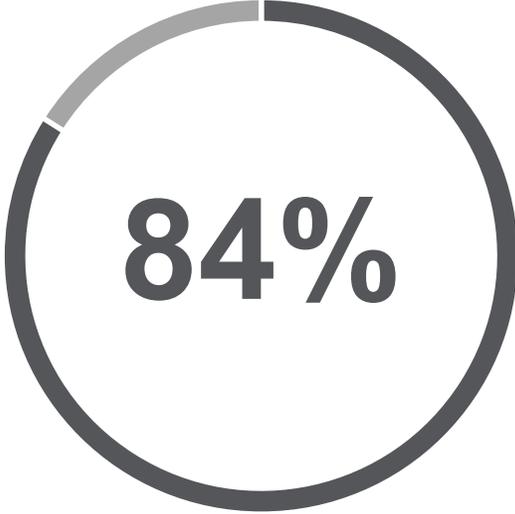
Brands are increasing loyalty investment



GLOBAL



US



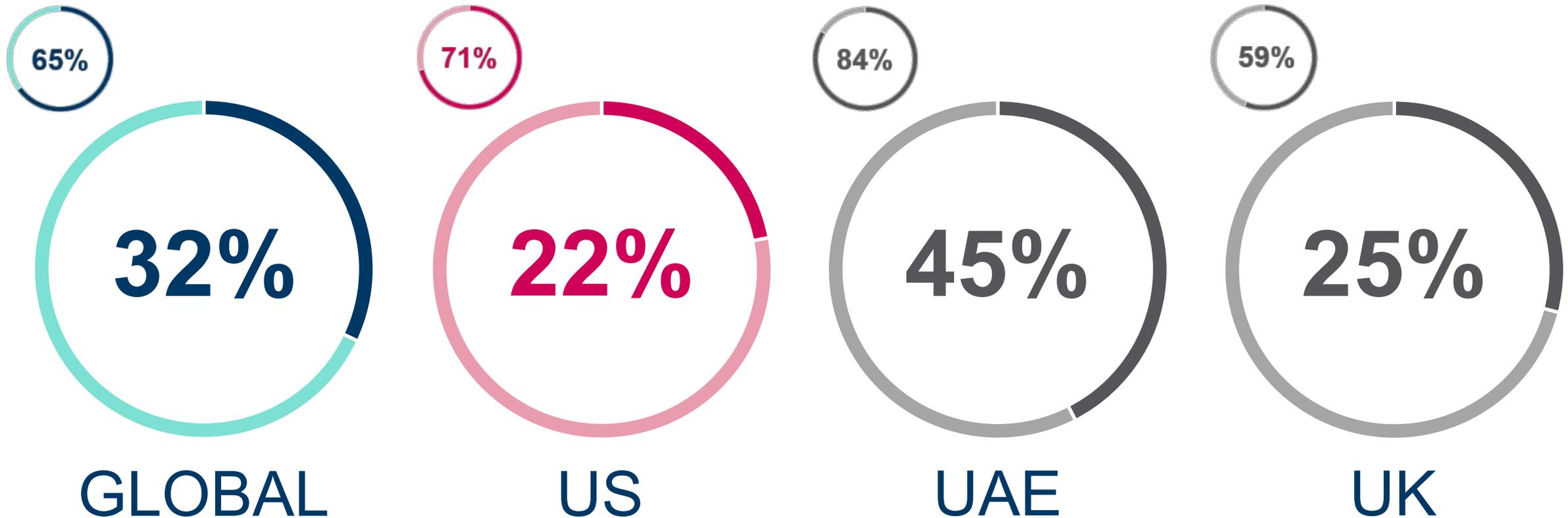
UAE



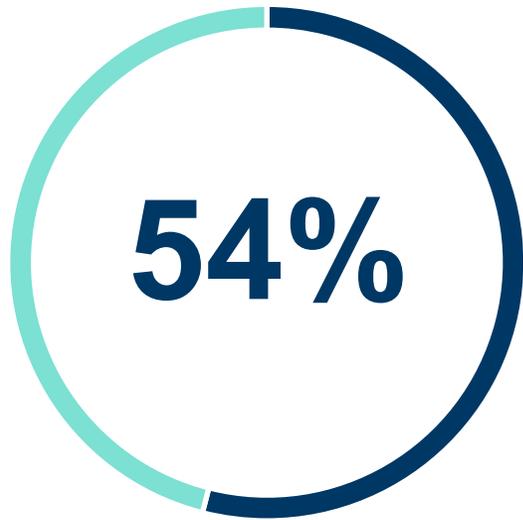
UK



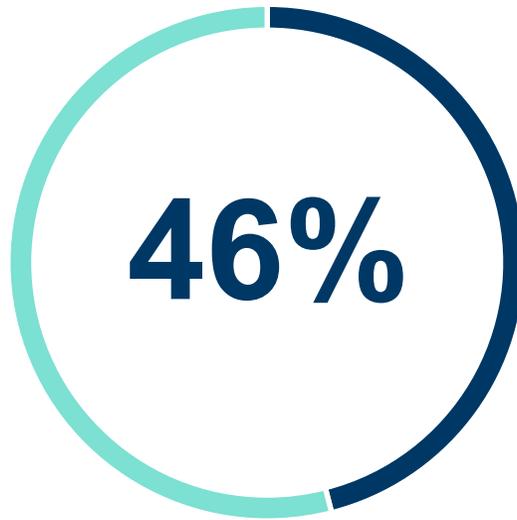
However, despite additional investment, almost one-third globally are not meeting their loyalty objectives



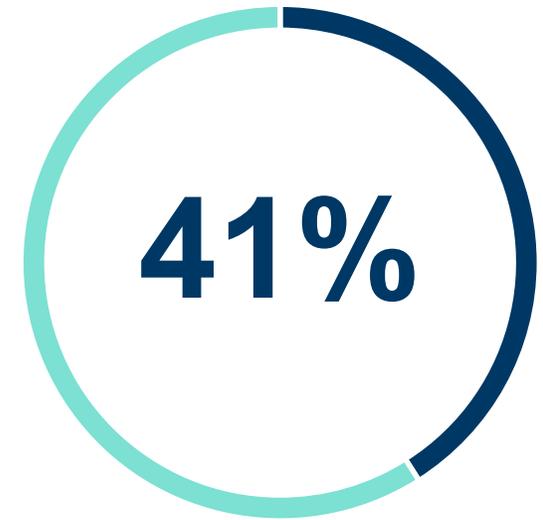
The top 3 business objectives for brands globally focus on traditional loyalty goals



Acquire
new customers



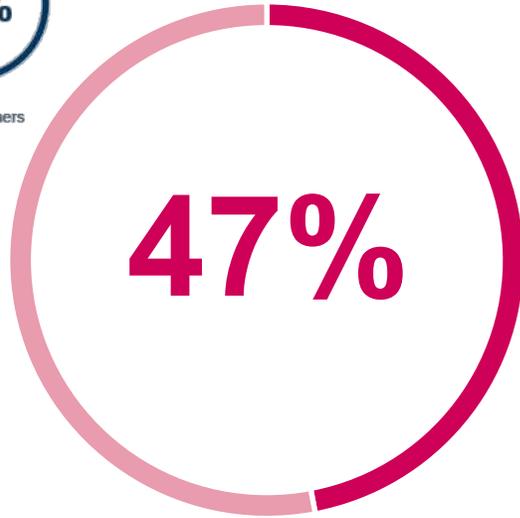
Retain
existing customers



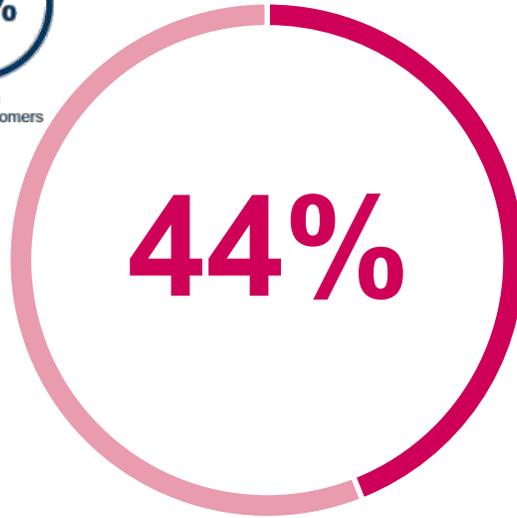
Improve CX &
Enrich customer
relationships (tie)



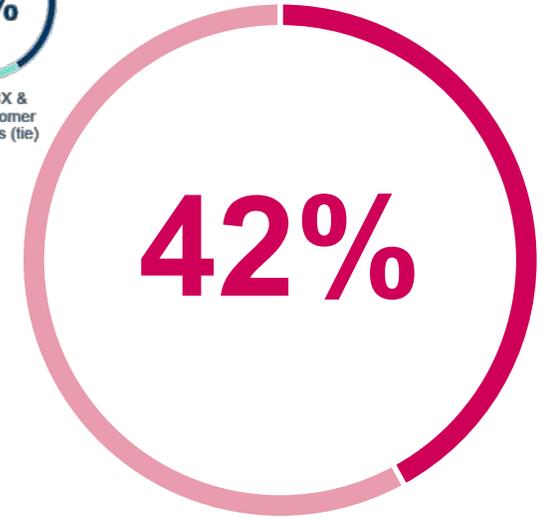
In the US, the desire for data on customers leapfrogged the traditional “get, grow and keep” objectives



Acquire knowledge about customers to drive business decisions



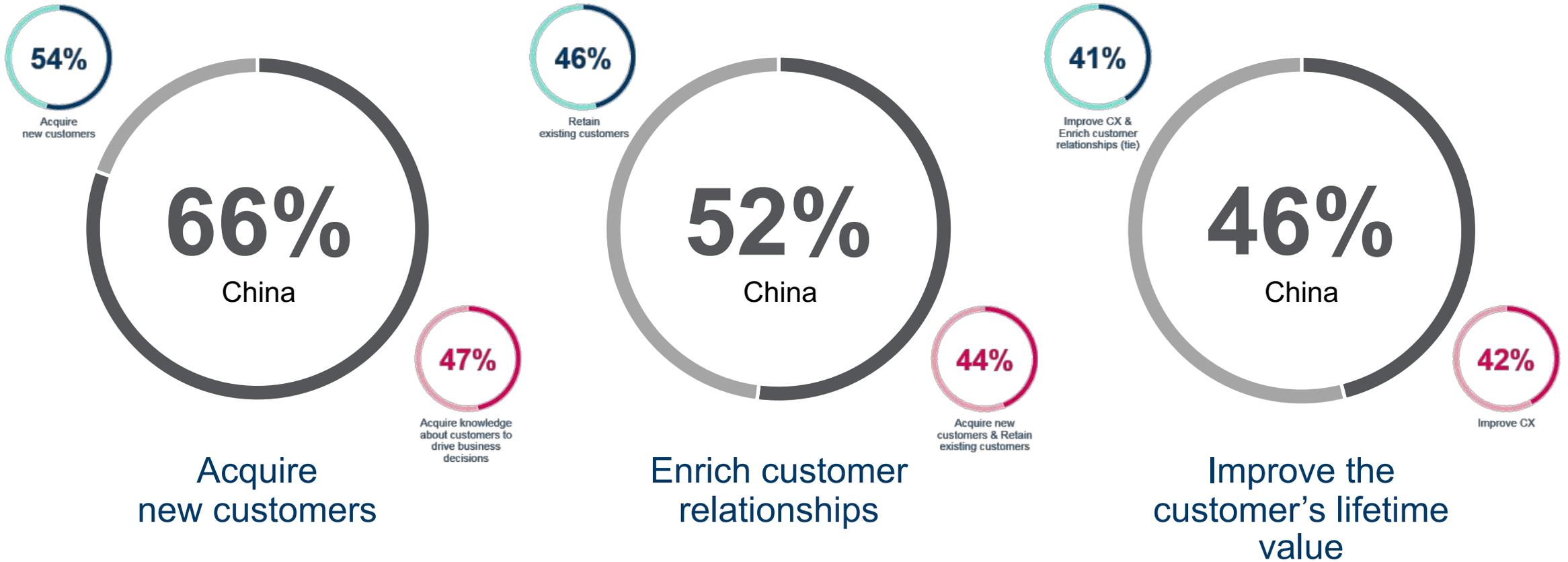
Acquire new customers & Retain existing customers



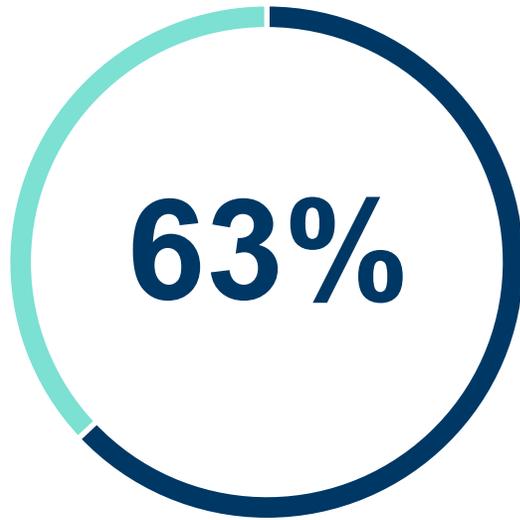
Improve CX



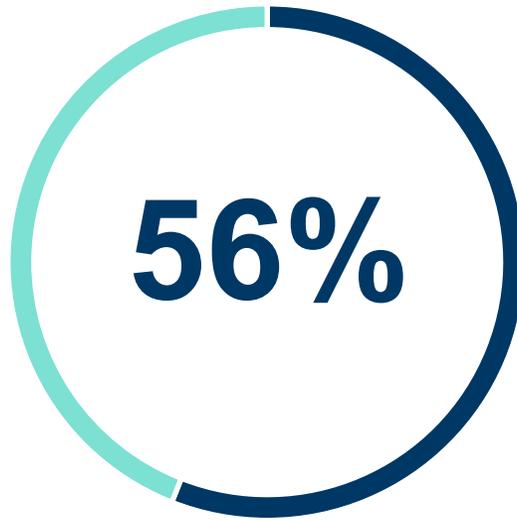
But in a rapidly expanding market like China, business objectives focus on customer acquisition & lifetime value



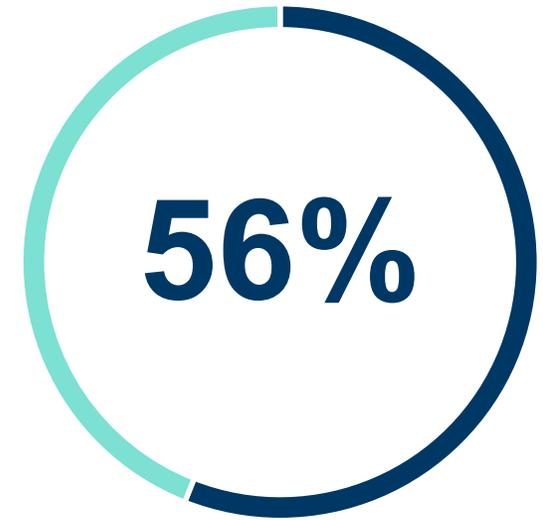
Globally, brands align key metrics with the business objectives to “get, grow and keep” customers



Customer satisfaction



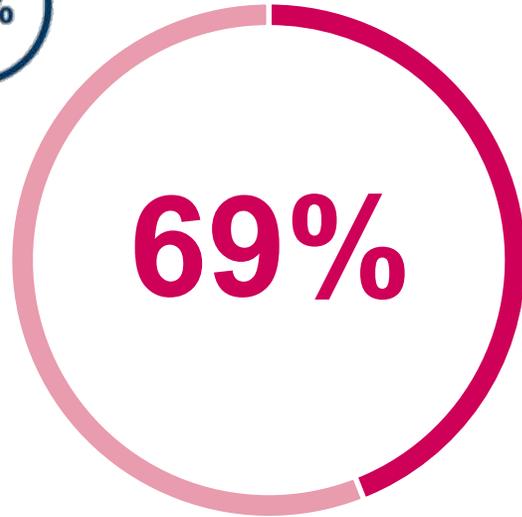
Customer engagement



Loyalty program enrollments



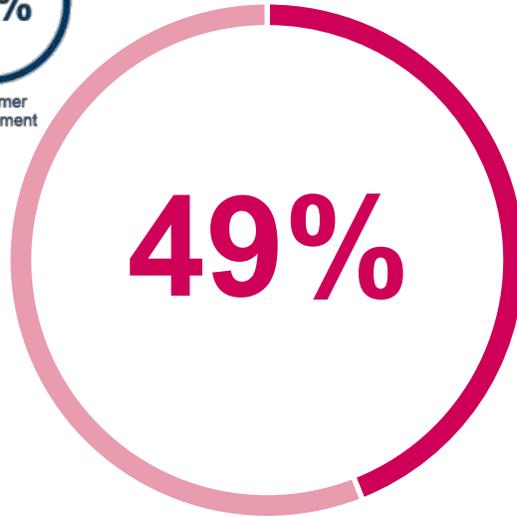
However, in the US, transactional thinking drives the choice of metrics used to assess loyalty success



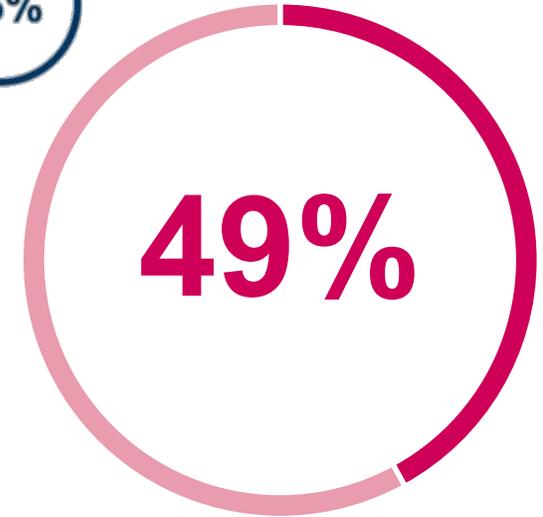
Customer satisfaction



Customer engagement



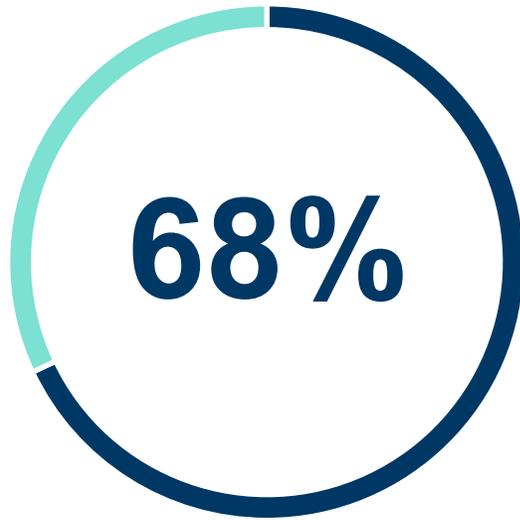
Sales | Revenue



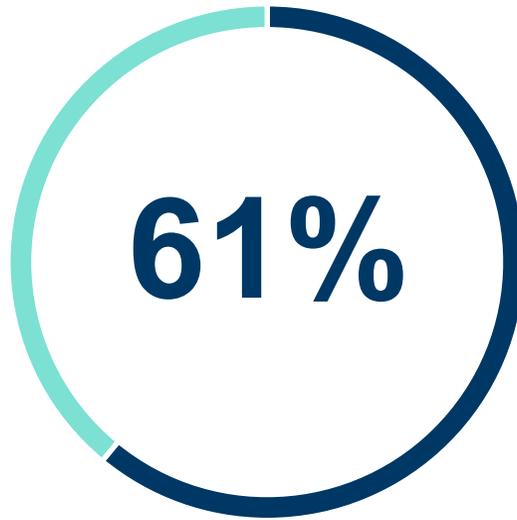
Program enrollments

Brands collect loyalty data, but challenges in creating insight from all that “big data” remain high

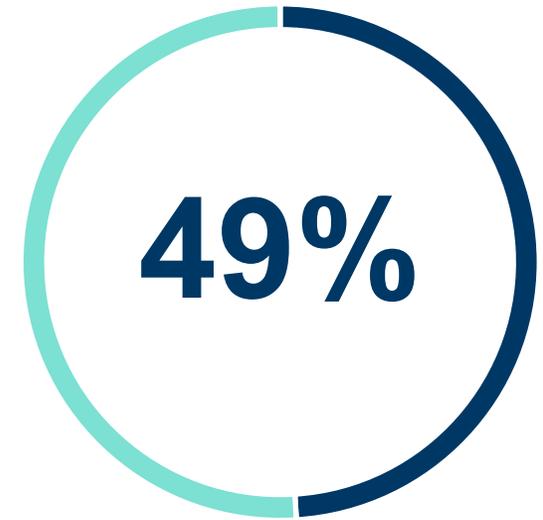
GLOBAL



Do not have a framework to measure transactional and emotional loyalty



Do not use predictive analytics

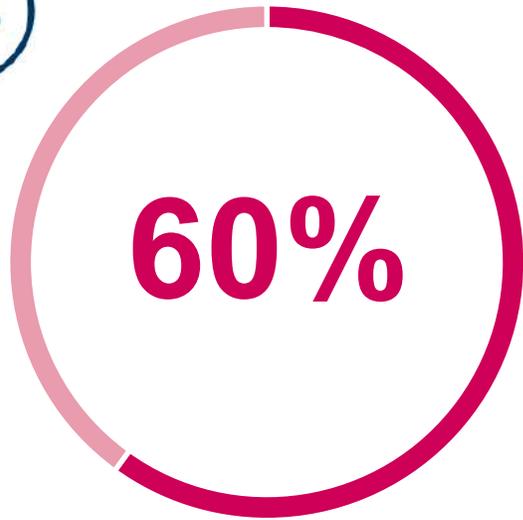


Do not collect a wide enough range of data to run deep analyses

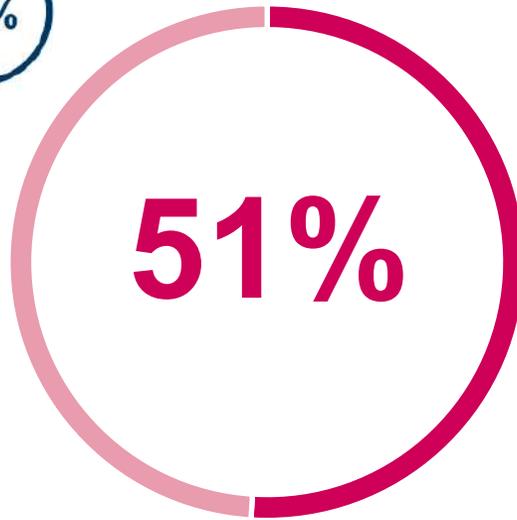


Like their global counterparts, US Brands still have unrealized insight potential from loyalty data collected

US



Do not have a framework to measure transactional and emotional loyalty



Do not use predictive analytics

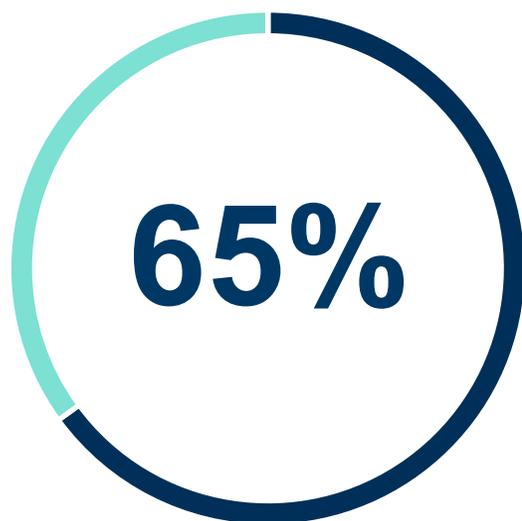


Do not collect a wide enough range of data to run deep analyses



Two-thirds of brands are delivering a customer experience with at least one element of personalization, yet many opportunities are missed

GLOBAL



Are delivering a more personalized customer experience as a strategy

34%
product recommendations

33%
reminders and alerts

27%
promotions/
product offers

33%
direct marketing channels

27%
content in mobile app

21%
content on the website

16%
content in physical locations/stores



US brands focus personalization on transactional aspects of the customer experience

US



Are delivering a more personalized customer experience as a strategy

43%
product recommendations

40%
reminders and alerts

43%
promotions/
product offers

38%
direct marketing channels

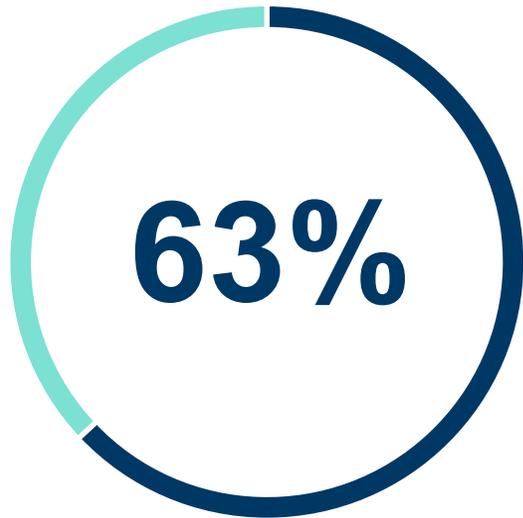
34%
content in mobile app

24%
content on the website

33%
content in physical locations/stores



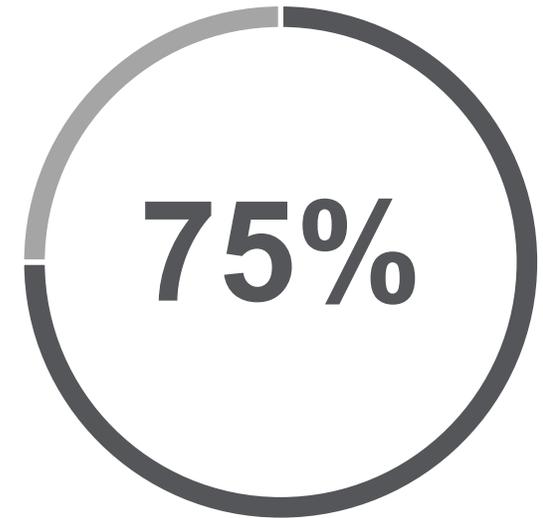
Delivering a consistent customer omnichannel experience begins with employee education about customer loyalty programs for many brands



GLOBAL



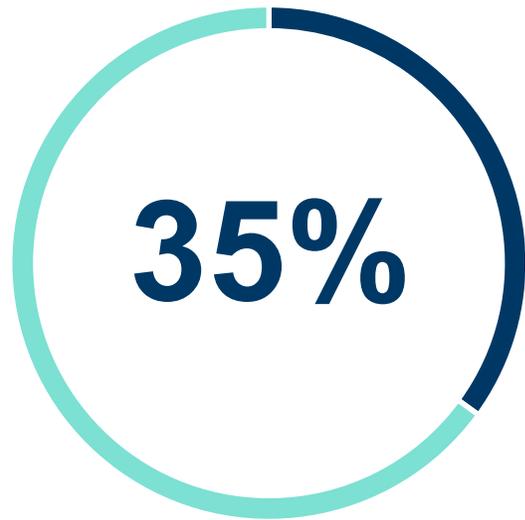
US



FRANCE



However, only a third of brands globally believe they are delivering a consistent experience across all channels for customers



GLOBAL



US



FRANCE

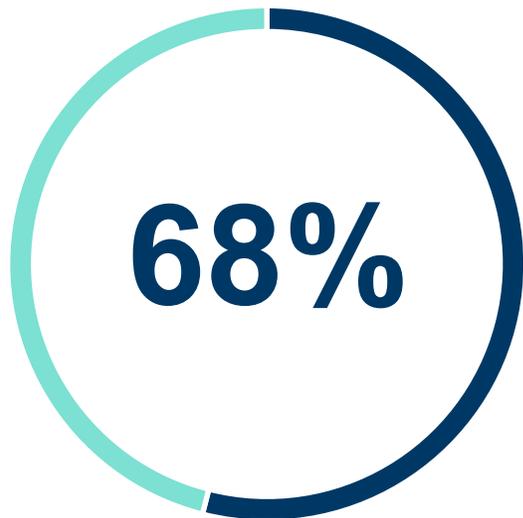


Brand advocacy is desired by brands, but practices fail to support this declared ambition

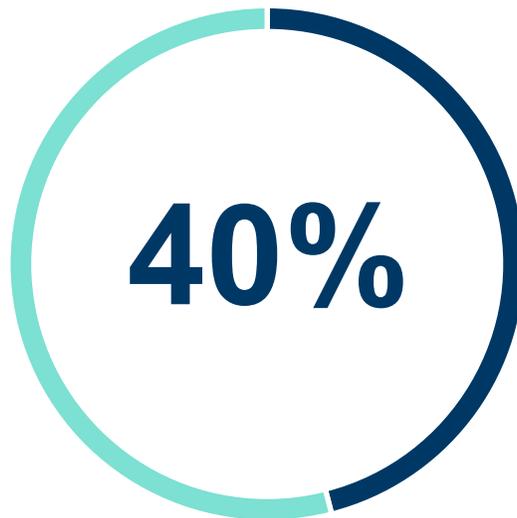
GLOBAL

but only

and only



Of brands want to increase advocacy...



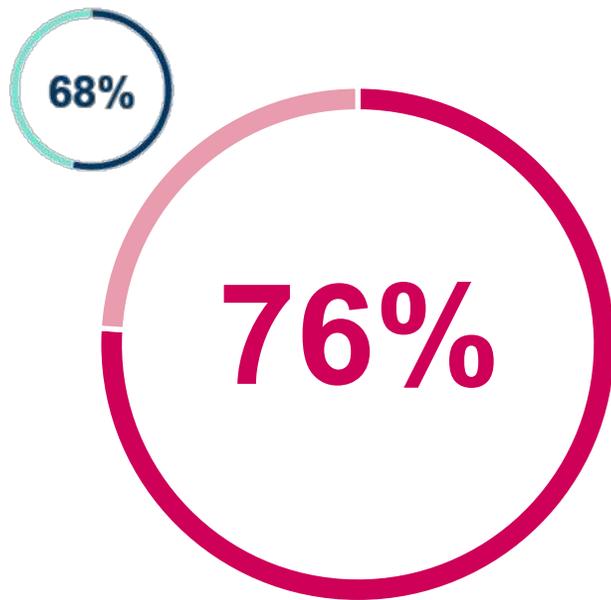
Are measuring it



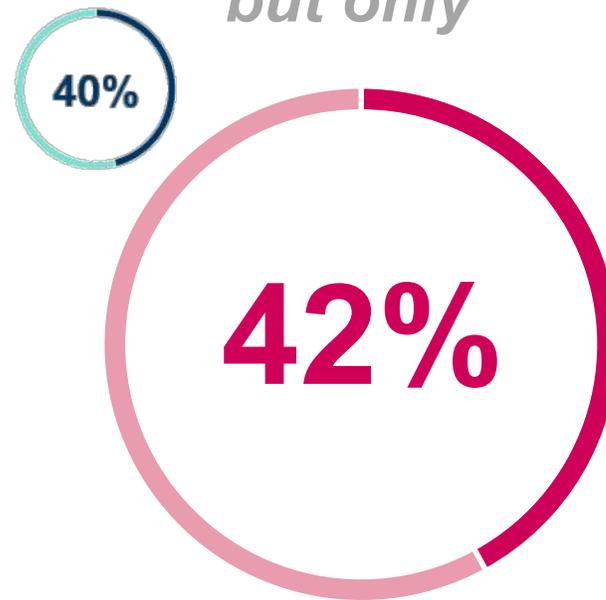
Of brands identify and reward advocates



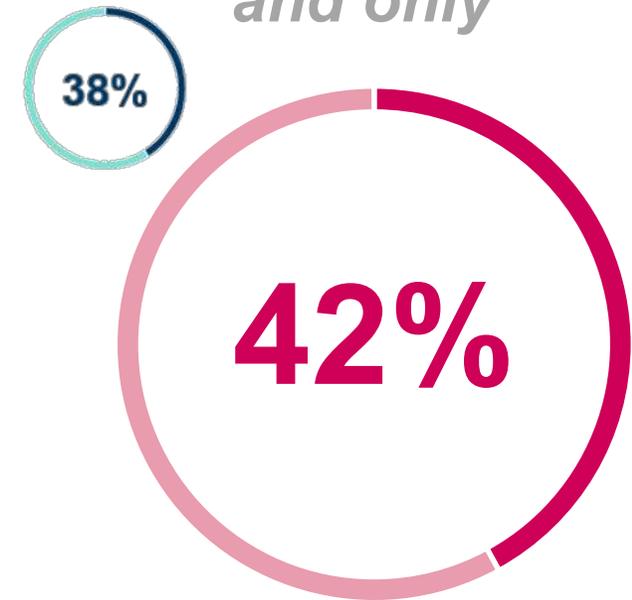
The US is a leader in desiring customer advocacy, but a wide gap between ambition and practice hampers brands' ability to achieve results



Of brands want to increase advocacy...



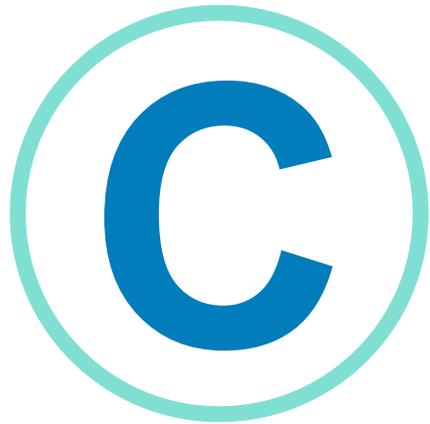
Are measuring it



Of brands identify and reward advocates



*So...how did the global
Loyalty industry score
themselves?*



COULD
DO BETTER



GLOBAL SUMMARY



Investment: Most businesses expecting to spend more – and getting results



Strategy: It's part of a total customer strategy – acquisition to retention to optimization



Data: Many businesses don't have enough data or KPI frameworks to evaluate at a detailed level



Personalization: Ambition is to create better customer experiences but not delivering



Omnichannel: Businesses finding it hard to deliver connected customer experiences



Brand Advocacy: Creating advocacy is important but businesses aren't rewarding or measuring it



***IT'S NOT ALWAYS ABOUT THE
POINTS!***

***IT'S NOT
ALWAYS
ABOUT
THE
POINTS!***

**Brand
Advocacy
and
Community**

**Global and
Local
Alignment**

**Paid For
Loyalty**

**Social
Loyalty**



RECOGNITION-BASED, STATUS-LED PROPOSITION

- Multi-channel British menswear retailer, specializing in formal men's clothing
- Founded in 1979 in London by Jeremy Hackett, now part of the Pepe Jeans Group, a leading apparel player, with a strong presence in Europe, India and Latin America.
- Familiar loyalty objectives:
 - Increase frequency and spend
 - Retain profitable customers
 - Grow their member base
- “Wanted a customer program that was both rooted in the store and tailored to individual customers”

'65B' Private Members Club

65B

- The Hackett Membership Club -



'Money Can't Buy' Experience Days



VIP In-store Events



Personal Stylist



'Money Can't Buy' Travel Experiences



Birthday Treats



Be First to Know



Emphasizing Brand Advocacy

- Build your program around your brand which transcends countries and operational ‘detail’
- Resist the obvious ‘transactions – points – redemption’ model
- Use program to enhance customer experience and not burden it
- Look within your organization to leverage your partnership ecosystem and sponsorship relationships
- Your staff are your best program advocates and recruitment channel



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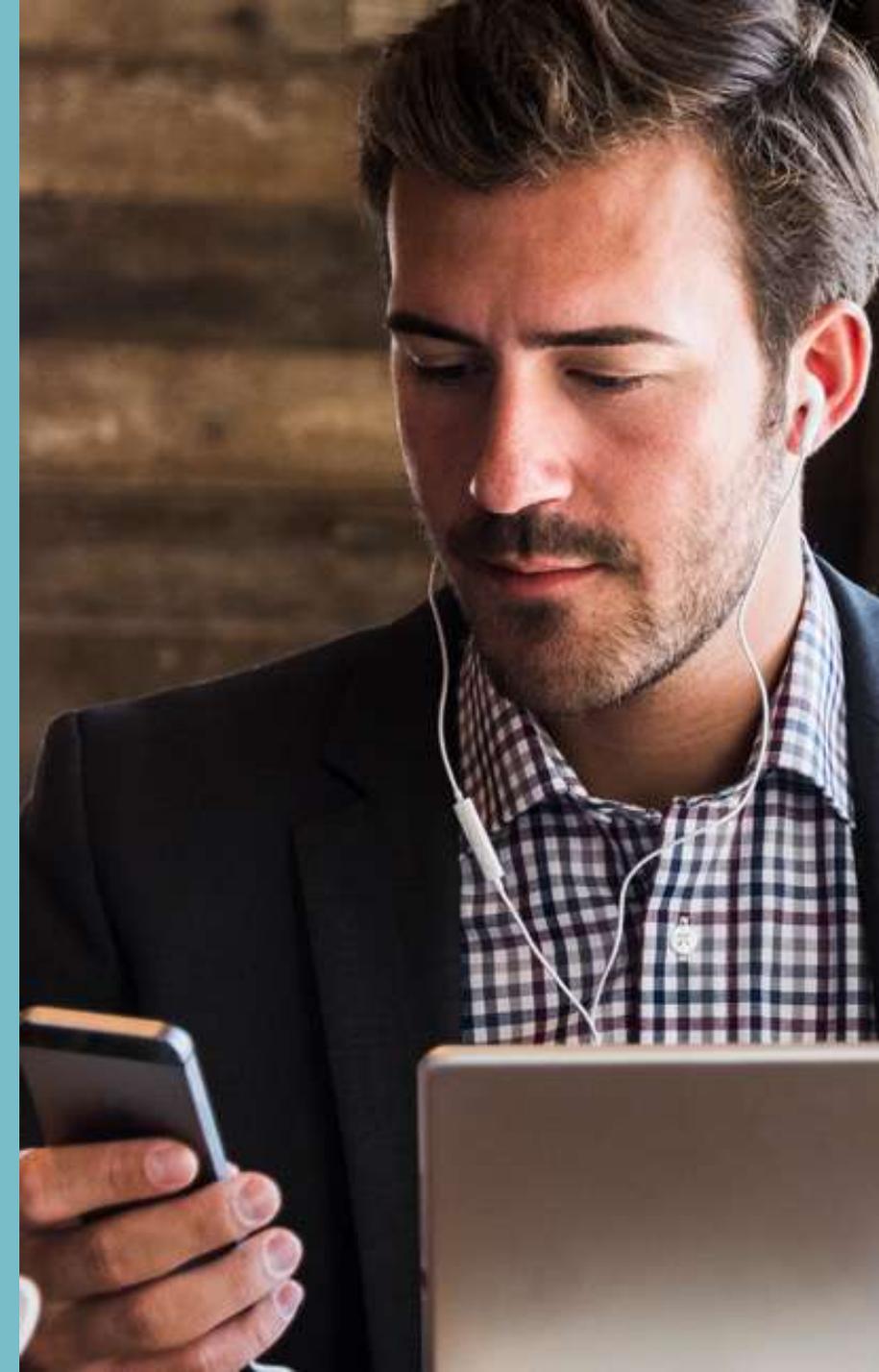
EUROPE'S #1 LOW COST CARRIER

- Launched in 1995, 31 countries, 132 airports, 802 routes
- In direct competition with all European flag carriers as well as other LCC/ULCCs
- Leader in ancillary revenue development
- No traditional Frequent Flyer points or miles based loyalty program
- Launched easyJet Plus in 2013: Fee-based flight ancillaries package



What is 'easyJetPlus!'?

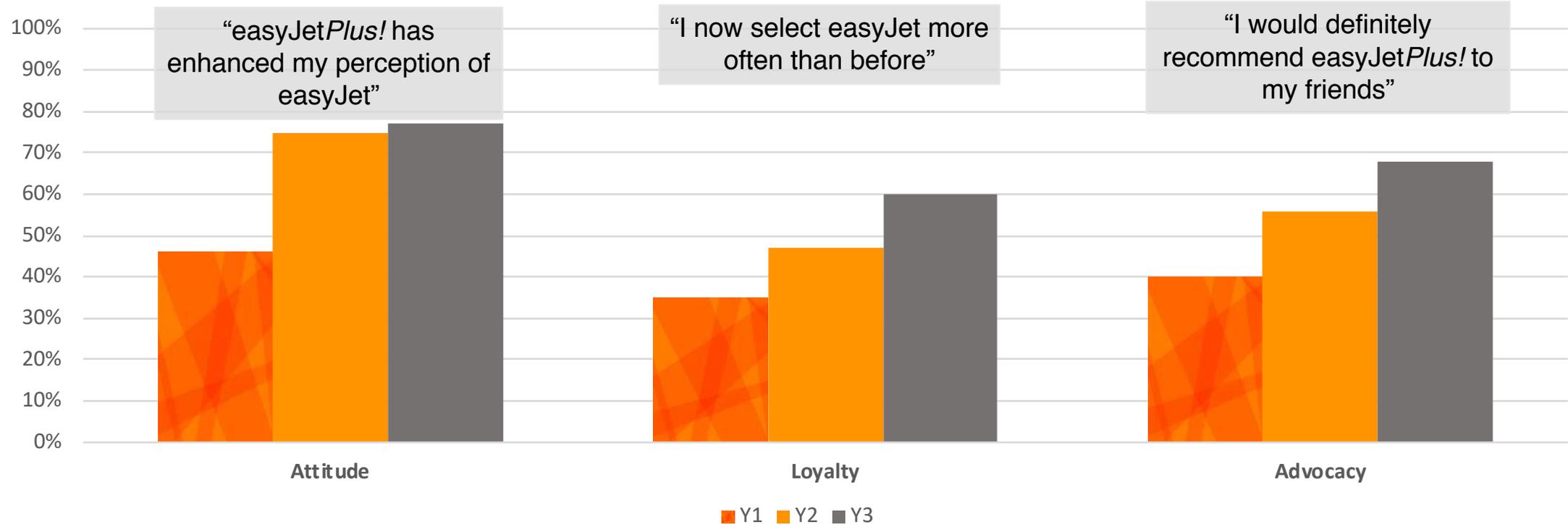
- Subscription-based annual membership
- Unlimited access to a range of flight ancillaries
- £199 annual fee (\$260), auto-renewal
- Operates seamlessly across all countries



easyJetPlus! works on a number of levels



Y1 – Y3 annual quant study among easyJet Plus! members
'agree with' or 'fully agree with' %



Why paid memberships work as a commercially attractive loyalty device:

- Signalling theory: People like to demonstrate status via implicit & explicit signs
- Subscriptions increase switching costs, thus generate loyalty
- Customers on average over-estimate future consumption, leading to breakage

amazon.com
Prime

Wizz
wizzair.com



NETFLIX

UNITED 

Smith
Mr & Mrs Smith
Hotel Collection

ONPOINT
LOYALTY CONFERENCE



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DRIVING GLOBAL CHANNEL PARTNER BEHAVIORS AT SCALE

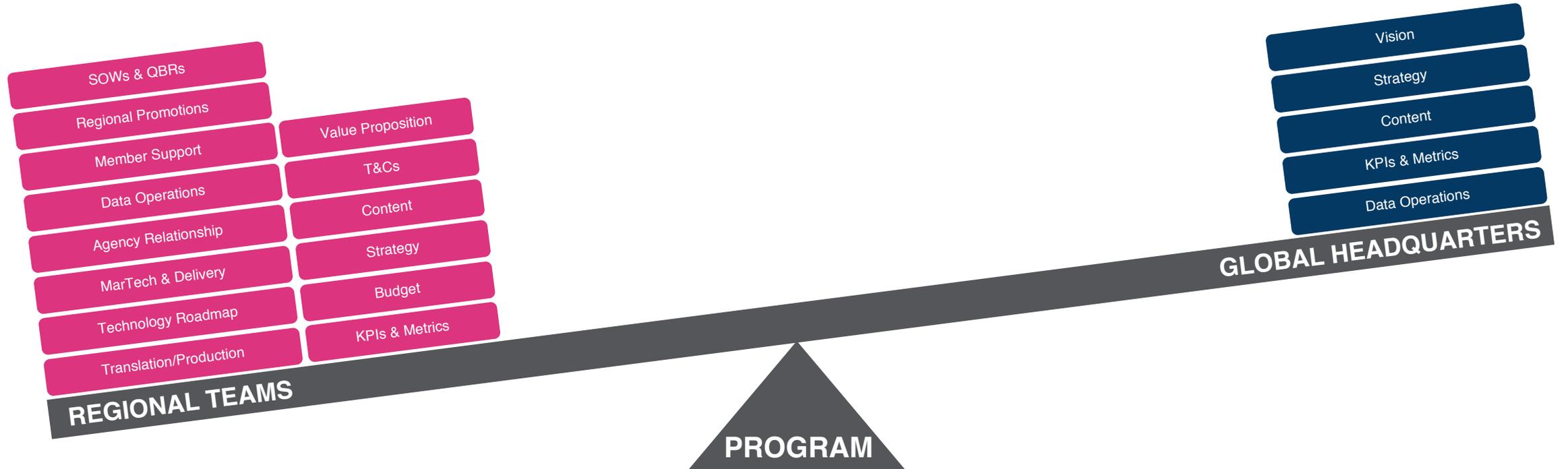
- Centralized reward and benefits proposition for Intel's 150k + channel partners
- Members earn points for eligible purchases, training, and other sales enablement behaviors
- All offers, content and rewards localized into 21 languages across 156 countries
- Machine Learning AI drives promotions, recommendations and communications,

18% 
HIGHER AVERAGE
SELLING PRICE ON INTEL-BASED
SYSTEMS THAN NON-MEMBERS¹

\$10K 
AVERAGE
ANNUAL POINTS EARNED
PER PLATINUM² PARTNER

19% 
STRONGER REVENUE
GROWTH THAN NON-MEMBERS³

From regionally led, with global support



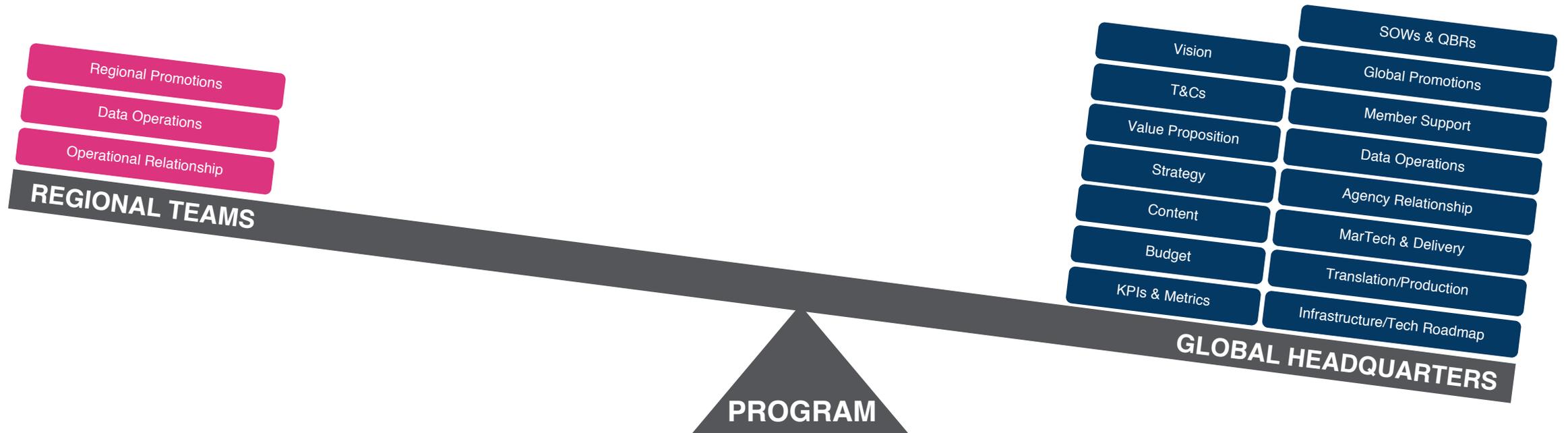
Key advantage:

Regionalized delivery strategy provides local ownership, know-how ensuring program relevance for members

Key disadvantage:

Program structure results in duplication of effort and lacks shared strategic alignment

To globally led, with regional inputs



Key disadvantage:

Moving too fast to a centrally run program risks alienating regional stakeholders, and compromising local relevance

Key advantage:

Singular global strategy helps drive program efficiencies and performance (single strategy, tech roadmap, operations)



Assessing a globalized program framework

- Assess whether a global program framework is both feasible and appropriate for your business
- Local inputs and insights are critical in both design and operational phases to deliver program relevancy and efficiencies
- Understand regional customers, markets and brand strength
- Country teams must be strategically engaged and not ‘operational outposts’
- Don’t underestimate the impact of regionally-led regulatory and compliance requirements (e.g. GDPR, data hosting)

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IMMERSIVE SOCIAL LOYALTY PROGRAM

- Established in Asia in 2013, FWD is the insurance division of investment group Pacific Century Group
- Vision is to “become a leading pan-Asian insurer that changes the way people feel about insurance.”
- More than 16,000 tied agents
- 4,600 staff
- Over 3 million customers in Asia



LIVE Life to the MAX!

- FWD MAX is a community that generates leads and fosters brand affinity, while cultivating brand advocates
- Content leverages experiential events, passion pillars and consumer stories



Get inspired and discover a new passion from sport and travel to food and music



Earn points for rating and sharing inspiring FWD Max articles



Share your passions and give likes to other members' sharing to earn more points



Redeem points for special offers, gifts and entry to events

GET INSPIRED

Discover your passion in life from these four pillars



Sport & Action

Get energized – and be the best you can be – with activities that get you moving.



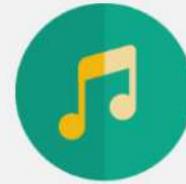
Travel & Adventure

Expand your horizons by exploring exciting new destinations and attractions, near and far.



Food & Wine

Develop your palate and appreciation for all things tasty.



Music & Arts

Push the boundaries of expression and creativity, and live life at your own tempo.

Leveraging social loyalty

- Understand your audience – how they behave, platforms they use, what motivates them
- Remain true to your brand – be authentic
- Thinking outside the box – “Does this look like a loyalty program from an Insurance company?”
- Understand the value of social, emotional and brand engagement over transaction and short term customer value



IT'S TIME FOR A CUSTOMER -CENTRIC LOYALTY STRATEGY



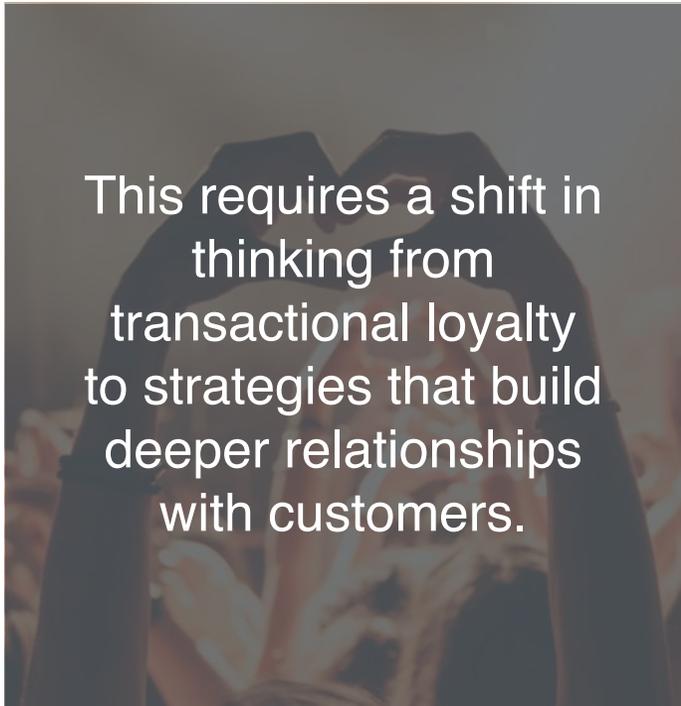
Globally, many brands share objectives and goals, but the emphasis on tactics may shift depending on local market conditions.



Many businesses still don't have enough data or KPI frameworks to evaluate performance at a detailed level



What all loyalty practitioners share is a desire to engage more deeply with customers – to create brand advocacy & emotional loyalty.



This requires a shift in thinking from transactional loyalty to strategies that build deeper relationships with customers.



THANK YOU

PHIL SEWARD