

Deloitte.



Evolving trends in brand loyalty and consumer behavior

Annual survey results on
loyalty program preferences

December 2022

[We began surveying consumers in 2021](#) to understand the impact loyalty programs have on brand preference and the importance of key program features and benefits. After seeing significant interest in the findings, our latest consumer loyalty survey seeks to understand how preferences are evolving within a dynamic economic environment marked by rising inflation and geopolitical disruption.

Our consumer loyalty survey results revealed that now more than ever, it's important for brands and retailers to account for changing consumer preferences to drive sustained engagement and value. What are consumers telling the industry?

Five key findings on brand loyalty and consumer behavior emerged from our loyalty survey results:



1. Keep it simple for me
2. Provide meaningful experiences for my personal data
3. Extend my benefits through a well-integrated credit card
4. Let me opt-in for exclusivity
5. Help me support mission-driven causes

1

Keep it simple for me: *I prefer a loyalty program that can simply communicate the rich value it provides*

Year over year, consumers continue to prioritize the “ability to earn and redeem financial rewards” and “simplicity and ease” as the two most important attributes of a loyalty program. To maximize brand loyalty and optimize consumer behavior, programs should continue to clearly articulate the holistic value they provide and create cohesive, seamless experiences throughout the consumer journey. For many, this requires brands to optimize for member needs across all owned and partner touchpoints where the loyalty value proposition is delivered and where key program features are present.

Top five most important loyalty attributes

- The ability to earn and redeem financial rewards**
- The simplicity and ease of the program**
- Personalized experiences for rewards
- An accessible and enjoyable digital experience
- Access to non-financial benefits, such as exclusive experiences or upgraded services

2 Provide meaningful experiences for my personal data: *I want brands to provide more personalized and elevated experiences driven by the personal information I choose to share*

Our consumer loyalty survey results found that just over half of consumers believe that loyalty programs offer sufficient personalization and that willingness to share personal information is rising. Fifty-three percent of consumers said they are willing to share their personal information, up markedly from 2021. Brands can continue to harness the power of consumer data to tailor experiences that make an outsized impact for members, such as proactively predicting the type of support a member may need when they reach out to customer service or recommending desirable benefits the member hasn't yet experienced with loyalty partners.

Top factors impacting willingness to share personal information

1. An **ability to opt in and out** of what information of mine is collected and shared
2. **Transparency** around how my **personal information is being used**
3. Trust in the **brand's data security standards and practices**
4. **Transparency** around what information is collected on me
5. A **clear value proposition** for what I am receiving in exchange for my personal information

Top ways to add personalization

1. **Personalized rewards** options to choose from
2. **Special gifts** just for me (e.g., birthday rewards)
3. **Offers and promotions** that become more relevant to me over time
4. **Unique recommendations** based on purchase history
5. **Experiences and content** (e.g., digital) that are tailored to me

3 Extend my benefits through a well-integrated credit card: *I expect credit cards affiliated with programs to offer exclusive benefits that are seamlessly embedded into the program model and experience*

More than 55% of consumers are actively seeking credit cards that accelerate their program benefits and rewards, an increase of 12% from 2021 in our latest loyalty survey results. We see this shift indexing towards more experiential industries (e.g., hospitality, specialty apparel) over those that are traditionally more transactional (e.g., grocery, convenience), a trend we expect to continue.

For industries with greater interest, programs need to communicate the value of being a cardholder by demonstrating the enhanced experiences and exclusivity that comes only with the credit card. Exclusive benefits should be well integrated within the wider loyalty program and clearly linked to card membership while remaining distinct from other loyalty perks. Several examples include an annual companion pass for flights, exclusive discounts on apparel, and early VIP access to concerts and shows.



4 Let me opt in for exclusivity: Programs that offer a paid membership option provide an additional avenue for me to receive exclusive, highly sought-after benefits and rewards

When it comes to brand loyalty and consumer behavior, there is sufficient demand for paid loyalty programs. More than sixty percent of consumers state they are willing to pay a membership fee in exchange for exclusive benefits and an elevated experience. Of the consumers who pay loyalty membership fees, almost half pay for two or three loyalty programs.

In order to entice consumers to pay an annual fee, the additional benefits must be substantially differentiated from the general loyalty program or branded credit card perks. Our research shows that consumers, across all industries, are most willing to pay for financial benefits such as exclusive discounts, promotions, and special pricing. In travel-based industries, such as airlines and hotels, increased flexibility (e.g., no cancellation fees) and enhanced services (e.g., upgrades) are understood to be as important as value-added benefits.

Willing to pay for a paid loyalty program

Yes, willing to pay or are already paying



Maybe, it depends on the price & benefits



No



Benefits affecting willingness to pay

1. **Discounts, promotions, and special prices**
2. **Free products and gifts**
3. **Upgraded or enhanced services**
4. **Special merchandise or products**
5. **Increased flexibility**

5 Help me support mission-driven causes: The way a brand interacts with its community socially and/or politically impacts my satisfaction and overall perception of a brand

Our loyalty program survey indicates that the social and community attributes of loyalty programs are becoming increasingly important for consumers as we transition to a post-pandemic norm. While the ability to refer a new member for benefits or rewards remains the most important community-related attribute to consumers, the second most important factor for consumers is the opportunity to participate in or support causes through a loyalty program. Incorporating mission-driven causes into loyalty programs can be more than just offering a charitable points donation program. Leaders in this space are implementing more tangible programs such as incentivizing recycling and upcycling by offering loyalty points or a discount for used materials. The mission-driven work of loyalty programs is a nascent driver that should be watched over the next few years to see if and how more brands fold social good into their mainstream consumer loyalty strategy.



Conclusion

Consumers continue to reinforce what they look for when it comes to loyalty. In light of these trends, brands can propel their programs to the leading edge of their markets by tailoring strategies and experiences and carving out a differentiated space with members.

Want to explore the data further? If so, we're here to help. Deloitte's full suite of loyalty services helps brands optimize their programs at any point on their loyalty journey to offer compelling benefits and experiences, build sustaining relationships with consumers, and deliver outsized business impact.

Methodology

We surveyed 3,000+ US consumers representative of the US population across age, gender, race, and region. Each consumer was asked a series of questions about their loyalty behavior and preferences around loyalty programs for a specific industry.

Industries included in the survey:

- Airlines
- Hotels
- Off-price retail (e.g., discount, dollar)
- Convenience and gas stations
- Grocery stores
- Mass retail
- Pharmacy and drug stores
- Restaurants
- Retail banks
- Specialty retail (includes apparel and footwear, department stores, health, beauty and wellness, home goods and electronics, sports, leisure and hobbies)
- Transportation (e.g., ride share, car rental)

Authors



Bobby Stephens
Principal
Consumer Loyalty Offering
Deloitte Consulting LLP
rostephens@deloitte.com
+1 312 486 2455



Brendan Boerbaitz
Senior Manager
Consumer Loyalty Offering
Deloitte Consulting LLP
bboerbaitz@deloitte.com
+1 202 664 2320



Michelle Malblanc
Manager
Consumer Loyalty Offering
Deloitte Consulting LLP
mmalblanc@deloitte.com
+1 216 212 7273

The authors would like to thank Meghan Crawford and Anne Ridenhour for their collaboration on this piece.



About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States, and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.