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Consumers desire loyalty programs and luxury brands can help: report

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Mobile rewards programs can be a draw for customers and help brands retain them as well

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Mobile loyalty programs have been taking off with 64 percent of brands reporting an increase in loyalty membership over the past year.

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This data comes 3CInteractive's new "2017 Mobile Loyalty" report. The research brings together last year's report on the growing desire for mobile loyalty programs from consumers and this year's data to find out if brands have been meeting consumers' desire or not.

"This report shows that while brands are making improvements in their efforts to create and transition to mobile-enabled loyalty programs, there is still a lot of work to do," said Margie Kupfer, vice president of marketing for **3Cinteractive**, Boca Raton, FL. "Simply put, consumers expect a seamless experience across physical and digital properties, and this includes using their loyalty benefits via a mobile device.

"Our research shows this drives more frequent visits and purchases," she said. "Luxury brands in particular, who count on experiences and rewards to drive revenue rather than coupon discounting must continue to focus on mobile and integrating their own loyalty strategies.

"The luxury consumer is tech savvy and expectations are high to keep with the latest technologies such as chatbots and intelligent agents."

Mobile loyalty

Overall, feelings toward mobile loyalty programs have not changed much on the consumer side.

3CInteractive still reports that they would shop at a store more often if they had a mobile loyalty program, 59 percent to 62 percent since last year. Consumers still believe that they require too much information to sign up jumping from 67 to 62 percent since the year-ago.

Consumers also maintain that they would sign up for mobile loyalty programs if they were streamlined and easy to join, though this metric has dropped a bit from 72 percent to 66 percent since 2016.

But where things have changed is on the brands' side, where more have taken to mobile as a way of communicating with and retaining customers.



Consumers' desire has changed little

Last year, only 34 percent of brands saw an increase in their membership programs while this year that number has jumped up to 64 percent. Additionally, brands that offer deals or promotions through loyalty memberships jumped from 12 percent to 51 percent.

These numbers signal that brands are finally listening to the desires of consumers and leveraging mobile to help them shop better.

This does not hold true all over however, as there are still some brands without the resources or knowledge to develop high-functioning, streamlined mobile platforms.

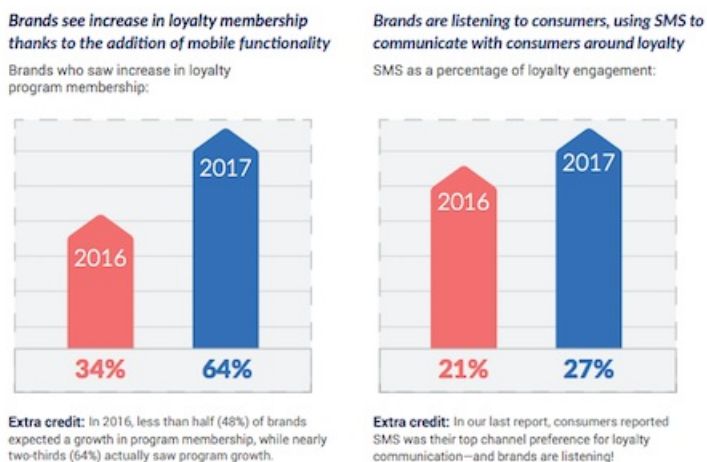
The next biggest trend in mobile marketing and shopping in consumers' minds is intelligent assistants. Things such as Siri or Google Assistant as well as chatbots from brands are what customers are looking forward to seeing from their brands of choice.

Rewards program

While loyalty programs may call to mind images of rewards cards from fast food joints, they can be effective for all sorts of brands, up to and including the luxury world.

For example, Etihad Airways created a rewards program targeted towards people in the fashion industry.

Runway to Runway is a custom loyalty program developed alongside IMG, featuring perks such as discounted cargo rates and group travel rates, ideal for sending an entire team on location for a photo shoot. In 2016, Etihad began positioning itself as the airline choice for fashion, making this membership option a way to enhance its appeal for those in the industry (see story).



Brands' response to consumer desire for loyalty programs has changed positively

Hotels have also gotten in on the action such as a recent program introduced by Jumeirah Hotels.

Jumeirah Sirius, named after the brightest star in the sky, is a recognition and rewards program for guests of Jumeirah hotels, resorts and residents around the world. At its current state, Jumeirah Sirius is designed to reward guests when they stay, dine, relax or shop within the Jumeirah portfolio of properties, but a new program scheduled

for a mid-2017 launch will expand potential perks ([see story](#)).

While luxury brands may not typically think of rewards programs as necessary, they can be a vital tool in targeting and retaining customers.

"We've found the biggest obstacle for a brand in virtually every industry is having the necessary skill sets to fully integrate their loyalty programs into a mobile environment," 3CInteractive's Ms. Kupfer said. "This includes both the strategic components to build out the program as a starting point, as well as the IT resources to make it happen.

"We've heard from brands that very often resources are stretched to capacity and find the process daunting," she said. "But it does not have to be, there are simple ways to get started and build from there."

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