

A Guide to
Reward
Programmes
The Traveller's
review



An introduction to your guide

With three quarters of all travellers influenced by reward programmes, it has never been more important to understand what programme members desire from your reward programme.



Customers now have a greater voice in shaping the brands they engage with and expect greater levels of customer centricity with the products and services that they consume, so it is no longer adequate to assume we understand the needs of our programme members, nor is it appropriate to simply benchmark against the norm.

Nobody knows what programme members want better than they do, so we decided to ask the right questions to over 4,000 respondents across the globe, in partnership with research specialist, Vanson Bourne, to find out what they think. The results have been startling, so we've produced this short guide to give you, the reward programme and loyalty manager, a helping hand in better understanding the requirements of your current and future programme members. The full commissioned report will be available in the New Year.



Reward programmes evolve

Reward programmes are now prime movers in the travel industry and their importance increases as travel grows. Today, more people than ever are travelling and – with growth driven in areas such as Asia Pacific, Middle East and Africa – they are travelling further too. In crowded and highly competitive markets, the added value that reward programmes bring to your customers can be the catalyst that drives lifelong – and mutually valuable – relationships.

The digital revolution and explosion of personal connected devices such as smartphones and tablets opens up a wealth of opportunities; not least the ability to journey beyond one-size-fits-all models to highly tailored programmes. It's a chance to recognise your customers and reward them in the ways that they truly appreciate –

a competitive edge that will attract, delight and keep individuals for the long-term, whilst increasing profitability for your travel brand.

As economies, technologies and travellers have moved on since traveller rewards emerged in the early 1980s, it is important for you to ensure that your programme stays relevant and appealing.

The business case for any investment in a 21st century reward programme needs to be built on the returns you gain from that investment. Our research shows that failing to deliver the rewards your customers appreciate represents a significant business risk. To put it simply, reward programmes are often the tipping point between choosing your company or a competitor's.



What's the verdict of the modern day traveller?

We wanted to understand what travel reward programme members currently think of their programmes.

The Customer Reward Programme Index

●●●●●	5 star	= Great!
●●●●○	4 stars	= Could do better
●●●○	3 stars	= Average
●●○	2 stars	= I'm not impressed
●○	1 star	= I'm leaving your programme

We asked reward programme members about the impact their travel reward programme has on their purchase behaviour.

74% told us that they are sometimes, often or always influenced by their programme

In effect, that's around 3/4 of all your members potentially choosing a competitor if your reward programme is not up to scratch.



How good are travel reward programmes



We wanted to see how travel reward programmes stack up against reward programmes from other industries.

- 1 Retail**
(supermarket, store etc.) 
- 2 Food and drink**
(coffee shop, restaurant etc.) 
- 3 Financial**
(banks, credit card etc.) 
- 4 Travel**
(airlines, hotels etc.) 
- 5 Entertainment/leisure**
(cinema, theatre, gym etc.) 
- 6 Other reward programmes**
(such as mobile, utilities etc.) 

Despite travel reward programmes being around for over 30 years, it is quite clear that they have somewhat fallen behind the perceived performance of programmes offered in other industries.

67% of respondents are also not fully satisfied with their travel reward programme

This begs the question, how can you improve your programme?

Ease of use

It's quite clear that many travel reward programmes are not currently creating the right impression. With **64%** of members suggesting travel reward programmes are not very easy to understand and **63%** telling us they are not very easy to use, there is clearly some work to be done to improve this rating.

What's more...

69% are also not really impressed with the service they receive

If the user journey is poor members will look to other suppliers.



Diversity and quality of rewards ●●

86% of travel programme members think a greater choice of rewards would improve their programme

34% of respondents would like rewards that are not part of the brand's own range

Quite simply, if the member does not feel that the rewards are relevant or desirable, they will look to shop elsewhere.

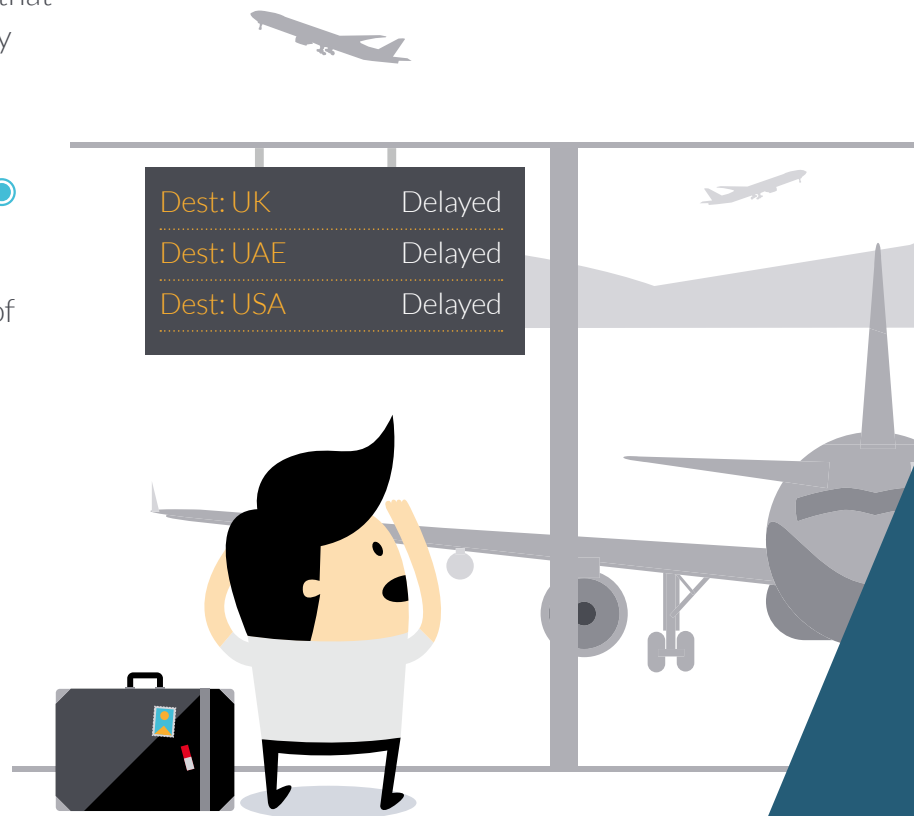
Value offered by the programme ●●●

A member must feel value from your programme. The top 3 member criticisms of reward programmes are:

1. It takes too long to get rewards
2. Rewards cost too much
3. Not enough choice of rewards

Travel programmes are underperforming against the leading retail programmes where almost **40% of members** have not experienced any of the surveyed negative issues.

There are clearly lessons to be learned here.



So what improvements do members suggest?

Sometimes when you are looking for new ways to improve your brand offering, it's easy to forget that the best way to generate new ideas is to ask people for their input.

50% of respondents say they don't hear from their programme very often which certainly gives us food for thought.

Especially since our survey shows that **77% of travel reward programme users** are eager to contribute their opinions and identify areas where they feel improvements can be made.

82% of travellers want to choose which categories of rewards they want

78% of travellers would like reward programmes to be easier to understand

These are relatively simple fixes for any programme to implement, but they can have a big impact on customer satisfaction.

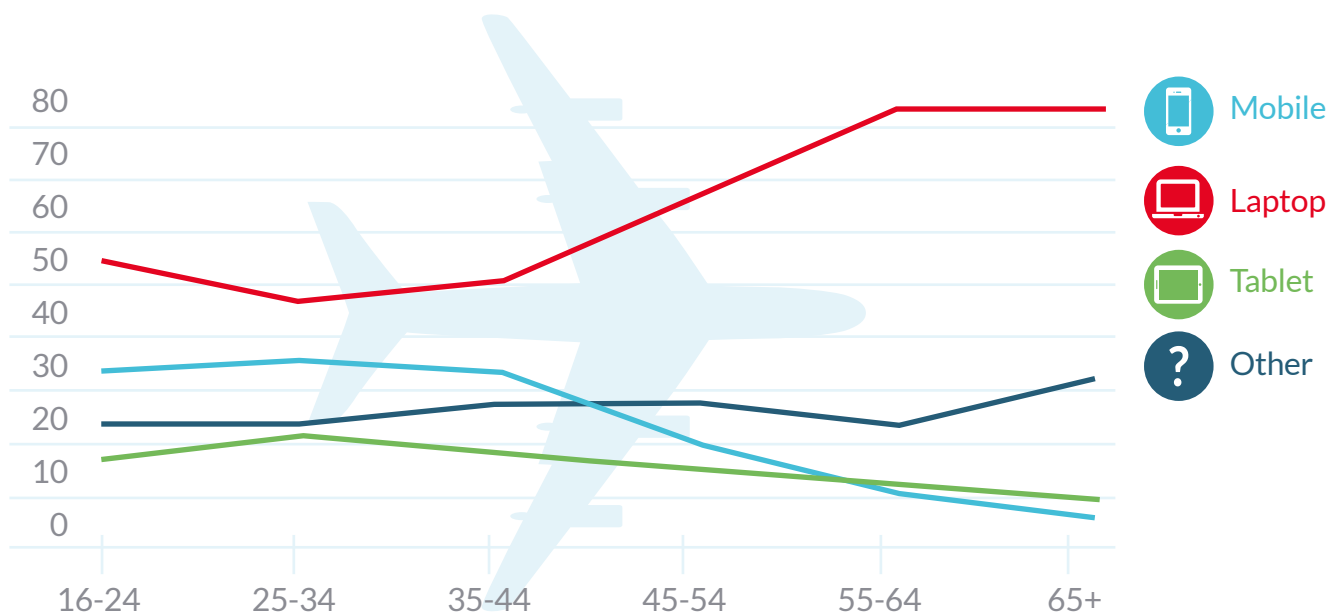


See reviews for: Relevance

Our survey shows that relevance is a critical factor in any travel reward programme – but too often, we focus on similarities between customer demographics and ignore what makes customers different – be that by geography, gender, age, income, or a host of other variables.

It's easy to focus on the “average consumer”, as it was traditionally thought that this would

leverage the best returns from cost efficiencies. But consumer preferences are emerging, revealing important differences that can't be ignored. For example: the explosion of personal devices such as smartphones and tablets has led to new behaviours across age groups, highlighting significant differences in the way consumers want to interact with brands. Take a look at the range of redemption methods preferred by different age groups to see just how understanding different segments' preferences can inform your programme development.



In summary

To genuinely improve the way your members perceive your programme, you need to understand who your customers are and what it is that they are likely to find rewarding. Deeper insights into customer behaviours give travel operators a critical competitive edge.

The challenge is that collecting this data, analysing it effectively and using the resulting insight can be difficult.

The research undertaken aims to highlight to airlines, hotels and other travel brands: who their members are, what their members really think of their programme, and how they can tailor their offering to ever-evolving customer preferences.

The current rewards landscape is changing, and your brand needs to stand out.

For more information

We hope you enjoyed our initial travel guide into reward programmes and we look forward to any feedback or questions you may have.


To contact us about the guide, request additional copies or to sign up for the full report in January 2015, please contact us on one of the below:



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Full traveller's
report available
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