

Australian loyalty program members want rewards with social impact

Research reveals Gen Z are more focused on earning rewards for recycling

Results from the 8th annual Australian customer loyalty and loyalty program research study, For Love or Money™ 2020, show that loyalty program members want brands and companies to think outside the box when it comes to the rewards on offer.

Commissioned by customer loyalty consultancy - The Point of Loyalty, For Love or Money™ 2020 researched eight ways for programs to improve their member's lives, with informative and insightful results. Some of these include:

- Rewards for recycling - such as donating pre-loved clothes for repurposing/ furniture for re-use or recycling;
- Earning rewards for healthy behaviours - e.g. points for achieving a minimum number of steps in a week;
- Earning cashback rewards - redirected to their superannuation fund to help them save more for their retirement;
- Rewards to reduce the cost of everyday living expenses - such as a phone, energy or insurance bills;
- Earning cryptocurrency (e.g bitcoin) as a reward.

Report author and CEO of The Point of Loyalty, Adam Posner said, "With the Australian loyalty program landscape maturing, it's time for programs to focus on finding different and distinctive ways to improve the lives of their members."

Posner said, "While members in general want rewards to reduce their cost of living, they are also keen to participate in programs with rewards linked to a greater purpose such as the recycling and healthy behaviours."

"It's even more important in the current world situation for loyalty programs to focus on making lives better for their members. It will be remembered."

The report reveals Gen Z identified rewards for recycling, healthy behaviours and rewards to boost their superannuation savings, to be more appealing than Gen X, Gen Y and Baby Boomers.

For the first time, the wide-ranging research also reveals that two-thirds of Australians believe that loyalty programs enhance their overall desire to pursue a relationship and experience with the brand.

"The impact a well-designed program can have on brand experience is often debated and it was interesting to find that 68% of members agreed a loyalty program can enhance their relationship with a brand," Posner said.

In 2020, while members are concerned with data use and security, they are making the most of their memberships with 63% indicating they are taking advantage of their rewards and benefits which has significantly increased from 54% when first researched in 2016.

"While programs are improving all the time, they need to keep an eye on their data practices and the value exchange they offer their members for the data they gain," Posner said.

2019 ranking of Australian loyalty programs most mentioned unprompted by members, as 'doing a very good job'

New entrants in 2020: Four new programs appear in the 2020 ranking – CommBank Rewards, MYER one, Nando's PERi Perks and Supercheap Auto Club Plus

1. flybuys
2. Woolworths Rewards
3. Qantas Frequent Flyer
4. Virgin Velocity
5. MyDanMurphy's
6. Priceline Sisterclub
- =7. CommBank Rewards (New to ranking)
- =7. MYER one (New to ranking)
- =7. Nando's PERi Perks (New to ranking)
- =7. Supercheap Auto Club Plus (New to ranking)

A complimentary Executive Summary of the full report is available at www.thepointofloyalty.com.au with a comprehensive report available for purchase at www.thepointofloyalty.com.au.

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