

Loyalty schemes are vital in the age of big data, research finds

New research from GI Insight shows that gaining customer insight through loyalty schemes is a powerful way of building stronger buyer relationships and that the vast majority of consumers see real value in these programmes...

The survey of more than 1,000 UK consumers (balanced by age, gender, region and social class) reveals that 76% do not want to hand over their data to a business unless it has a 'proper loyalty scheme'.

The new research report, *Putting Data in the Driver's Seat*, looks at how loyalty schemes have a powerful impact on the outlook and actions of consumers in the age of big data. The findings highlight the crucial role loyalty schemes play in gaining consumer confidence and trust and the big impact they can have on purchasing behaviour.

The research indicates that, in today's digitally driven marketplace, the consumer is much more aware of the use of personal data by organisations and its value to them, with 64% of survey respondents saying they are happy for a company to hold and use a considerable amount of detail on their personal preferences and circumstances as long as it uses this information to send them 'relevant and timely offers and communications'.

Loyalty schemes provide a platform for businesses to gather information on buyers, analyse that data in order to gain insight into the customer segments they serve, and then act on that knowledge. Many consumers take note when companies fail to acknowledge them as existing customers, with close to 40% observing that some companies have neglected to recognise them as regular buyers when they have visited their websites because, without a loyalty scheme, these firms have no way of identifying frequent customers.

Other key findings

Other key findings in the report that underline the ability of loyalty schemes to drive consumer attitudes and behaviour include:

- Eighty-seven percent of consumers say that a company having a good loyalty scheme has led them to continue buying from that brand over the last few years;
- Eighty-two percent of consumers confirm 'now that things are picking up' they will continue buying from businesses whose loyalty schemes have delivered value in recent years; and
- Thirty-three percent even switched purchasing from one brand to another in the last year because the company they moved to had a loyalty programme they liked.

Andy Wood, MD of GI Insight, said: "In the age of big data and omni-channel customer engagement, a loyalty scheme is a highly sophisticated way of capturing customer data that also provides a built-in mechanism for applying the resulting insight in a logical and highly targeted way. Companies need continuously to collect fresh consumer data to provide value to their customers through well-timed promotions that reflect these consumers' latest needs. A loyalty scheme does just that."

Wood continued: "Data is the most vital component of a successful loyalty programme and it is essential to employ the resulting customer insight to keep members engaged and further develop their relationship with the business. Successfully analysing customer activity can positively influence buyer behaviour and help a brand to really bond with these consumers,



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enabling companies with loyalty schemes to gain a significant competitive advantage."

For more information or to download the report, go to www.gi-solutionsgroup.com/gi-insight.

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