



2023 LOYALTY AMPLIFIERS DATA STUDY

How to Increase Loyalty Program Engagement with Amplifiers



Table of Contents

- 1 Introduction
- 2 Acquiring More Loyalty Program Members
- 3 Engaging Members Through Education/Onboarding
- 4 Boosting Sales Through Your Loyalty Program
- 5 Efficiently Encouraging Point Burn
- 6 Increasing Member Retention
- 8 Turning Members into Brand Advocates



Introduction

For many brands, loyalty programs are an important piece of the customer engagement puzzle. But in today's consumer world, it takes more than just having a loyal program to stand out from your competitors.

Enter loyalty amplifiers.

Simply put, loyalty amplifiers are engagements that motivate and excite your members through additional incentives. They can range from instant win games to UGC contests, sweepstakes, social sweepstakes, trivia and more. They're designed to engage consumers across their buying journeys and keep them coming back to your brand.

But do these tactics work?

We recently surveyed more than 1,300 U.S. consumers to see how they feel about these incentivized engagements within the context of loyalty programs.

Our research addressed six common but critical loyalty program goals that your brand likely has:

Increase member acquisition

- Educate/onboard members once they join
- Increase sales
- Encourage efficient point burn
- Retain customers
- Create brand advocates

Read on to learn how loyalty amplifiers can impact engagement with your loyalty program members.

Key Stats

88% of consumers are likely to join your loyalty program if you offer them an incentive

Two-thirds of consumers are likely to provide brands with more personal information and preferences to better personalize their loyalty program experience in exchange for an incentive

Nearly 90% of consumers said they engage with loyalty programs less often if they feel it takes too long to earn rewards

Two-thirds of consumers say it's important to buy from brands where they are loyalty program members

3 out of 4 consumers are likely to provide a brand/product testimonial or review if doing so rewarded them with an incentive

Acquiring More Loyalty Program Members

Getting consumers to join your loyalty program is the first key step in transforming them into brand advocates. So, how can you increase your chances of having consumers become members of your loyalty program?

It requires driving awareness, member referrals and encouraging app downloads. Loyalty amplifiers like sweepstakes, instant win and referral programs can help you achieve this goal.

Our research found that **88% of consumers are likely to join your loyalty program if you offer them an incentive** (e.g., the chance to win a prize, receive a discount or get bonus points). And nearly 80% of consumers who belong to a brand's loyalty program would likely download that brand's app in exchange for an incentive.

But what about influencing others to join?

78% of consumers would refer a brand's loyalty program to friends and/or family in exchange for an incentive.

These responses show how using loyalty amplifiers to offer incentives can significantly impact consumer behavior related to your loyalty program. This is key because your best and most loyal customers also function as your brand advocates. They spread the message about your loyalty program and your brand messaging by telling their family and friends.

Engaging Members Through Education/Onboarding

When you are onboarding new loyalty program members, the education process is a vital piece of the long-term retention puzzle. Getting customers to sign up for your loyalty program is a challenge but getting them properly onboarded can be a challenge as well.

The onboarding process is where you can learn a lot about your members' preferences that help to better personalize the experience and create more value for them. Things like trivia, polls and profile quizzes can be used as loyalty amplifiers together with a sweepstakes and/or instant win game to not only gather valuable zero-party data but also to educate members about content relevant to your brand.

Our research shows that **two-thirds of consumers are likely to provide brands with more personal information and preferences to better personalize their loyalty program experience in exchange for an incentive.** This includes data like name, gender, age, profession, location, email address, phone number and household income.

When asked which activities within a loyalty program would most excite consumers to learn about new products and/or loyalty program benefits, 71% said polls and surveys, 49% said games (e.g., trivia, personality quizzes, customized games), 38% said completing a profile and 33% said reading or watching educational content.

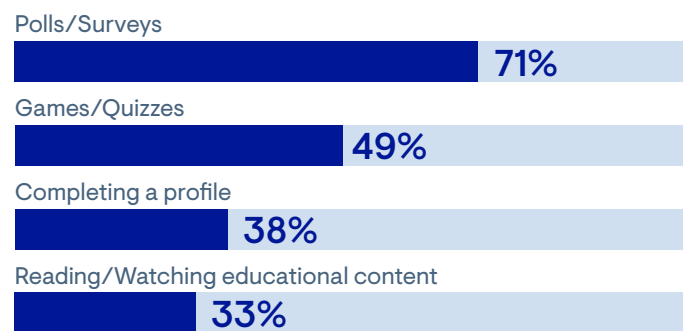
Meanwhile, when asked which incentives would most motivate consumers to learn about new products and/or loyalty program

benefits, 69% said product samples, 52% said product rebates, 49% said the chance to win a prize and 48% said bonus points.

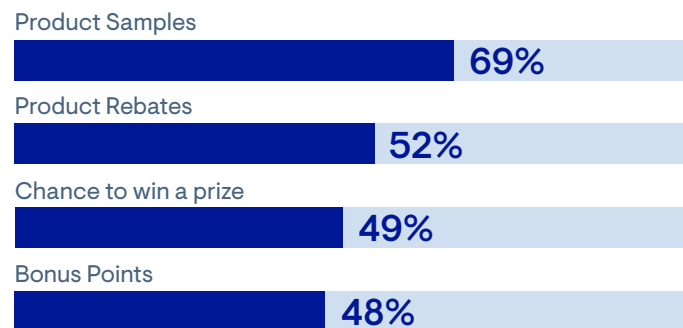
But it's important to give members immediate value and show them how they can maximize that value in your program. Incentives help amplify your loyalty program during the onboarding process.

It's also important to keep the member experience fresh and make members aware of program and benefits updates and new products.

Which incentives would most excite consumers to learn about new products and/or loyalty program benefits?



Which incentives would most motivate consumers to learn about new products and/or loyalty program benefits?



Boosting Sales Through Your Loyalty Program

According to this new research, **two-thirds of consumers say it's important to buy from brands where they are loyalty program members**. This speaks to the power of loyalty programs to increase sales for you, retain members and positively impact your bottom line.

If you want to increase sales even more, consider cross-selling your product portfolio, leveraging partnerships and sponsorships and incentivizing channel adoption. Loyalty amplifiers like digital rebates, continuity programs and purchase-based chance-to-win (sweepstakes, instant win) incentives can help you increase your sales.

Nearly 80% of consumers are likely to purchase multiple specific products in exchange for a rebate.

For example, this could be when a consumer purchases hand cream and toothpaste together in one transaction to receive a \$5 rebate. Incentivizing the purchase of multiple specific items at the same time is effective when the price points are low, and you have a large amount of inventory to be moved.

To show the power of brand partnerships, **nearly 80% of consumers said they are likely to make purchases with a brand in exchange for rewards and incentives that could also be used at other brands.**

For example, Dick's Sporting Goods and Nike integrated their loyalty programs. Nike's loyalty program links to Dick's membership, allowing consumers to shop for exclusive Nike shoes and apparel on Dick's website. This partnership will grow over time to include in-person events at Dick's locations.

Case Study

In 2021, Nike and Dick's Sporting Goods announced that they would be partnering together on their loyalty programs.

This means that customers can link their Dick's Scorecard and Nike Membership loyalty program accounts.

In addition to the perks that members already receive, linking memberships together also unlocks special rewards and benefits — a smart move for both brands to grow their customer bases and offer more value.



Efficiently Encouraging Point Burn

Many loyalty program members believe it takes too long to earn rewards. The result is that points balances tend to hang around. This leads to one potential headache for brands with loyalty programs – the financial liability that comes with points, something that is inherently built into any program.

Getting loyalty program members to engage with you and redeem their points for rewards is the best path to customer satisfaction and member retention, as well as clearing that liability.

Our data shows that **74% of consumers agree that loyalty program rewards often feel unattainable, they require making too many purchases, require too many points** and take too long to earn. This has a direct impact on engagement. Consider nearly **90% of consumers said they engage with loyalty programs less often if they feel it takes too long to earn rewards.**

But maybe there's a way to encourage loyalty program members to use their points much sooner. Some things you can do to help in this area are to create attainable rewards and generate new reward excitement. Use loyalty amplifiers such as multi-sweepstakes, UGC rewards, limited-time rewards and point donations to assist.

Nearly 70% of consumers are likely to redeem smaller amounts of loyalty program points in exchange for rewards like the chance to win a prize, a customized digital product or a donation to a charity, instead of having to “save up” points for larger ticket rewards like free products or merchandise.

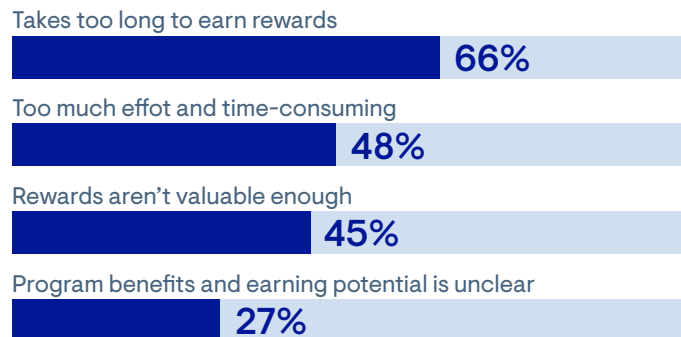


Increasing Member Retention

Engaging your loyalty program members regularly through incentives is the key to retaining them. If members no longer see the value in your program or if there's nothing incentivizing them to interact, engagement can drop off.

We found that 66% of consumers said the main reason they haven't engaged with a loyalty program they've belonged to for a long time is because it takes too long to earn rewards, 48% of consumers said the reason is it required too much effort and is time-consuming, 45% said the rewards aren't valuable enough to them and 27% of consumers added that program benefits and earning potential is unclear.

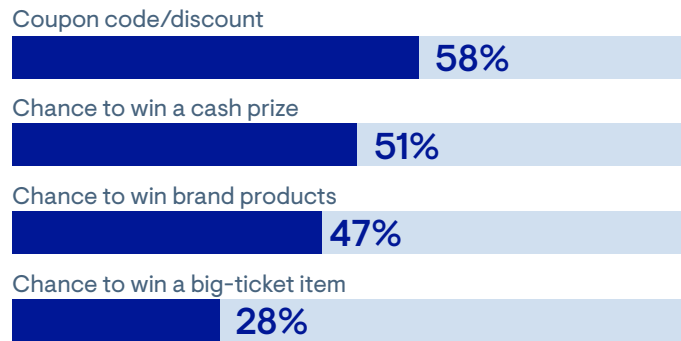
Reasons Why Consumers Haven't Engaged with a Loyalty Program They Belong to



So, what would get loyalty program members who haven't engaged in a long time to re-engage?

According to the data, 58% of consumers said receiving a coupon code or discount would be the main reason for them to re-engage, 51% said it's a chance to win a cash prize, 47% of said it's a chance to win products from the brand and 28% said it's a chance to win a big-ticket item like a car or television.

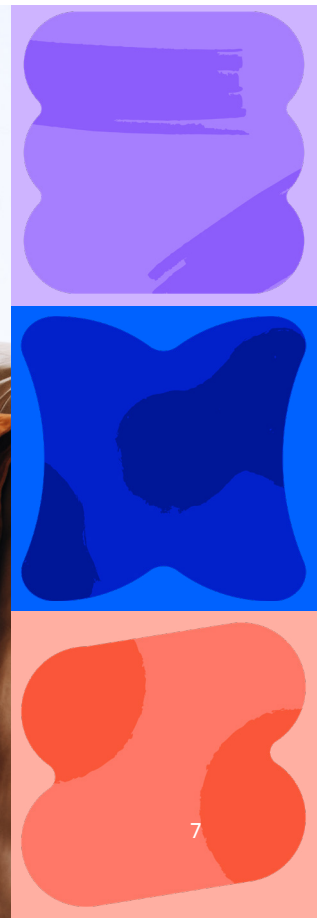
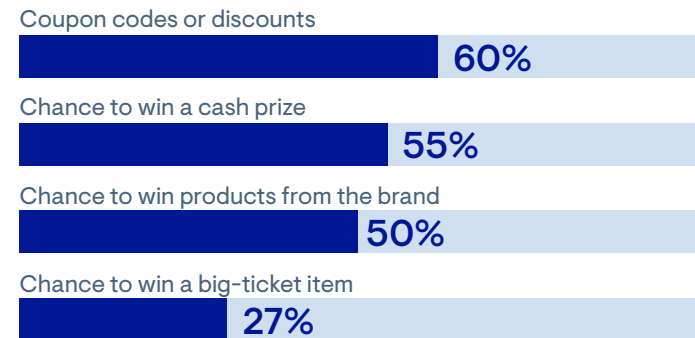
Incentives That Would Get Consumers to Re-Engage with a Loyalty Program



Loyalty amplifiers like an exclusive offer hub, games, chance-to-win, surprise & delight and fire drill rewards are extremely helpful. Coupon codes or discounts and a chance to win a cash prize top the list of key incentives.

We saw that 60% of consumers said coupon codes or discounts keep them most engaged in loyalty programs, 55% said it's a chance to win a cash prize, 50% said it's a chance to win products from the brand and 27% said it's a chance to win a big-ticket item like a car or television.

Chance-to-Win Incentives That Would Keep Customers Most Engaged in Loyalty Programs



Turning Members into Brand Advocates

Turning your members into brand advocates can be challenging, but it's the ultimate level of loyalty.

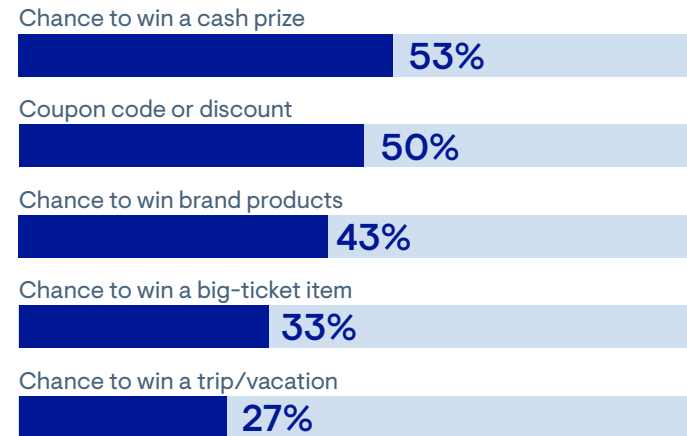
One way to do this is by identifying your brand ambassadors and collecting authentic testimonials through loyalty amplifiers like user-generated content (UGC) contests, hashtag-to-enter programs, social sweepstakes, referral programs and social kickbacks.

Our data found that overall, **3 out of 4 consumers are likely to provide a brand/product testimonial or review if doing so rewarded them with an incentive** (e.g., the chance to win a prize, receive a discount or get bonus points). And more than 1 out of 4 consumers is very likely to provide one.

When asked what would incentivize them to submit user-generated content (text, videos, images, reviews), 53% of consumers said a chance to win a cash prize would be the main reason they would want to submit user-generated content, nearly 50% said a coupon code or discount, 43% said a chance to win products from the brand, 33% said a chance to win a big-ticket item like a car or television and 27% said they'd be incentivized by a chance to win a trip/vacation.

But only **11% of consumers said brands offer incentives to participate in user-generated content regularly**. So, there is a huge opportunity for brands to engage more with consumers through incentives.

What Would Incentivize Consumers to Submit User Generated Content



It's Time to Amplify Your Loyalty Program

Loyalty programs are powerful tools for customer engagement, but members need more incentives to engage regularly. It's clear from our data that loyalty amplifiers can go a long way in helping you achieve your program goals.

From acquiring members to encouraging point redemption to creating brand advocates, give your members a reason to keep coming back for more.

Methodology

ebbo surveyed 1,314 U.S. consumers 18 and older in November 2022





About ebbo

ebbo is an all-in-one loyalty company that has helped leading brands build unforgettable customer experiences for over two decades. With our data-driven strategy, full-service approach and the unwavering support of the people behind our platform, our dedicated team will work with you to understand your loyalty goals, innovate solutions and help you build customer engagement on repeat. ebbo is headquartered in Rocky Hill, CT, with offices in Michigan and team members all over the U.S.

If you'd like to learn more about how to increase customer engagement, visit ebbo.com/insights

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