

The Collinson Loyalty Landscape 2024

Retail Sector Insights



This infographic gives you a quick snapshot of the 2024 Retail Loyalty Landscape, showing how loyalty programmes are making an impact. From smart data strategies to standout member experiences, what's driving loyalty in retail? How can you keep your customers coming back?

Data Strategy

How is data strategy applied in the Retail sector?

- Nearly 80% use data to inform customer strategy
- 73% use data to inform wider business decisions
- Over 98% are either using or planning to apply data to personalise and create trigger content, offers, and communications
- 68% are using data to report on programme performance
- Over 55% don't monetise via third parties, with nearly 30% not even thinking about it

Getting personal: 98%+ of retailers surveyed are using or planning to apply data to personalise.

Commercial

Revenue and cost tracking

- 62% track revenue at a high level and 31% at a granular level.
- 47% track costs at a high level and 47% at a granular level.
- Only 10% don't track revenue or costs in line with a P&L for a loyalty programme.

Primary responsibility for tracking

- 49% of the Retail sector say the Loyalty and CRM team is responsible for financial management of the loyalty programme.

This is 10% higher than in the Financial Services sector where more reliance is put upon the finance department in this regard.

Value Exchange

Member vs. non-member rewards

REWARD TYPE	OVERALL	RETAIL
Points or equivalent	78%	74%
Member pricing or discounts	75%	79%
Access to member only competitions and prize draws	70%	68%
Member only or early access to offers on own brands	69%	76%
Free gifts	66%	68%
Exclusive content	65%	66%
Exclusive or upgrade services for all registered members	63%	54%
Exclusive or upgrade services accessible through tiers	60%	54%
Member only or early access to partner offers	55%	54%
Special interest groups or clubs	52%	50%

Selecting members for special value

- 62% say members receive the same value from the programme regardless of behaviour
- 75% say members receive more value the more they spend with us
- 50% say members receive more value if they generate more profit or based on behavioural proxies for profit
- 49% say members receive value based on predictions of how much they will spend in the
- 52% say members receive value based on their non-transactional engagement
- 51% say it is based on member tenure with the programme

Member Experience

Ease of member account access

- 51% say it is very easy for members to access their accounts via the Website, overall 85% said members had easy access
- Overall, 73% say members had easy access through a dedicated loyalty programme mobile app. With 36% saying Very easy access
- 69% say members could easily access loyalty account integrated into mobile app for products and services
- 57% say members could access account via the contact centre, 22% said it was very easy access however 16% say it is not easy to access
- 75% say members could easily access account at point of purchase / customer service channels,
- 37% said member could access their accounts easily with 3rd party partners / channels / suppliers, however 26% say it is not easy to access and 11% don't know

Member experience channels

- 77% say email communications are important with 43% saying very important
- 64% say mobile push communications are important with 31% Very important
- 70% say website and / or mobile app personalization is important with 41% Very important
- 57% say Text communications are important, however 21% say it is not important
- 67% say using Social channels is important with 34% Very important
- 56% say display / programmatic advertising is important
- 47% say Contact centre / IVR channels / Webchat are important, however 21% say it is not important
- 61% say in-store / Face-to-face (e.g. self-service kiosk, customer service staff) channel is important (38% Very important)
- 38% say using 3rd parties channels is important (16% Very important) however 30% say it is not important

Lifecycle communications

80% of Retail companies surveyed have member activation journeys.

What types of member lifecycle communications are used

- 80% run a member activation journey – prospect targeting & development
- 80% apply a welcome journey
- 78% have targeted journeys for high value members
- Only 55% have at risk triggers in place - where members are in danger of lapsing

Pre-planned and automated communications

3/4 of Retail respondents say that member communications are developed based on a pre-planned calendar of communications –And 2/3 automatically trigger basic lifecycle communications.

Technology

In order to gauge adoption of various platforms for loyalty purposes, we asked what capabilities respondents have access to.

The picture for Retail companies can be seen in the charts below.

Platform capabilities

CRM Platform

14% of Retail respondents say they don't have a CRM platform and 7% have it on their roadmap in the next 2 years, collectively 77% are currently implementing or using a CRM platform.

Member Access / ID Management

56% of Retail respondents say they are currently have some form of member access / ID management, and 28% currently implementing and 7% have it on their roadmap in the next 2 years, collectively 84% are currently implementing or using it.

Configurable tiering system

35% of Retail respondents say they currently have a configurable tiering system, and 22% currently implementing, however 14% have it on their roadmap in the next 2 years, collectively 57% are currently implementing or using it.

Integration with External Third-Party Points Banks

Overall, 49% are currently Integrated with External Third-Party Points Banks or implementing and 20% have it on their roadmap in the next 2 years, collectively 47% are currently implementing or using it.

Points Engine Calculation (PCE)

41% of Retail respondents say they have a points calculation engine, with 25% currently implementing and another 9% planning on implementing in the next 2 years.

Rewards catalogue configuration

38% of TTH respondents say they have a rewards catalogue configured with their program, with 26% currently implementing and another 14% planning on implementing in the next 2 years.

Third-Party Reward Integration Capability

34% of Retail respondents say they have a rewards catalogue configured with their program, with 18% currently implementing and another 12% planning on implementing in the next 2 years, collectively 52% are currently implementing or using it.

Real-time account updates

53% of Retail respondents say they have real time account updates, with another 25% currently implementing and 16% planning on implementing in the next 2 years.

E-commerce engine

56% of Retail respondents say they are currently have a e-commerce engine and 23% currently implementing, however 12% have it on their roadmap in the next 2 years, collectively 79% are currently implementing or using it.

Campaign management/Customer Data Platform capability

50% of Retail respondents say they have a campaign management / customer data platform and 32% currently implementing, however 14% have it on their roadmap in the next 2 years.

Member portal

62% of Retail respondents say they are currently have a member portal and 20% currently implementing, however 9% have it on their roadmap in the next 2 years, collectively 82% are currently implementing or using it.

Promotional rules engine

48% of Retail respondents say they are have a promotional rules engine and 23% currently implementing, however 14% have it on their roadmap in the next 2 years, collectively 71% are currently implementing or using it.

Data analytics & reporting tool

63% of Retail respondents say they have data analytics & reporting tool configured with their program, with 20% currently implementing and another 11% planning on implementing in the next 2 years.

Affiliate Mail

43% of Retail respondents say they have an affiliate mail with their program, with 17% currently implementing and another 11% planning on implementing in the next 2 years.

Multi-channel accessibility

46% of Retail respondents say they have an multi channel accessibility with their program, with 25% currently implementing and another 18% planning on implementing in the next 2 years.

Card linked offers

37% of Retail respondents say they have an multi channel accessibility with their program, with 24% currently implementing and another 14% planning on implementing in the next 2 years.

Out of the box integration

29% of Retail respondents say they are have a OoTB integration and 22% currently implementing, however 18% have it on their roadmap in the next 2 years, collectively 51% are currently implementing or using it.

Member Service Centre

51% of Retail respondents say they have an MSC with 28% currently implementing and another 7% planning on implementing in the next 2 years.

85% are happy with their program system integration

Program integration

- Overall, 85% are happy with their system integration
- 28% say their system integration is excellent their systems are connected and can easily share relevant data required for optimal program management, operations, and reporting and therefore, fit for purpose
- 57% say the system integration is good, all connected but complex requirements have to be managed manually
- 14% say there is room for improvement, some systems are connected / automated, but most need to be manually processed to deliver or connect functions
- Only 1% say their system integration is poor, majority of their requirements are manually processed and barely no connectivity of systems

Ease of applying changes to program rules / campaigns via technology

- Overall, 86% can manage changes to program rules and set up and implement campaigns themselves
- 44% say their tech requires training but can be manage admin functions which is acceptable to them
- 42% say they have an admin interface so they can make small changes and can manage campaigns with out IT support
- 11% say they are completely dependent on other departments or agencies to set up / implement campaigns
- 3% say it takes a lot of effort to make any changes

Technology satisfaction to operate loyalty program

- Only 28% say they are extremely satisfied with the technology and have strong support from the tech teams to operate the program
- 64% say they are satisfied and have relative support from the tech teams when needed
- Overall, 92% say they are satisfied with the technology to operate the program

Execution

How do you make it all happen seamlessly, and what resources do loyalty teams lean on?

Member of the leadership team with responsibility for the loyalty program	87% In place today 6% Need to be identified 5% Outsourced 2% Don't know
Program director with overall responsibility for program performance	78% In place today 15% Need to be identified 4% Outsourced 4% Not covered
Strategic function responsible for program development	76% In place today 16% Need to be identified 7% Outsourced 2% Not covered
Function responsible for data analytics and reporting	88% In place today 9% Need to be identified 2% Outsourced
Function responsible for sourcing and managing 3rd party partnerships	72% In place today 21% Need to be identified 3% Outsourced 3% Not covered
Technical function to support the set-up and development of relevant CRM and loyalty technology	75% In place today 16% Need to be identified 9% Outsourced
Communications function to plan program communications	60% In place today 29% Need to be identified 6% Outsourced 6% Not covered
Content development function to source, create and make content available for personalised communications	66% In place today 19% Need to be identified 6% Outsourced
Campaign management function to set up and deliver communications	74% In place today 14% Need to be identified 9% Outsourced 2% Not covered
Operations function to manage member service queries, contact centre	84% In place today 11% Need to be identified 5% Outsourced
Finance / Revenue management function, (responsible for programme P&L)	77% In place today 14% Need to be identified 5% Outsourced 5% Don't know

Want to know more? Get in touch.



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