GO TECHNOLOGY

Insight by Zonal, Powered by CGA

Loyalty and technology in 2021

How consumers feel about loyalty in the year of COVID—and why the market's recovery in 2021 could create new opportunities for engagement
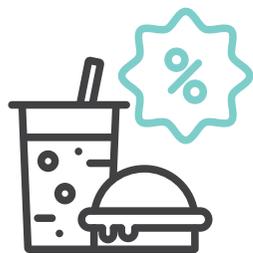
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PHENOMENAL DATA. EXPERT INSIGHT

Consumers' loyalty during the COVID-19 pandemic: Numbers to know

49%

OF CONSUMERS SAY **LOYALTY SCHEMES** ARE IMPORTANT IN THEIR VENUE CHOICES
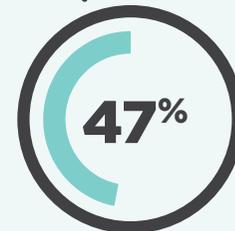
48%

OF CONSUMERS **WANT LOYALTY PROGRAMMES** TO PROVIDE DISCOUNTS ON FOOD AND DRINK—THE MOST PREFERRED BENEFIT

16%

ARE **MEMBERS OF MORE THAN ONE RESTAURANT, PUB OR BAR LOYALTY SCHEME**

36%

OF **BUSINESS LEADERS HAVE A LOYALTY SCHEME** IN THEIR MARKETING STRATEGIES

47%

USE A **LOYALTY SCHEME EVERY OR ALMOST EVERY TIME** THEY VISIT A **VENUE**

Loyalty Today and into Tomorrow:
Five key insights

GO Technology research reveals the popularity of loyalty schemes in restaurants, pubs and bars among both consumers and business leaders. Here are five of the big messages.

1 Half of consumers are attracted by loyalty schemes

GO Technology research shows that half **(49%)** of consumers in Britain think loyalty schemes are important to them when choosing which restaurant, pub and bar to visit—more than double the total of **22%** in February 2017. It rises to nearly two thirds of 18 to 34 year-olds **(64%)**, but drops substantially among those aged 55 to 64 **(31%)** or 65 and over **(29%)**.

2 Take-up is high

Once consumers start to use a loyalty scheme, they tend to make good use of it. Nearly half **(47%)** say they use a scheme every or almost every time they visit a restaurant, pub or bar—a sign of their effectiveness in driving repeat visits.

3 App-based programmes are preferred

Just over half **(52%)** of business leaders in the eating and drinking out sector who offer a loyalty programme say it is app-based. This is significantly higher than the number offering loyalty cards **(35%)**, highlighting the drive for consumer convenience in smartphone-friendly apps.

4 Consumers like money off

For most people, deals are the main driver for using loyalty schemes. Nearly half say they look for discounts in either percentage terms **(48%)** or cash terms **(45%)**, and free food and drink after reaching a set level of purchases **(37%)** is popular too. But non-monetary perks, like preferential booking **(14%)**, exclusive experiences **(13%)** and queue jumps **(11%)**, are much further down the list.

5 People are selective in their schemes

Consumers tend to limit the loyalty schemes they sign up for. Only **16%** say they are members of more than one restaurant, pub or bar programme, and just **2%** use five or more. It demonstrates the need for brands to provide their customers with compelling reasons to sign up.

Loyalty schemes in 2021: Five takeaways

After major changes to consumer behaviour during the pandemic, what will loyalty look like in 2021? Here are some key insights to help businesses take advantage of the opportunity to capture customers as they return to the market.

1. Now is the time to consider loyalty schemes

GO Technology research indicates that nearly two thirds **(64%)** of businesses do not yet offer a loyalty scheme as part of their marketing activities. With consumers eager to get to venues in 2021, it could be an excellent time to launch a new programme and secure their loyalty.

2. Safety is accelerating loyalty

The last edition of the GO Technology report showed the dramatic growth in the use of digital order and pay technology as a safety precaution. Two in five **(40%)** consumers say they feel safer in venues that provide this kind of technology, and incorporating a loyalty scheme into order and pay functions is a logical next step.

3. Use of loyalty apps will continue to grow

After the pandemic accelerated the take-up of apps for functions like booking and payment as an alternative to contact with surfaces. Many consumers have grown more comfortable in downloading and accessing apps, and they are likely to take this confidence into 2021 and beyond.

4. Loyalty schemes can power insight

Digital loyalty schemes give operators the chance to harvest valuable consumer data, which can make marketing strategies more effective. Using data from your loyalty programme helps provide tailored loyalty perks based on habits and preferences making your marketing campaigns more effective to encourage revisits.

5. Schemes need to be ready for the new normal

With an end to the pandemic hopefully on the horizon, loyalty schemes will have to be attuned to altered patterns of consumer behaviour. For people watching their spending, discounts are likely to be a big motivator. Maximise signing up through seamless integration with other digital functions like ordering and payment.

The loyal consumer

Key demographics of people who use loyalty schemes every or almost every time they go out

Gender
Male: **57%**
Female: **43%**

Age
18 to 34: **41%**
35 to 54: **36%**
55+: **24%**

Average monthly spend on eating and drinking out **£74**

59% Eat out at least weekly

White collar **51%**

The view from CGA

"The COVID-19 pandemic has changed consumers' attitudes to many aspects of eating and drinking-out, and loyalty is no exception. For obvious reasons, loyalty programmes have taken a back seat for both guests and businesses in 2020, but the dramatic shift towards technology solutions at all stages of the customer journey now provides a golden opportunity to turn people on digital loyalty schemes.

For those who are watching their spending, monetary and other rewards for loyalty are likely be a major motivator in 2021. There are development and margin costs to consider, but in such a difficult and competitive trading environment, generating repeat visits and targeted marketing are going to be more important than ever before—and well-run loyalty programmes could help to unlock both."

Karl Chessell, CGA Business Unit Director, Food and Retail

The view from Zonal

"Since customers embraced technology through online reservations, self-ordering and payment during 2020 and in response to the COVID-19 pandemic, there is an opportunity to maximise loyalty offerings through online channels. Not only does this offer customer convenience but could drive sign ups and repeat orders. By having applications integrated into one platform the operational burden of linking the solutions and data together is removed as the technology is doing the hard work for you."

Alison Vasey, Group Product Director, Zonal

About the data

This report is based on figures from Zonal and CGA's GO Technology survey, a sample of 5,000 nationally representative British consumers. All figures are taken from the Feb and Oct 2020 edition of the survey.

For further information on GO Technology, please contact **info@zonal.co.uk**