

# Global Loyalty Trends Report 2022

Insights & Opportunities



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# Global Loyalty Trends Report 2022

## Summary

First of all, a big shout out to all the brands that took part in the survey. The responses provided a variety of quality insights that truly helped us understand and explore the loyalty scene in greater depth!

Our '2022 Loyalty Trends Report' was created in an effort to better understand brand:

- Pain points
- Loyalty programs
- Loyalty investments in 2022
- Technology investments in 2022

By analysing over 100 loyalty programs in 5 different regions, we intended to provide our readers the most relevant and transformative insights.

Find out today what loyalty programs around the world are doing to succeed in the 2022 loyalty scene, with over 80 different aspects of loyalty observed, there is an insight for every reader!

We are extremely excited about our discoveries, so if you enjoy the content, make sure to share your favorite brand insight on social media and mention us (@qiibee) with the hashtag #qiibee2022LTR. We will be resharing all mentions.

# qiibee's Global Loyalty Trends Report 2022

Loyalty programs  
representing more than

123M

Consumers

In

100+

Different Markets

Across 5+ main regions

North America  
Europe  
Middle East/Africa  
Asia  
Rest of The World

Examining more than

100+

Programs

In

18+

Industry Sectors

- Food
- Telecommunication
- Retail
- Media
- Finance
- Oil & Gas
- Real estate
- Entertainment

Across

80+

Attributes

- Earn Mechanics
- Redemption Mechanics
- Rewards Options
- Future Tech Investments
- Future Loyalty Investments
- Loyalty Pain Points
- Loyalty Goals
- Emerging Technologies
- Experience-Based Rewards
- NFTs as Rewards
- Blockchain-Based Loyalty

## Quick Fact

Each brand surveyed  
had an average of

3.98M

active members in  
their loyalty program



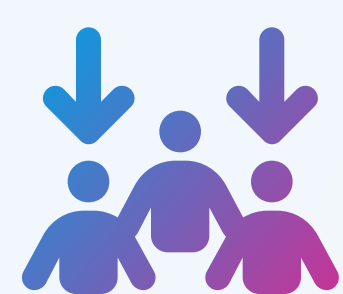
# Loyalty Highlights: Pain Points

A mature loyalty market puts growth at a premium

## Brands' top 3 reported loyalty pain points



**Low Member Engagement Rate**



**Low Member Acquisition Growth**



**Few Engaging Redemption Options**

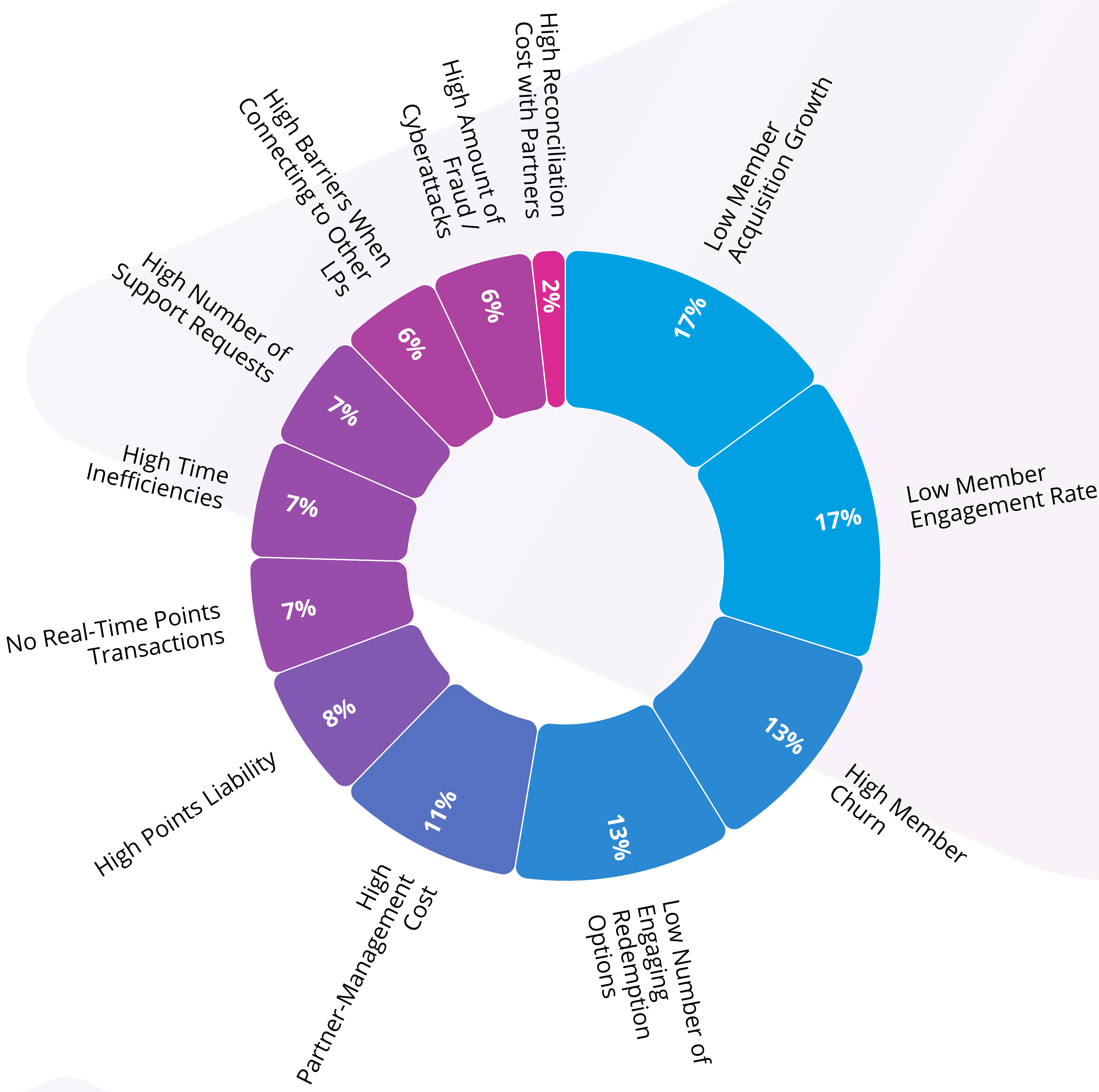
56%

Of loyalty programs that offer “Partner Products/ Services” as a reward option, tend to report a “High Partner-Management Cost”.

55%

Of loyalty programs think that it takes too long for their customers to earn a reward

## Top Brand Loyalty Pain Points 2021



# Loyalty Highlights: Partnerships and Expansions

Partnerships remain underdeveloped for a majority of loyalty programs

29%

A donut chart with a blue background and a white segment representing 29% of the total.

Only 29% of Brands report offering reward options from Partners.

This includes partner products or services.

## Expanding Partnerships

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60%

Investing in partnerships and «expanding partnerships» is the theme for 2022. With 60% of loyalty executives choosing this as their top 2022 investment.

## Earning Through Partners

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10%

Only 10% of brands enable earning points through partners


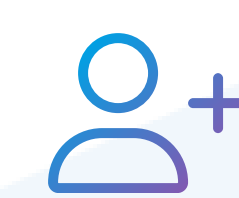


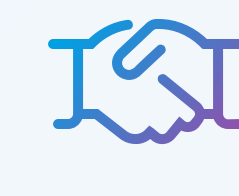








Although, 60% of loyalty executives want to focus more on expanding partnerships for the future of their loyalty programs, it is clear that the majority have not previously explored comprehensive loyalty partnerships with other brands.



# Loyalty Highlights: Earn and Redemption

Integrating points, tiers, and engaging rewards boosts engagement

## Earn Options Ranked by Most Used:

-  1. Purchase
-  2. Registration
-  3. Survey
-  4. Referral
-  5. Through Partners
-  6. Milestones
-  7. Birthday Rewards
-  8. Giveaways
-  9. In-App Activities
-  10. Quiz
-  11. Playing Games
-  12. Feedback
-  13. Raffle

## Pointbased loyalty programs

71%

Of loyalty programs adopt a point-based system

## Member engagement

5+

Loyalty programs with high active member engagement, all offer them more than 5 redemption options.

## Does Your Loyalty Program Incorporate Tier Systems?

39%

Yes

22%

Considering

39%

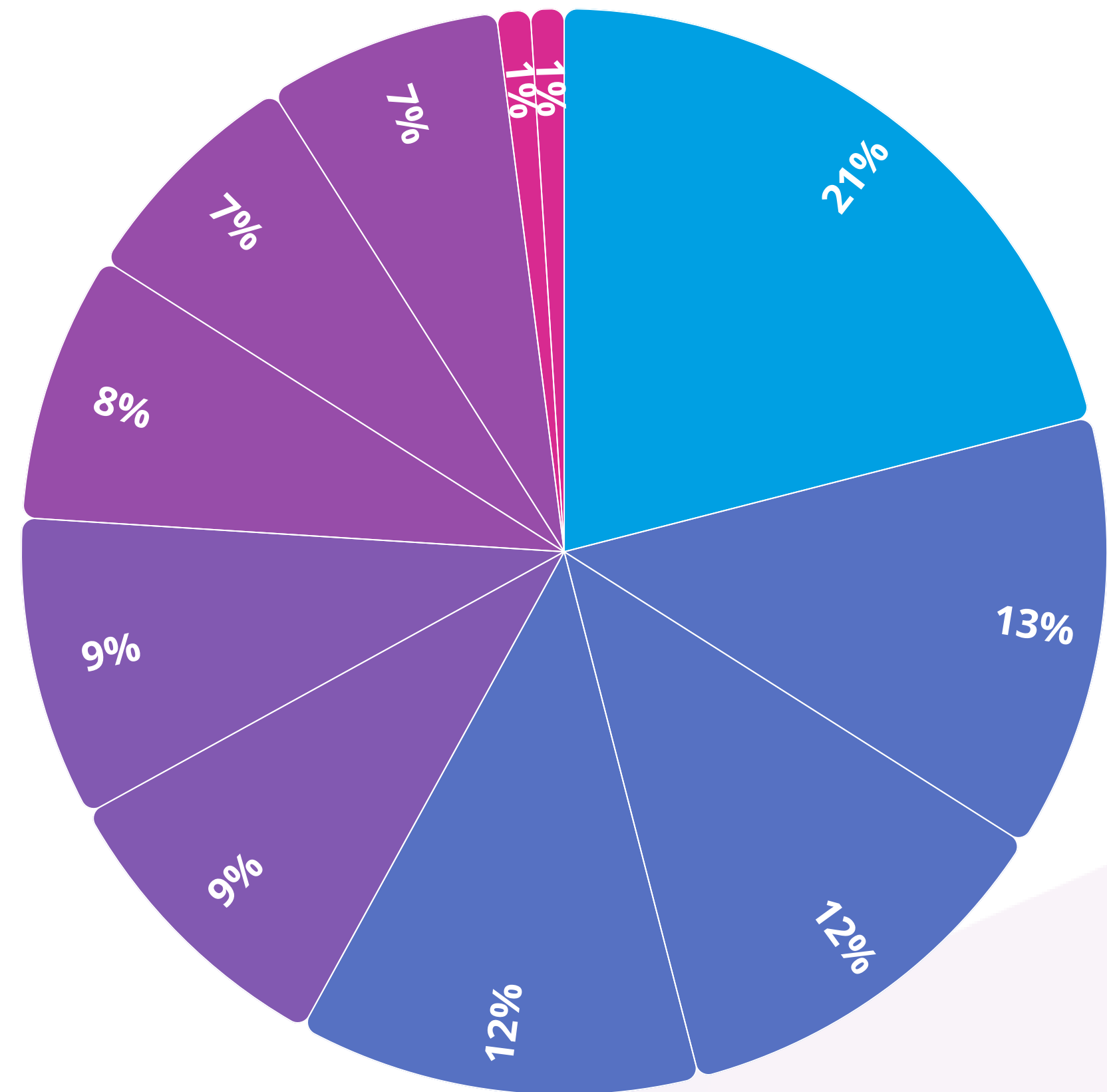
No

## Loyalty currencies conversion

5%

Allow conversion of points into other loyalty currencies

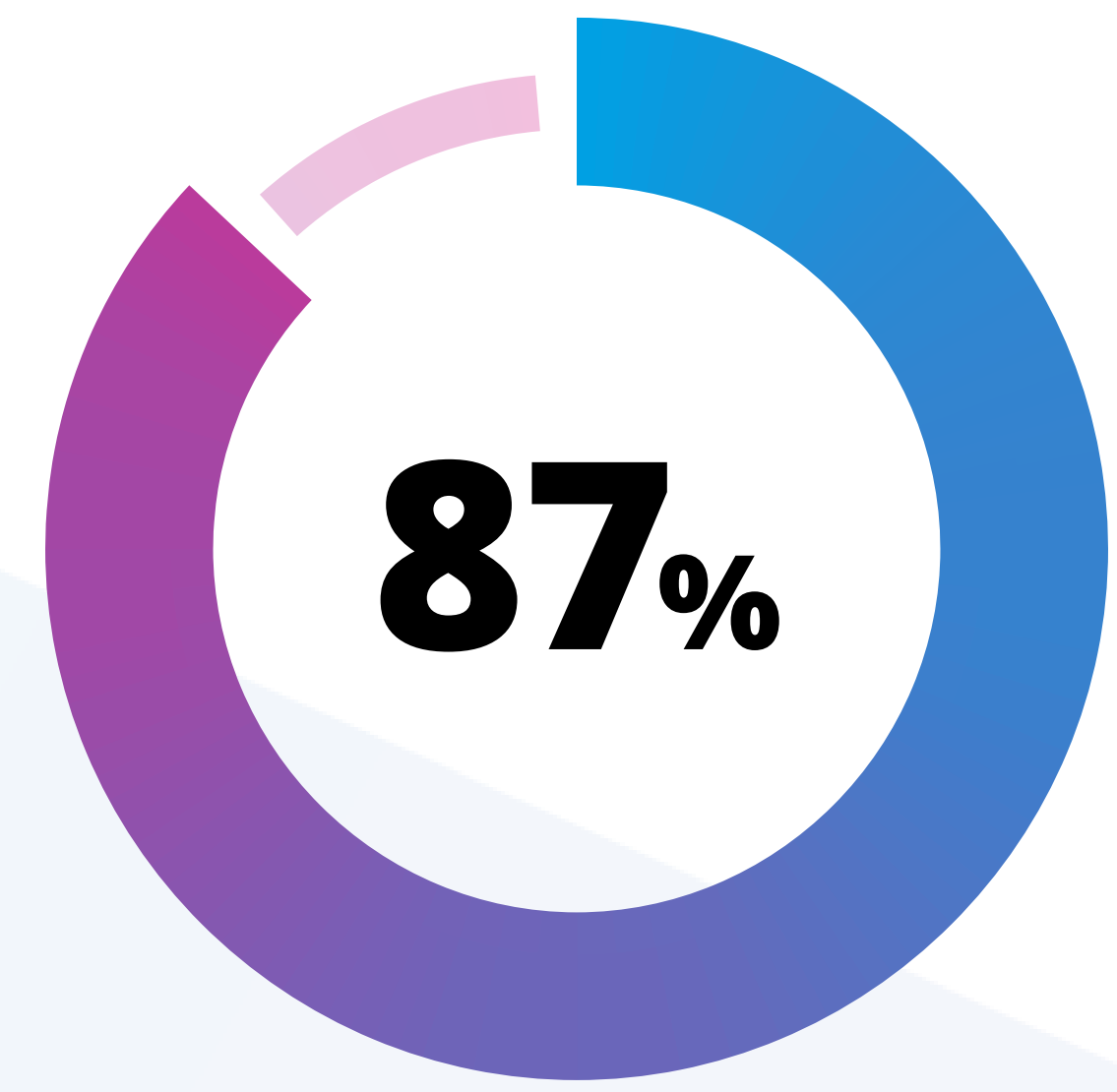
## Top Redemption Options Offered:



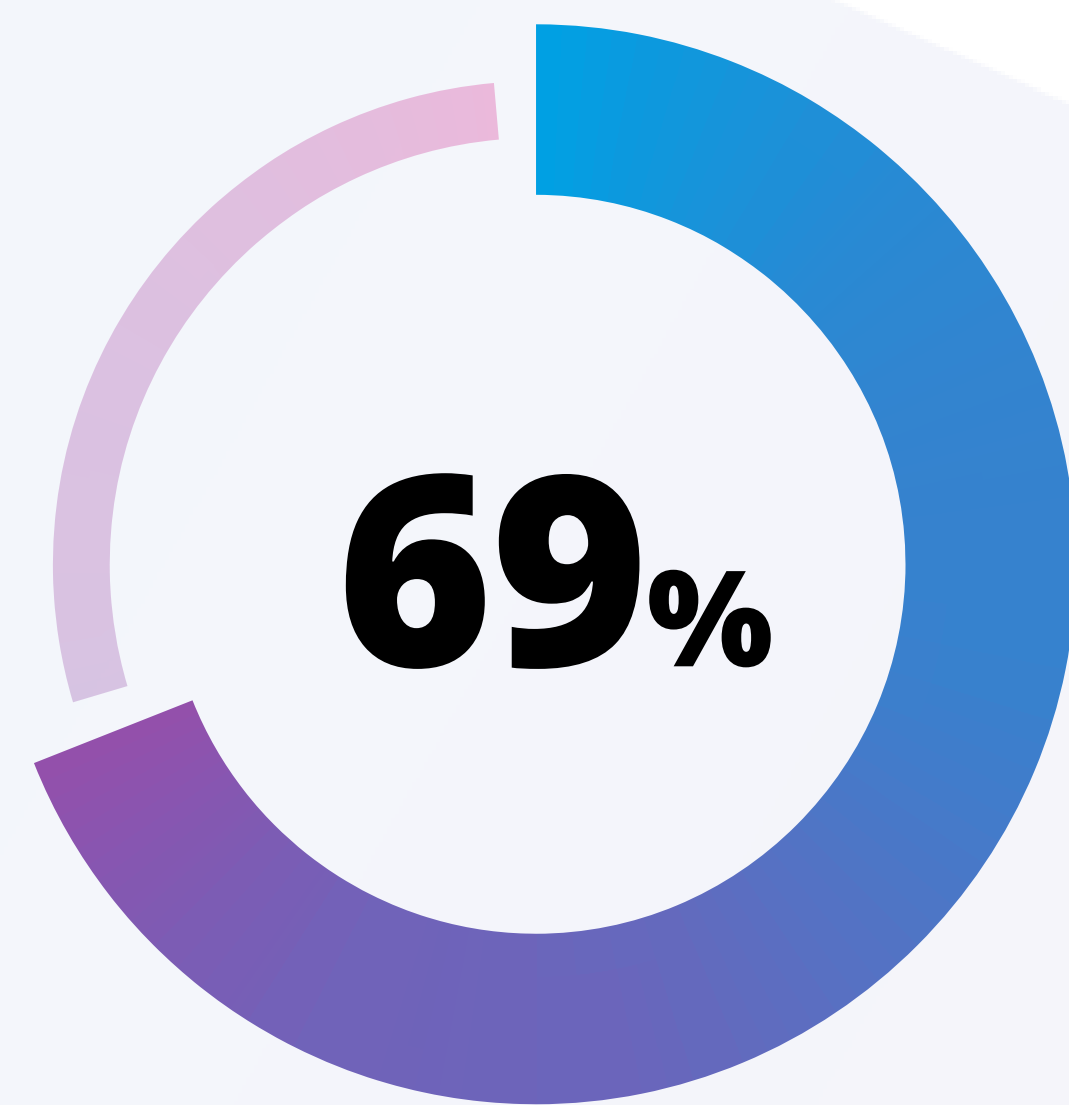
- 21% Owned products/services
- 13% Pay with points
- 12% Gift cards
- 12% Discounts
- 9% Owned Merchandising
- 9% Partner product/services
- 8% Cashback
- 7% Experiences
- 7% Give to Charity
- 1% Owned Shares
- 1% Third-Party product/services

# Loyalty Highlights: Future Loyalty Investments

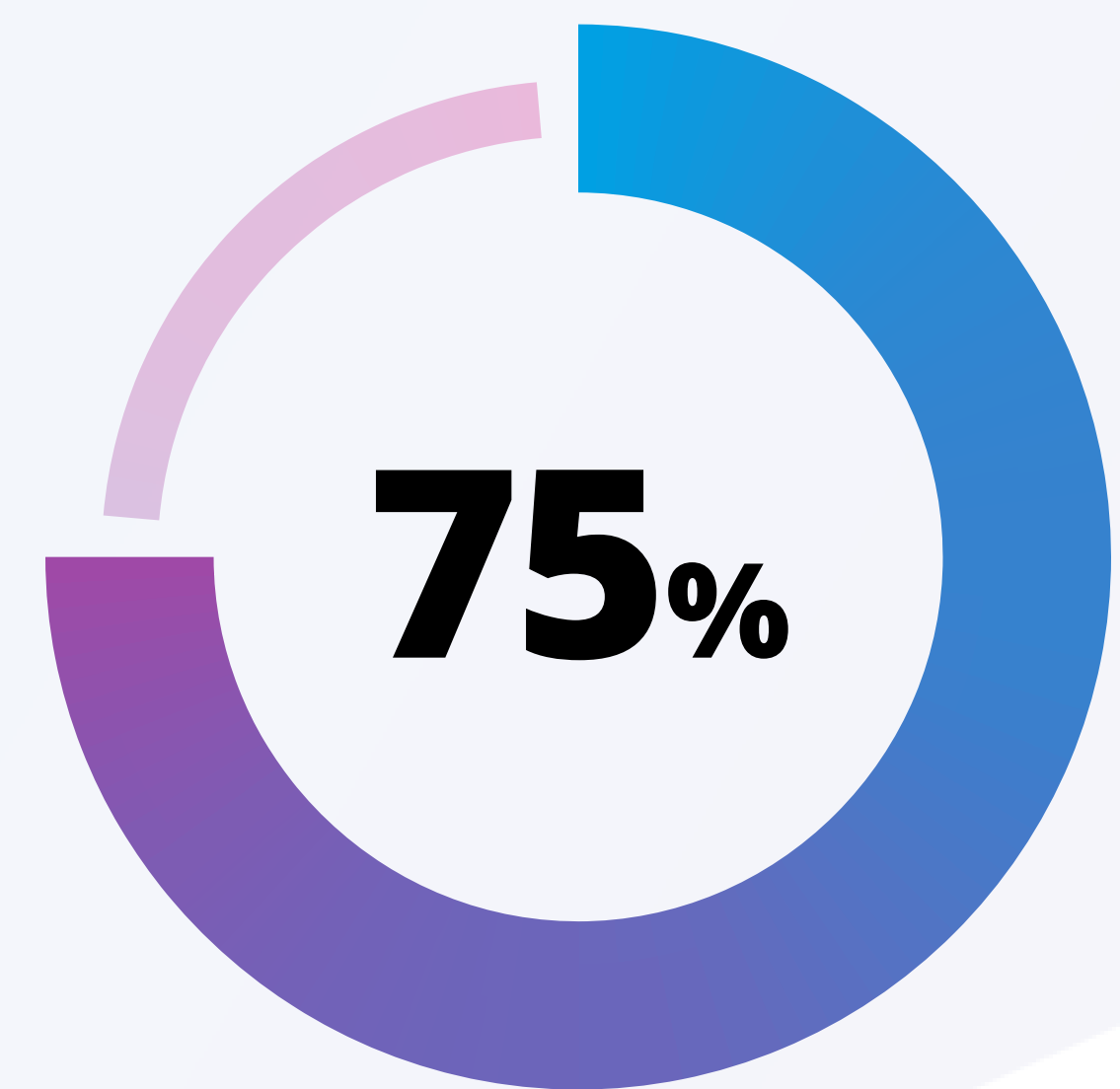
Priorities are infrastructure, engagement and measurement



Of loyalty executives consider it important to **invest in infrastructure** for their loyalty programs in 2022.



Of loyalty programs that displayed a high active member earn rate have stated that they want to **invest in better Measuring and Reporting** as one of their top 2022 loyalty investments.



Of brands with high active member engagement choose **personalization**, **automation**, and **mobile experience** for their **top 2022 loyalty investments**.





# Loyalty Highlights: Future Tech Investments

Emerging technologies are the priority for the most successful brands

**Brands with a higher active member spending rate tend to choose “Emerging Technologies” as their tech investments for 2022.**

**50%**

Choose “Emerging Technologies” \*

\* Emerging Technologies includes Blockchain-based loyalty infrastructure, NFTs as rewards, AI and Machine Learning

# Delivering Contemporary Insights

## On The 2021-2022 Loyalty Scene

### Data Collection and Analysis

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We launched **1 conclusive survey** that included **5 primary sections** and multiple sub questions per section.

The data analysis resulted in more than **20 relevant data points** that were reduced to a total of **7 buckets of key trends**.

### Primary Sections:

- Loyalty Program Background
- Earn-Side of the Program
- Spend-Side of the Program
- 2022 Loyalty Investments
- 2022 Tech Investment

Additionally, we conducted public research that collected data from **70 additional brands**, which fit our search criteria. This was done to obtain a broader understanding of what key brands in the loyalty scene were doing and the scope of the loyalty scene.

In the “Key Trends” section of the report we primarily used the data from the interviews (**23 different questions**) that we conducted with experts from leading **loyalty programs with 10m+ members**. Including positions such as: ‘Head of Loyalty’, ‘Loyalty Program Manager’, ‘Loyalty Executive’.

*Note: Survey participants were kept confidential, so no explicit brand names are mentioned when making references or when giving data points.*

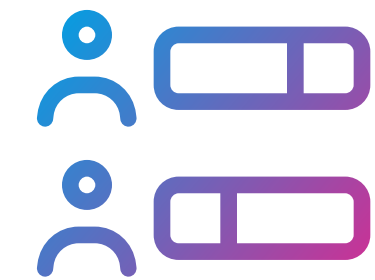


# Top 5 Pain Points Loyalty Program Executives Face



71%

Low Member Engagement



71%

Low Member Acquisition Growth



54%

Low Nr. of Engaging Redemption Options



46%

High Partner Management Costs



33%

High Points Liabilities

### What Are «High Points Liabilities»?

As previously estimated by **Forbes**, in **2021** there were as much as **\$100 bn in unclaimed loyalty points**. These unclaimed loyalty points are converted directly into liabilities in the balance sheet of these programs

High liabilities and low growth and engagement are consistent with the low number of redemption options. **More engaging options will drive engagement** and reinforce program value.

50%

Of loyalty executives that selected “High Points Liability” as a pain point, answered “No” when asked about enabling conversion of points for their users.

### Low Member Engagement and Boring Redemption Options

Brands need to start offering better and more engaging rewards. One way to **create leverage** and **offer new redemption options is by enabling conversion of points**, which will result in more value for members, and more engagement.

This not only combats the **low member engagement that 71% of brands reported**, but also helps solve another prominent pain point that brands face, «Low Number of Engaging Redemption Options».

88%

Of these loyalty programs also displayed a low active member spending rate.

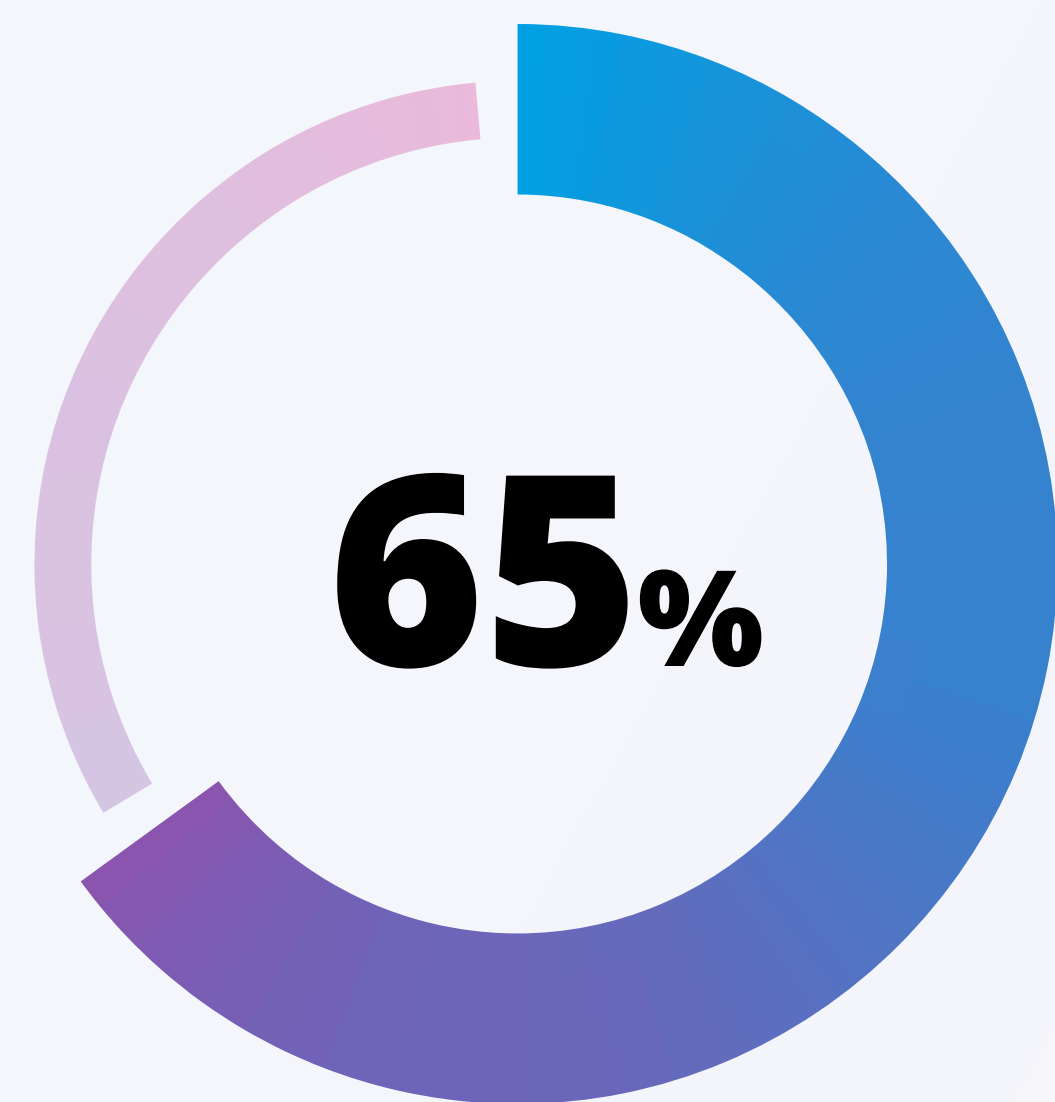
## Key Trend #1

# More Redemption Options Leads to More Customers Spending

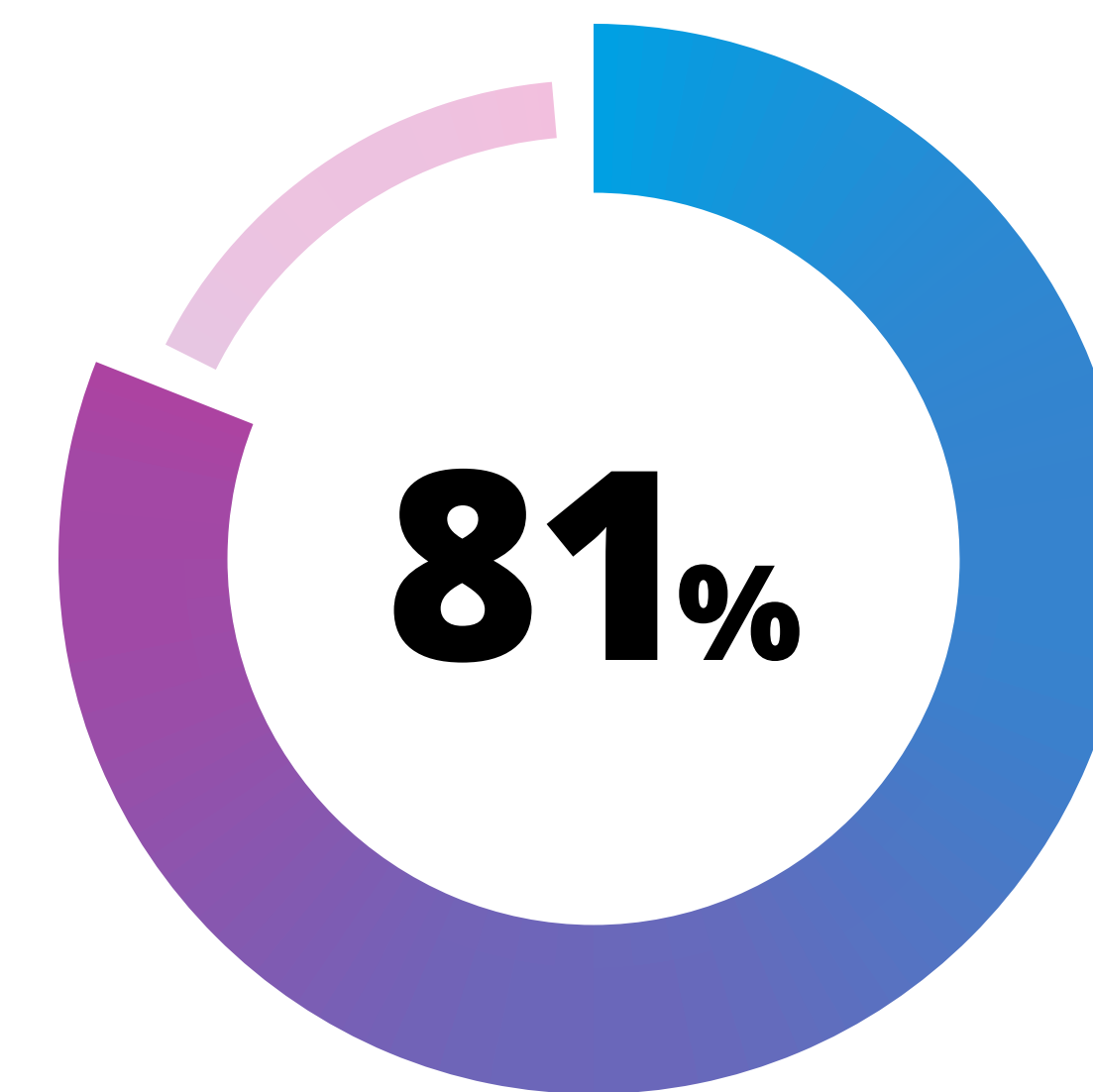
## Why Are a Large Number of Engaging Redemption Options So Vital?

When breaking down 'Customer Spending', it is relevant to observe the way in which members earn and spend points, **66% of consumers modify the amount they spend in \$\$ to maximize points earned** (Bond Loyalty).

Many quality redemptions options **give greater value to your loyalty points**, which triggers the motivation for your customers to earn more loyalty points, through your various activities and subsequently spend these loyalty points on your catalogue of rewards!



Of loyalty programs with low customer spending, also have a low number of engaging redemption options.



Of these programs do not enable the conversion of loyalty points!

## 2022 Brand Insights

**83%** of Brands with high member engagement and customer spending, offer **5+** redemption options and enable conversion of points.

**Key takeaway:** adding redemption options drives engagement and spend.



## Key Trend #2

# Successful Programs Prioritize Member Growth and Engagement

### What Are Programs With High Active Member Engagement Focusing on?

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87%

Increase Member Engagement

52%

Boost Member Acquisition Growth

42%

Decrease Member Churn \*

\* Member Churn = # of members leaving the program, subscription or membership

### Leveraging Loyalty Points To Drive Acquisition and Engagement

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Your members want to engage with your loyalty program but as we previously explored, it's a matter of providing the right incentive!

### Why are they so successful and what can we learn from them?

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Loyalty Programs that have high active member earning tend to have high active member spending. These brands also enable conversion of points and focus their 2022 goals on primarily boosting acquisition as well as engagement.

What else are brands doing to boost their member engagement and growth?

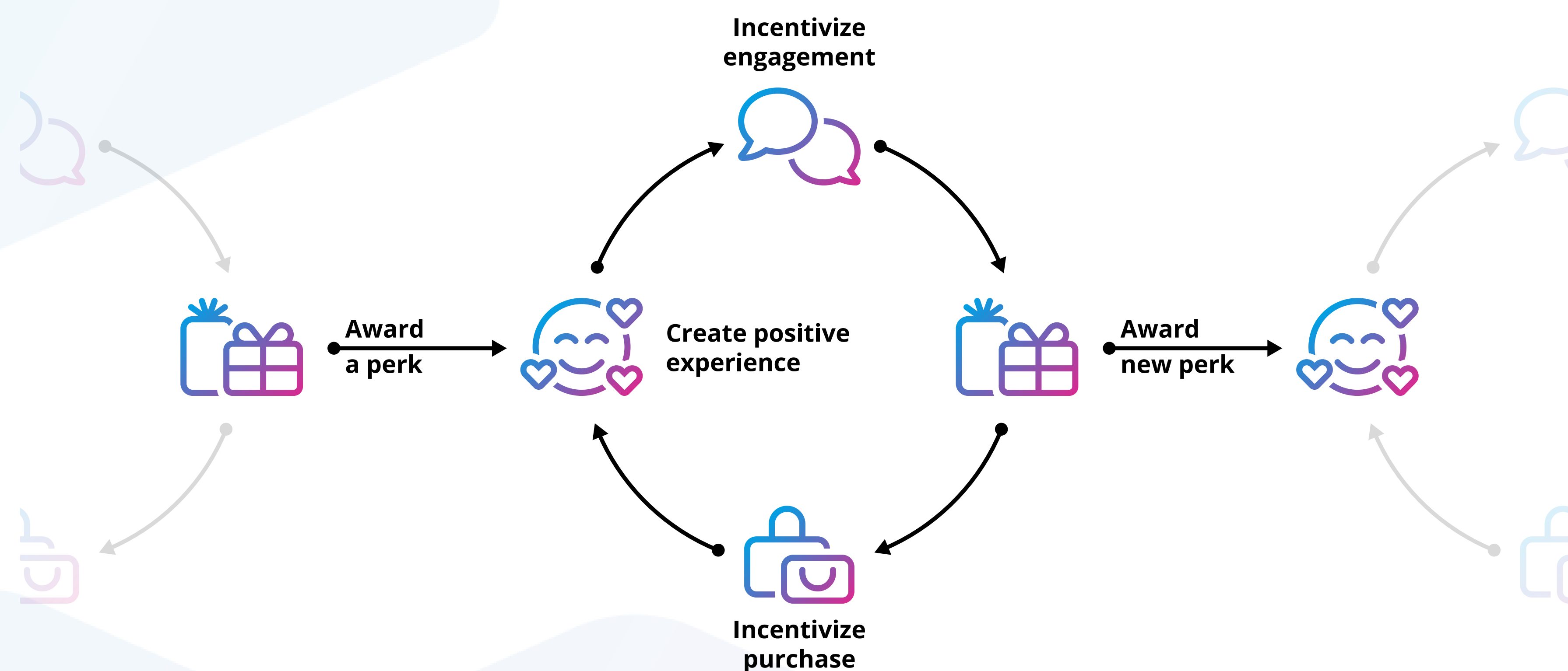
## Key Trend #3

# Special Perks and Tier Systems – Adding More Value To Your Program

## Special Perks and Tier Systems

Special Perks and Tier Systems give a loyalty program the opportunity to provide an exclusive experience that gives the customer an emotional value beyond simply the financial benefits. The value of unique perks is clearly reflected by the data, which indicates that **50% of loyalty executives** are planning to **invest in experience-based rewards** for 2022.

Various brands utilize these program mechanics to boost engagement and push member acquisition by offering more value through the same assets. With **47% of brands** incorporating tier systems in their program, it begs the question: “What do brands exactly gain from tier systems and how effective are they?”



## Tier Systems

Tiered loyalty programs can be beneficial for a variety of reasons, besides **increasing customer satisfaction** and **sustained engagement**.

They also **incentivize higher member earn rates**, as members need to obtain more loyalty points to reach the next tier and unlock extended value.

**2.5x**

Higher earn rate observed by brands that integrated tier systems.

## Special Perks

Alternatively, many programs utilize “Special Perks”.

**33% of loyalty programs integrated special perks**, such as ‘Suprise Perks’ or ‘Membership Perks’, with **22% experiencing higher customer spending as a result**.

**Key Takeaway:** both perks and tiers help brands and their programs “recognize” customers and their value, so that they feel loyalty back from the brand and program.



## Key Trend #4

# Higher Customer Spending and More Members By Expanding The Partner Portfolio

## The Issue With Isolated Loyalty Programs

**53%** Of brands **don't offer** their members any way to **earn through partnered brands**.

**These brands leave an average of \$150M on the table\***, in comparison to brands which enable members to earn through partners.

\* Assuming 25\$ revenue per member per year (from rewards sold to partners) >> x6M members (average from the brands surveyed that are open to partner-earning).

**71%** Of brands **don't offer any partner products or services as redemption options** in their loyalty program.

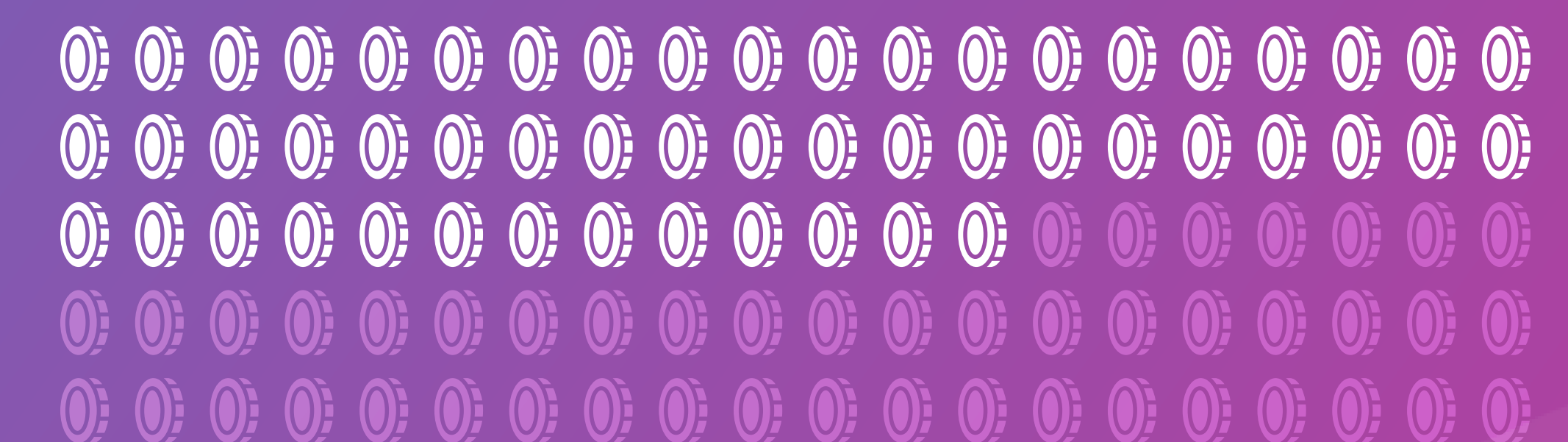
These brands also displayed a **lower customer spending of approximately 63% less** than brands who did offer partner products/services as rewards.

Overall, the **use of points conversion as well as earn and reward options that are partner-based**, has shown to be **beneficial in terms of customer spending and engagement**. Additionally, providing great leverage when boosting member acquisition as it can be used as a selling point!

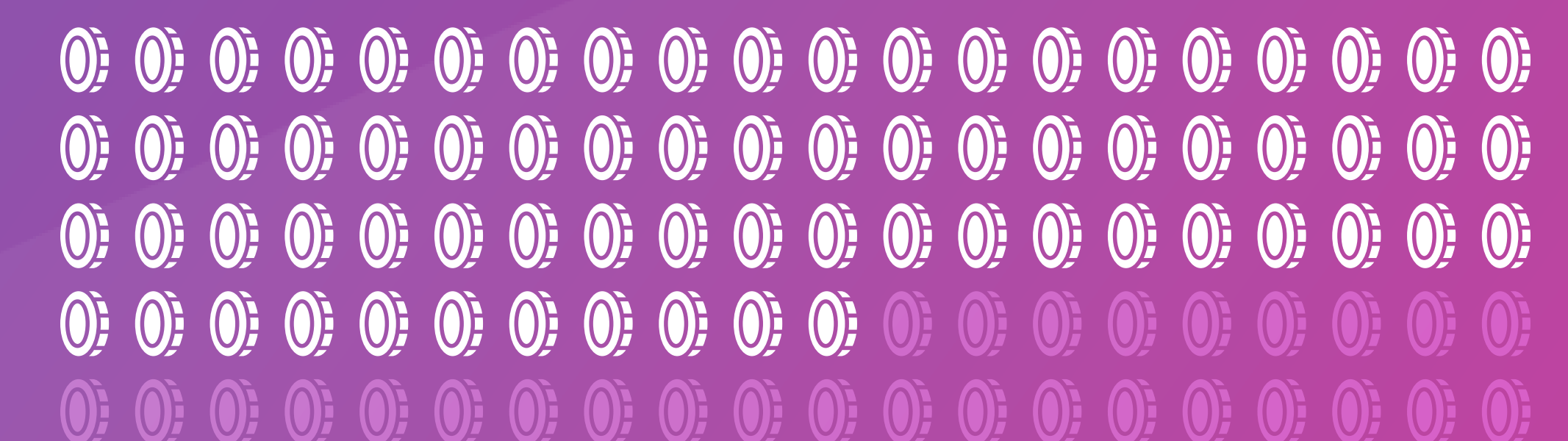
## 2022 Brand Insights

Interestingly enough **only 32.2% of brands enable conversion of points** but the benefits are clearly reflected with these same brands having a **66% larger average active member account** and nearly **40% more customer spending**.

53/100



71/100





## Key Trend #5

# High-Engagement Brands Focus On Member Experience Investments For Their Loyalty Program

### Upcoming Loyalty Trends and Investments

From a total of **13 different loyalty investments**, brands with high active member engagement mainly focus on quality-of-life investments. When referring to “member experience” investments, these are categorized as improvements or advancements that decrease the friction when interacting with a loyalty program, thus increasing the quality of the customer’s “life” / experience.

**75% of brands with high member engagement** chose to **focus on “personalization”, “automation” and “mobile experience”**, as their top priorities for their loyalty program in 2022.



**75%**

Mobile Experience



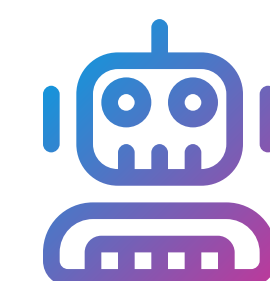
**71%**

Rewards and Benefits



**67%**

Personalization



**67%**

Automation



**58%**

Partnerships



## Key Trend #6

# 2022 Tech Investments Center Heavily Around Emerging Technologies

### Leveraging Emerging Technologies

Although the Metaverse was such a hot topic for 2021, **0% of loyalty executives selected “virtual reality”** as one of their tech investments for 2022. On the other hand, **NFTs and Blockchain** were highly sought after with **55% of loyalty executives** choosing these tech investments for 2022.

### Blockchain and NFTs

Blockchain technology has been developing rapidly over the last few years, with many use-cases arising along the way. Most notably utilizing the technology to develop an optimized loyalty-infrastructure.

Brands that are considering or already implement **a blockchain-based loyalty infrastructure** tended to have **37% higher customer spending**. Further supporting the notion that brands which strive towards technological progression and innovation, perform better in the long-term.

Another tech advancement that has started to gain traction in the loyalty scene, is NFTs as rewards. **With 22% of loyalty executives already rating this as one of their top tech investments for 2022.**

**Key Takeaway:** a majority of brands are investing in blockchain and NFT investments for 2022 and beyond.

33%

Blockchain-Based Loyalty Infrastructure

26%

Machine Learning

22%

NFTs As Reward Options

19%

Artificial Intelligence

# About qiibee

## Loyalty on the Blockchain

### The leading blockchain-based B2B Rewards Marketplace

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Our mission is to unlock the purchasing power of the billion \$ rewards economy by making all rewards exchangeable in one decentralized loyalty ecosystem.

Brands can easily integrate with our blockchain-based rewards marketplace to add more redemption options to their loyalty program or sell their rewards to other brands.

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# Get more from the Loyalty Report

qiibee's Global Loyalty Trends Report 2022

**Contact us for more details on the report findings, or to learn about what we do via scheduled demo call with us.**

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✉ [loyaltyreport@qiibee.com](mailto:loyaltyreport@qiibee.com)

☎ Schedule a demo call with us



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