

2021 Europe Customer Loyalty Report

Leading in
Personalisation,
Investing in Data



antavo

Regional Insights by

ACXIOM

MULLENLOWE
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Executive Summary

The **Europe Customer Loyalty Report 2022** delivers insider insight into the world of loyalty programmes in the region. It provides a grand tour across the current and future landscape of loyalty programmes, focusing on both technological and strategic aspects. As such, it's recommended for all brands, no matter whether they already offer a loyalty programme, are planning to launch one, or are in the process of a revamp.

This report is based on a global survey of **over 320 corporate respondents** from all regions of the world and compares the global results with data specifically provided by European respondents. The report also pulls data from **4.4 million Europe-specific member actions** tracked via Antavo's Loyalty Management system, additional insights from European loyalty experts and interviews with respected industry professionals.

The Europe Customer Loyalty Report 2022 is meant to be a sanity check for the C-level marketing community.

It will help decision-makers compare the current state of European loyalty programmes with global trends in order to identify growth opportunities for their upcoming loyalty projects.

Whether you are a long-standing player in Europe or plan to enter the market, this report will give you the insight you need to switch your loyalty programme into high gear and stand out from the competition.

According to survey responses, collected by Antavo, the European region stands out in the following ways:

- **40.6%** of European programme owners reported that they currently reward member behaviour outside of the buying cycle, scoring above the global average by 16.5%.
- **56.3%** of programme owners use some form of personalised rewards or offers, which is 15.8% above the global score.
- **50.0%** of European companies offering a loyalty programme reported that the marketing team is very dependent on the IT team to manage the loyalty program — 6.0% above the global response.

However, there's also some catching up to do:

- **63.2%** of existing programme owners are planning to reward member behaviour outside of the buying cycle in the next three years, falling short of the global average by 14.1%.
- **15.6%** of programme owners classified their programme as more emotional than rational — 5.1% below the global average.



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Welcome to a New Age of Loyalty

Dear Marketing Leaders and Loyalty Professionals in Europe,

In the post-Covid world, brand loyalty and customer engagement have taken a completely new direction. Old retention and acquisition strategies are no longer as effective as they used to be, forcing businesses to walk the path of innovation. **Due to this new era of digital transformation, loyalty programmes are experiencing a renaissance**, but what features are popular with European audiences? What are the current challenges and trends that will dominate the loyalty market? This report aims to answer these questions.

Diversity has always been an important part of the European identity, and it's no different for the loyalty market either. For this reason, we sought to **analyse the various loyalty trends in the region** to get a clear picture of how local companies think when it comes to engaging with their customers.

The in-depth report we have created serves to help both current and future owners of loyalty programmes see the current marketing situation in a new light. For this reason, we not only included statistics that are specific to Europe but also compared them to the answers that the global community provided for the same survey questions. We hope this provides the **360-degree view of European customer loyalty** you need to break new ground for the loyalty experience and stay ahead of the competition.

So get ready to discover new horizons for customer loyalty!



Sheila Power
VP of EMEA at Antavo

The Current Loyalty Programme Landscape in Europe

A High Desire to Revamp, Low Adoption of Emotional Loyalty

The past few years have proven to be a disruptive force for customer engagement. Brands were left facing a new customer reality, where buyers have been more aware of their choices than ever and are ready to switch brands whenever their expectations are not being met. This has put a considerable amount of pressure on loyalty strategy, so it's worth examining how European businesses evaluate the performance of their loyalty programmes.

Generally, European businesses gave favourable answers when asked whether or not the loyalty programme impacts their decision-making.

It's worth highlighting that this number falls short of the global score by 7%, hinting at the fact that some companies may not treat loyalty programmes as a pillar of their overarching strategy.



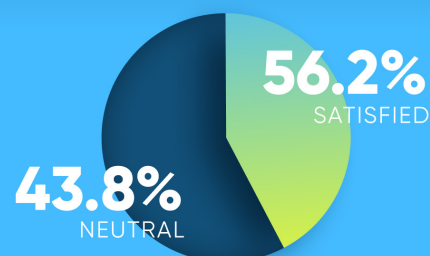
Loyalty's impact on strategic decisions

of loyalty programme owners agreed that when it comes to their company's overall strategic decisions, customer loyalty and loyalty marketing have an important impact. That is 7% below the global average.

In terms of satisfaction, the results are positive and don't diverge much from the global average. Therefore it's safe to assume that, in the region, these **programmes have a positive impact on the business**, or at least manage to meet the company's expectations in terms of contribution to sales and ROI.

Level of satisfaction

56.2% of programme owners are "satisfied" or "very satisfied", claiming that their existing rewards programme contributes to sales, delivers great ROI, and is popular among customers.



43.8% of respondents reported neutral satisfaction toward their loyalty programme, stating they could be getting better results. That is 1.5% more than the global average.

Also, European loyalty programme owners are not any more nor less likely to revamp their loyalty programmes than global respondents.

Still, more than **7 out of 10 companies planning a revamp is a high ratio**. This more than likely stems from a desire to improve on the existing foundation rather than from dissatisfaction, 56.3% of programme owners are satisfied or very satisfied with their loyalty programme and the remaining neutral, leaving no companies explicitly dissatisfied with the performance of their programme.

Intention to revamp current programme

71.9%



71.9% of existing programme owners claimed that they are "likely" or "very likely" to revamp their existing loyalty programme in the next three years, which is equivalent to the global score.

Less emotional programmes



15.6%



84.4%

GLOBAL AVERAGE

15.6% of respondents offering a loyalty programme classified their programme as more emotional than rational, scoring **5.1% below the global average**.

The only area where Europe really falls behind the global state of loyalty programmes is the ratio of emotional (non-transactional and experiential) and rational (transaction-driven) programmes, signalling that in the region, features such as **rewarding non-transactional behaviour and offering experiential rewards are still largely untapped**.

EXPERT PERSPECTIVE

“Gone Are the Days of One-Size-Fits-All Experiences”

“These results unsurprisingly show uncertainty amongst European companies for the current state of their loyalty programmes.

With growing Gen Z audiences and Gen Z mindsets, **customers’ behaviours and expectations are rapidly changing** and a new tone for loyalty has been set.

Gone are the days where there’s a one-size-fits-all ‘save all your points for the big prize’ solution. **Today customers expect brilliant everyday experiences** and with an abundance of choice, they are often more willing to switch brands if their expectations are not met. The bar has firmly been raised through the likes of Amazon Prime. Packing flawless customer experiences with meaningful added value across both functional and emotional benefits. Ultimately enticing customers to be more loyal.”



Dean Lanzman

Head of Data at **MullenLowe Profero**



Investing in Loyalty in the European Market

Seeing Great Value in Non-Transactional Engagement

Covid-19 and the digital transformation that followed have changed loyalty forever. Customer expectations have risen. Customers are no longer satisfied if they have only one channel to their favourite brand. As such, investing in seamless omnichannel loyalty experiences, personalisation and non-transactional engagement have become much more common. But what loyalty programme elements do European companies wish to invest in?

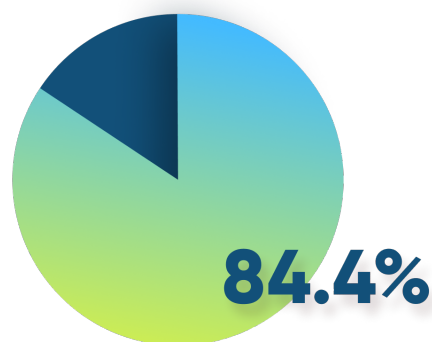
61.1%

of respondents reported that they had either increased or significantly increased development efforts for their loyalty strategy during the Covid-19 crisis.

On average, European companies with a loyalty program allocate 19.2% of their total marketing budget to customer loyalty program management and CRM.

Nevertheless, a large majority of European companies are interested in putting more effort and resources into the development of their loyalty programmes.

This sentiment strongly correlates with the fact that 71.9% of programme owners wish to revamp their existing systems, suggesting that these new programmes will improve on the original design in some capacity.



84.4% of respondents whose company offers a loyalty programme plan to increase or significantly increase their investments in customer loyalty over the next three years. This is 2.5% more than the global average.

68.8%

of respondents offering a loyalty programme reported that their organisation measures the ROI of loyalty, which is mere 1.6% more than the global average.

Also, survey results show that over two-thirds of European companies are actively monitoring their programme's performance. On one hand, this aligns with the previously mentioned trend of leaning towards the rational sentiment (which makes it easier to track the ROI). On the other hand, a **vested interest in measuring the programme's performance** shows that European brands are focused on retention, and wish to nurture their existing members.

The most noteworthy discovery involves the trend of engaging customers outside of the buying cycle.

Also known as non-transactional engagement, European companies are way ahead of others when it comes to rewarding friend referrals, product usage, a healthy lifestyle, or other everyday activities.

40.6%

of European respondents offering a loyalty programme reported that they currently reward member behaviour outside of the buying cycle, scoring above the global average by 16.5%.

Despite a **significantly high number of businesses already engaging customers outside of the buying cycle**, over two-thirds of respondents who not yet reward member behaviour outside the buying cycle in their loyalty programme reported that they plan to do so in the future, though that is slightly less than the global average.

This is most likely due to the fact that many companies are already doing so. Nevertheless, rewarding customers outside of the buying cycle appears to be a high-priority opportunity for European businesses.



63.2%

of respondents who offer a loyalty programme but not yet reward member behaviour outside the buying cycle plan to do so in the next three years.

EXPERT PERSPECTIVE

“Measuring True ROI Is No Easy Task”

“It’s great to hear that organisations are allocating a big slice, as well as increasing, their marketing budget to loyalty and CRM.”

*This is especially important as media is re-creating itself and 1st-party data strategies have become a top priority for all industries. What is particularly interesting is that 2/3rds of respondents say they measure the ROI of loyalty. **ROI being the key word here.** To truly measure ROI an organisation has to connect all its customer data points – from physical stores and human agents working for franchises; to tracking all digital environments and social media spaces; even through to partners’ data exchanges and capturing word of mouth. **Measuring true ROI is no easy task!***

*What we are seeing are CMOs working much more closely and collaboratively with CDOs, CTOs and CIOs, **building strong alliances that will enable them to align vision, strategies and goals** to be able to get both the marketing investments and measure the returns with greater accuracy.”*



Simon Chung

Director, Head of Strategy & Consulting,
Professional Services EMEA at **Acxiom**

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Personalisation of Loyalty Experience & Rewards

More Personalised Programmes Than Anywhere Else

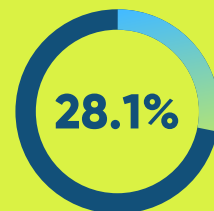
Though personalised experiences and custom-tailored offers have always been an important strategy to build trust and loyalty, they have become an essential part of any loyalty programme in the Post-Covid world. [KPMG](#) has also identified personalisation as a recurring opportunity across its country-specific Customer Experience Excellence reports. With that in mind, what sentiment have loyalty programme owners expressed in Europe?

It's safe to assume that, in Europe, the importance of personalisation is nothing new, considering that the region stands above the global average in terms of loyalty programmes that already feature some form of personalisation. Not only that, but **Europe ranks the highest among the three analysed regions** in this sense (Europe, North America and Asia-Pacific).

The importance of personalisation



56.3% of programme owners reported that they utilise some form of personalised rewards or offers. This is 15.8% above the global score.



28.1% of respondents reported that personalisation was their most important investment in the coming years.

Embracing personalised loyalty programme experiences and rewards is most likely the trump card for European programme owners.

Using hyper-relevant offers and messages is an excellent way to keep the membership experience fresh and interesting, and at the same time shield customers from switching over to the competition, as buyers are already receiving special treatment.

The high adoption rate of personalisation also explains why fewer companies plan to offer personalised rewards than the global average: because they already have a system in place.

As such, brands in Europe are likely to divert their attention to other, untapped loyalty programme features, such as experiential rewards.

It's also a possibility that instead of introducing different rewards, European loyalty programme owners plan to improve their personalisation strategy by adopting new forms of data collection, so they can allow even more precise targeting.

Therefore, their answers may indicate an intention to focus on the way data is leveraged because they've already established the associated rewards.

EXPERT PERSPECTIVE

“Don’t Just Revamp Your Programme, Transform It”

“Customer expectations are sky high – they demand highly-personalised engagement, super convenience, emotional brand experience and ultra-relevant rewards for their loyalty to brands.

These battlegrounds for brands make it no surprise that results have shown over 2/3rds are looking to revamp their loyalty programmes in the next 3 years.

Interestingly we’re also seeing Europe play catch up with the rest of world, with a focus on the foundational elements of data collection, integration, measurement and alongside limited internal resources, whereas the global focus is on more advanced loyalty initiatives that include experiential rewards and gamification.

Now, it seems, is the right time for European brands to not just revamp their loyalty programme, but to transform it.”



Simon Chung

Director, Head of Strategy & Consulting,
Professional Services EMEA at **Acxiom**

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Technology & Loyalty Platform Expectations

Seeking a Better Way to Manage Programmes

The success of a loyalty programme hinges on more than just the concept or the rewards: it requires the right technology as well. A sophisticated, flexible loyalty platform acts as a jumping board for marketers and admins to execute engaging, highly personalised reward ideas. But a common issue many companies only discover after launching is that poor platform usability can have a more detrimental effect on satisfaction, even more than low ROI.

When it comes to the source of their technology, European businesses represent a perfect balance.

This is due to that in the region, third-party and in-house technologies have been chosen in equal measure, according to survey results. Since both approaches have their pros and cons, this paints a rather diverse picture of European loyalty programmes technology-wise.

Intention to invest in technology

25.0%

of respondents reported that implementation/upgrade of marketing technology was their most important investment in the coming years.

In-house vs third-party technology

50.0%

of loyalty programmes are managed by a **loyalty technology solution** vendor and 50.0% of loyalty programmes are managed by **in-house technology**. This closely aligns with the global reality.



More important, however, are the responses regarding the convenience and usability of loyalty platforms. Over half of the respondents expressed heavy reliance on IT to manage their programmes, but 7 out of 10 European respondents wish to reduce this dependency. This means that even if a company is slightly reliant on the IT team's help, they still wish to further reduce that dependency, because **technology that is not user-friendly no doubt slows down creative processes.**

According to survey results, two-thirds of European respondents believe that they can remedy this issue to some degree through **no-code programme management.** Although the number is not as high as the global trend, there is still a clear interest in this type of technology.

63.0%

respondents whose company offers a loyalty programme or plans to launch a loyalty programme in the next two years "agree" or "strongly agree" with the fact that being able to set up loyalty rules without coding would be an asset for the company. This is 7.4% below the global average.

Dependency on IT teams

50.0%

of companies with a loyalty programme reported that the marketing team is very dependent on the IT team to manage it, scoring 6.0% above the global average.

74.1%

of respondents whose company offers a loyalty programme or plans to launch a loyalty programme in the next two years plan to equip marketing with the right tools and/or processes to reduce dependency on the IT team.

EXPERT PERSPECTIVE

“Marketing Teams Have Control Over the Customer’s Journey”

“Whilst IT teams are critical to the infrastructural development of loyalty programmes, ongoing success firmly sits in the hands of Marketing departments.”

Just like the more recent advancements of MarTech, Marketing teams have the analytical and targeting tools to be in firm control of their CRM and customer journeys. Companies who are quick off the blocks to **empower Marketing teams to have end-to-end control of loyalty programmes** will inevitably be in a stronger position to better understand the direct impact of their efforts and continuously react in real-time to be even more effective.”



Dean Lanzman

Head of Data at **MullenLowe Profero**



Trends & Challenges for European Loyalty Programmes

Spotlight on Omnichannel Experiences and Aligning Loyalty With Business Strategy

With the current state of European loyalty programmes evaluated, it's time to look at the trends and opportunities that the future holds. In the survey for the Europe Customer Loyalty Report 2022, respondents were asked to share their thoughts about what loyalty programme trends will become the most influential in the next three years and about the most pressing challenges they currently face.

Respondents were asked to select what they believe the most important loyalty trends will be over the next three years. Then their answers were ranked.

Top 3 Loyalty Marketing Trends

1. Personalisation
2. Utilising/leveraging loyalty data
3. Offering a seamless omnichannel loyalty experience

This ranking demonstrates the region's commitment to personalisation yet again. And the fact that data collection and leverage were seen as the second most influential trend lends further credence to the idea that European companies wish to further empower their loyalty experience by using data in a smart way.

Loyalty programme challenges

Programme owner challenges in Europe

1	Offering a seamless omnichannel loyalty experience
2	Integrating loyalty marketing into the company's main strategy
3	Limited internal resources and expertise to manage the programme
4	Measuring loyalty programme performance
5	Collecting and using customer data

Future programme owner challenges in Europe

1	Integrating loyalty marketing into the company's main strategy
2	Limited internal resources and expertise to implement a loyalty programme
3	Offering a seamless omnichannel loyalty experience
4	Collecting and using customer data
5	Building a solid business case for our future loyalty programme

Based on the responses, existing programme owners in the region find seamless omnichannel loyalty experiences the most challenging. This strongly correlates with the second challenge, as **being unable to create a consistent experience makes it very difficult to use a loyalty programme** as an effective marketing tool.

Additionally, ranking performance measurement as a challenge may explain why this region ranked below the global average for tracking programme ROI.

As for future programme owners in Europe, **the biggest challenge is integrating the loyalty programme into the company's strategy**, signifying that this is a problem both current and upcoming programme owners struggle with.

The limited resources for programme management falls in line with previous answers, showing that businesses are very interested in technology that makes their job quicker and easier.

A LOYALTY EXPERT PANEL

Four Trends on the Future of Loyalty Programmes

A group of experts was asked to share their insight about the future of loyalty programmes in the European region. Here is a rundown of their responses:

- **Don't just rely on third party data to fuel personalisation.** It's important to collect data straight from the source: your customers. Nurture these relationships and build brand trust.
- Though these trends are important, **creating emotional connections is fast becoming the best way to make customers love the brand.** Especially around sustainability, convenience and empowering the customer within the programme.
- Just offering a transactional loyalty programme is not enough anymore and, in the end, is too expensive to run for the benefit you get out of it! **Members expect companies to go beyond transactional loyalty programmes**, and organisations in Europe still need to adapt their programmes accordingly.
- **It is crucial to invest in digitalisation**, such as omnichannel marketing, in order to improve the member experience throughout the journey. Further, it is crucial that companies invest in their data strategy and assets, which means being able to serve each member on a 1:1 basis.

Brands and loyalty experts were interviewed for the anonymous panel with open-ended questions. Answers are aggregated.



Key Takeaways

Inching towards emotional loyalty

Programme owners in Europe are well aware of the potential benefits of loyalty schemes, and are generally satisfied with their own programme's performance. Still, 7 out of 10 companies plan to revamp, simply because they recognise that there are new ways to innovate. However, **the region slightly falls behind the global score in terms of adopting emotional loyalty** instead of rational, transaction-based methods.

Global leaders in personalisation

The results made it clear that **European companies are leading the way when it comes to personalisation in loyalty programmes**, with many existing programmes already boasting some form of personalised rewards or offers. As most brands already checked this box, they are turning their attention towards smarter data collection and leverage, so they can make targeting even more precise.

Investing in loyalty, especially in non-transactional engagement

A large number of survey respondents reported that they previously put effort into their programme, and they also wish to keep investing in it in the future. **Engaging customers outside of the buying cycle is especially popular**: a larger number of current programme owners in Europe are already doing so, and 2/3 of respondents who offer a loyalty program but not yet reward member behaviour outside the buying cycle plan to do so in the next three years.

Hunting for superior loyalty technology

Businesses in Europe are split in the middle when it comes to choosing between third-party loyalty and in-house technology. However, the majority shares the sentiment that, whichever they pick, it **shouldn't require programme managers to depend on the IT team**. Therefore, European programme owners are on the lookout for the right tools and solutions to make programme management quicker and smoother.

How to Take Action

Whether you plan to launch or revamp your loyalty programme, there are a number of ways you can improve on the concept to ensure maximum effectiveness and community appeal.

We have outlined an action plan based on the assessed trends, statistics and sentiments:

ACTION 1

Keep engaging customers outside of the buying cycle

From what we've learned, European loyalty programme owners seek to strengthen brand loyalty through a **strong focus on personalisation and engaging customers outside of the buying cycle**. Interestingly, despite this, very few respondents described their programme as emotional, which could simply be because they seek to engage customers in even more meaningful ways.

Nonetheless, by rewarding customers for actions that aren't transactional in nature — leaving a product review, referring a friend, using the app, donating old clothes to charity, etc. — companies not only **create more touchpoints to engage with their customers** but also show their programme members that they care, even if they aren't buying something at the moment. And this form of appreciation is what makes someone truly loyal.

ACTION 2

Fuel personalisation efforts with loyalty data

Loyalty programmes in Europe are way ahead of the pack when it comes to offering personalised rewards or offers. However, there are still ways to move to the next level: **data that's collected through the loyalty programme can be used to create sophisticated customer segments**.

The data then can be used to build more relevant communication. For example, gold-tier members would then receive specific messages or communications that reflect their heightened status and dedication.

ACTION 3

Explore the world of no-code loyalty platforms

Though programme owners in Europe wish to give their team the best tools possible to manage the programme, responses showed less interest in no-code platforms than in other regions. No-code solutions, as the name implies, are meant to **make technologies and features accessible and user-friendly** so that those tasked with running the programme don't need to rely on the IT team to change a campaign or offer.

Pure-play loyalty technology providers in particular are known for offering no-code solutions, so those who are considering using such a platform should consider going with a third-party provider.

Methodology

Data collection methods for the Europe Customer Loyalty Report 2022 included:

- A self-administered questionnaire survey (completed between September 9 and October 9, 2021, total sample of 325 respondents, 117 respondents from Europe).
- Individual interviews (European interviews carried out between February and March 2022).
- Secondary data analysis.
- Anonymous member interactions from Antavo's loyalty database, collected between 2018 and 2021, representing 25.6 million events (4.4 million from Europe) from 2.2 million customers.
- Additional insights provided by a number of industry experts.

The data was broken down into the European region and compared to the global results.

The descriptive and comparative analyses were carried out on the basis of the primary data collected using the survey. The results were stated at a 95% confidence level. Refer to the [Global Customer Loyalty Report 2022](#) for the complete methodology.

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The **Europe Customer Loyalty Report 2022** and accompanying survey were a collaborative effort between **Antavo** and several industry experts.

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Antavo is a Loyalty Management Platform for Enterprise

Antavo is an API-centric and no-code loyalty technology provider that builds comprehensive, enterprise loyalty programs.

Antavo was listed as a Representative Vendor in Gartner's 2020 Market Guide for Loyalty Management and was included in Forrester's Now Tech: Loyalty Marketing Q4 2020 and Now Tech: Promotions And Offer Management Providers, Q3 2021 reports.

As a global company, Antavo empowers clients like **BMW**, **KFC**, **BrewDog**, **LuisaViaRoma**, and more.

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