

# Brevo



**250 clients analyzed**

Behind the scenes of  
their loyalty programs

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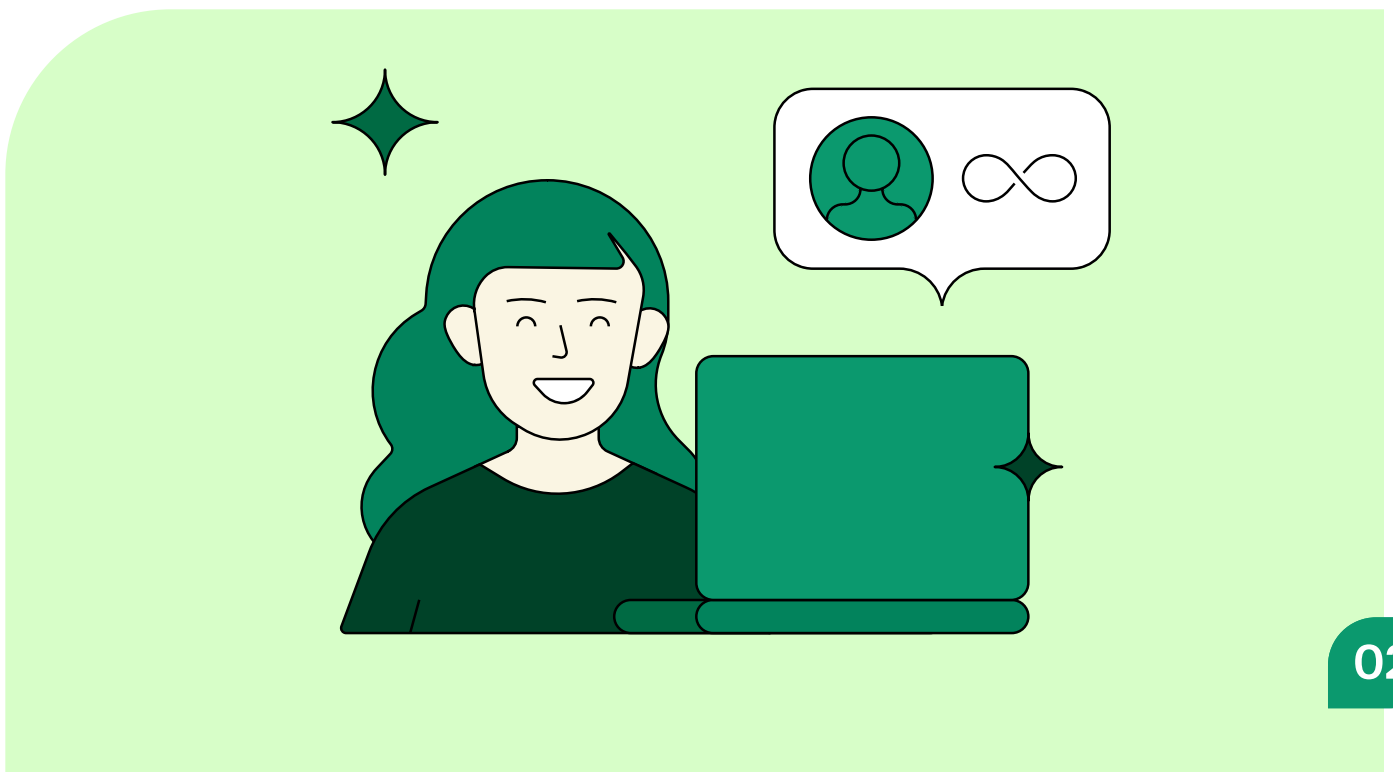
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# Introduction

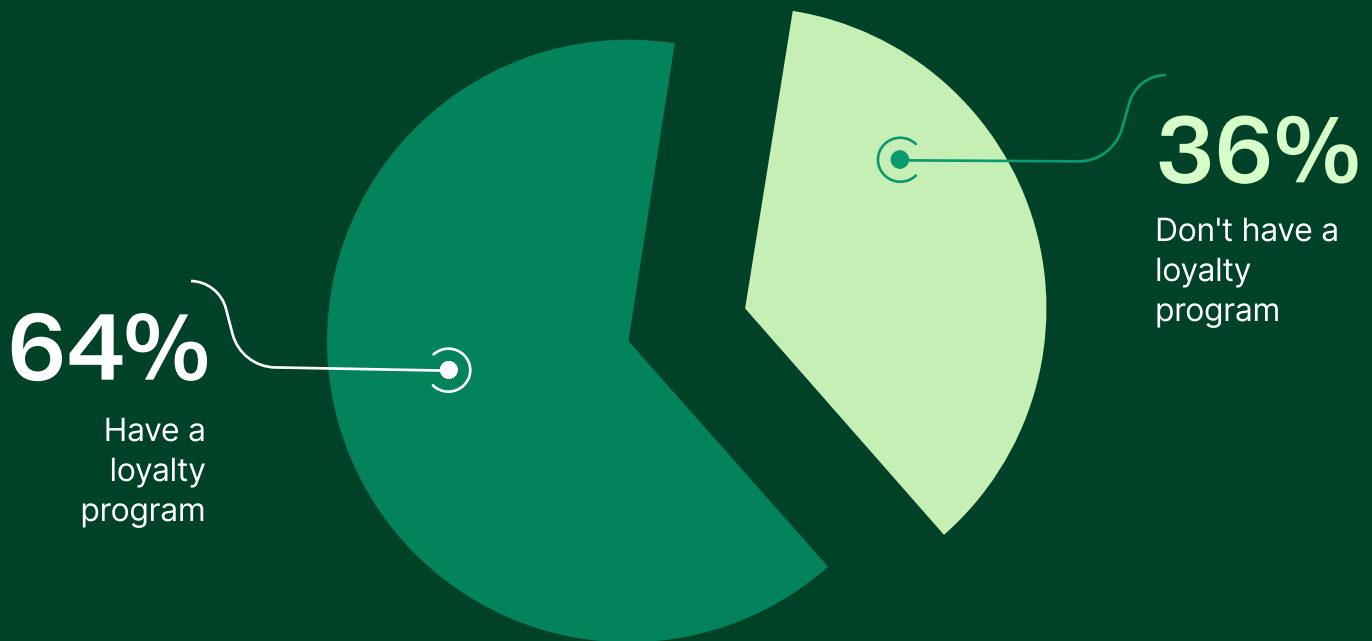
In an increasingly competitive environment with more brands present online, all with impressive campaigns, loyalty programs are proving to be essential tools for strengthening customer retention and commitment. This study looks at confidential data collected from over 250 of our largest customers, to understand current trends and practices in loyalty programs.

We will look at aspects such as the adoption of loyalty programs, the popularity of paid programs, the use tier-/spend-/points based programs, and the financial rewards offered. We will also examine the differences between industries in terms of loyalty program adoption and characteristics.

This analysis will provide you with valuable insights into how companies in different sectors use loyalty programs to build customer loyalty, and which practices are most common and effective.



# Adoption of loyalty programs



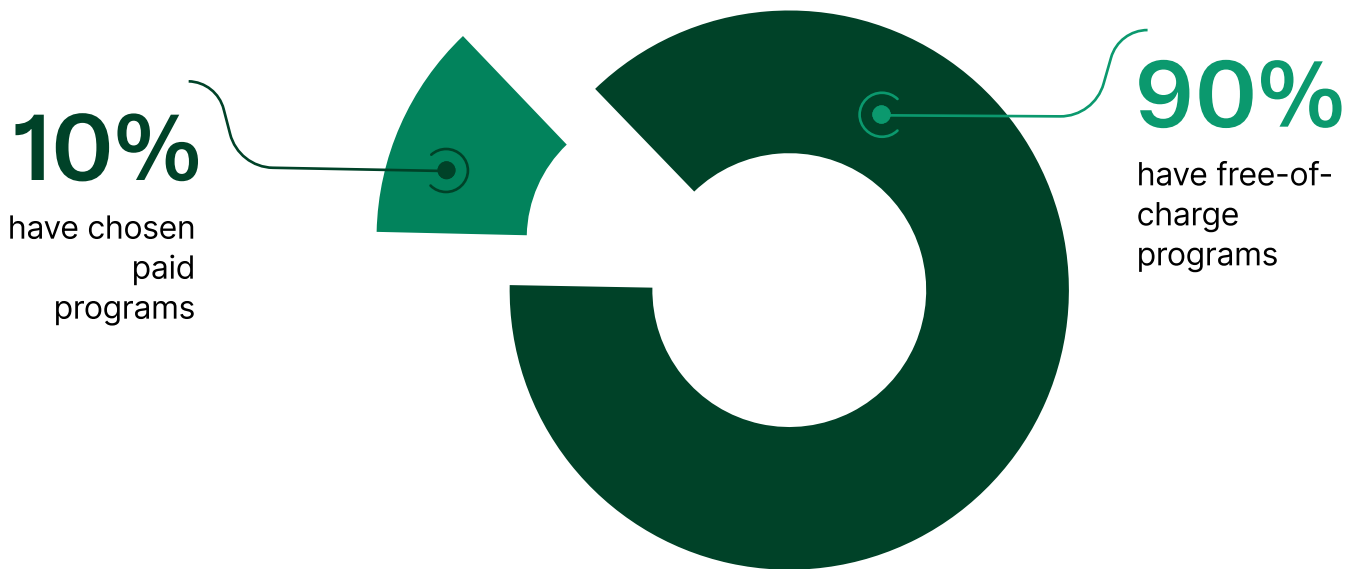
Among the companies surveyed, 64% have a loyalty program, while 36% do not yet have one. This data shows that the majority of our customers recognize the importance of implementing loyalty programs to strengthen the relationship with their customers.

However, a significant proportion of companies - 36% - have not yet implemented a loyalty program. This may be for a variety of reasons, such as resource constraints (human and financial), lack of awareness of the potential benefits, or priority given to other marketing strategies. It is crucial for these companies to consider the positive impact that a loyalty program could have on their retention rate and customer engagement.

For companies that already have a loyalty program, several configurations exist, such as the adoption of paid loyalty programs by consumers, the tier system, the spend-based system, the points system and finally financial rewards. In the following sections, we will analyze these different configurations among more than 250 companies.

# Paid loyalty programs

A relatively rare practice adopted by only 10% of companies



Among our customers who offer a loyalty program, **10% have chosen paid programs, while 90% have free-of-charge programs.**

Paid loyalty programs, although in the minority, can offer exclusive benefits and premium services that justify the cost to customers. They also enable companies to generate additional revenue while strengthening the commitment of their most loyal customers.

The retail sector seems more inclined to offer a paid program, but other sectors such as fashion, e-commerce, optics, transport and mass retail are not to be outdone. For example, companies such as Ecomiam, Botanic, Jacadi, Nature et Découvertes, SNCF and Castorama are implementing paid loyalty programs to offer their customers exclusive benefits and premium services.

Companies planning to launch a paid loyalty program need to ensure that they offer truly differentiating and attractive benefits to justify the cost in the eyes of customers. They must also carefully set the cost of the program to maintain a balance between profitability and attractiveness.

# Tier-based programs

Only 32% of loyalty programs use tiers to segment and reward customers

32%

of our customers use a tier-based system

68%

do not use this system.

**32% of our customers use a tier-based system** to segment their customers and reward them differently according to their level of engagement.

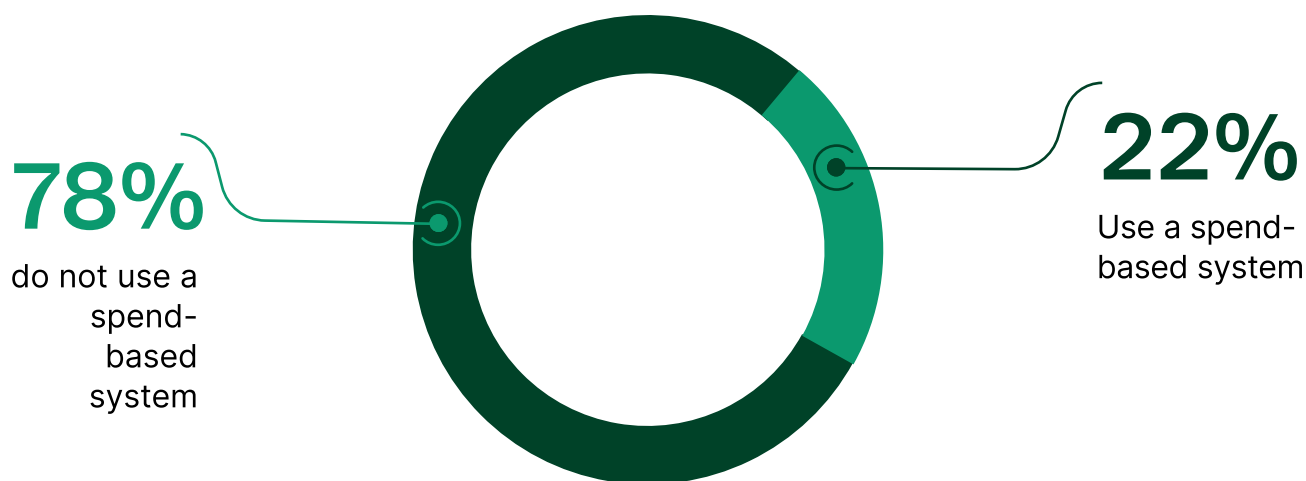
Tier-based systems motivate customers to reach the next tier for more attractive rewards. This segmentation helps companies offer personalized benefits and strengthen the loyalty of the most committed customers.

Among our customers, two sectors stand out: retail (28%) and fashion (24%). Among them are Clarins, Intersport, Etam, Maison 123 and Palais des Thés.

However, the majority of companies listed do not opt for this type of program, preferring to offer the same benefits to all their loyal customers. This is particularly true in the retail sector, where only 14% of programs include tiers, or in the furniture/garden center sector, where none of our customers use this system.

# Spend-based programs

64% of loyalty programs in the retail sector are in favor of spend-based programs.



**22% of our customers use a spend-based system** that allows their customers to earn credits as they make purchases.

The spend-based system in euros is particularly popular with customers, as it offers a tangible, easy-to-understand monetary value. Customers can collect credits with each purchase, which they can then use to pay for all or part of their future purchases.

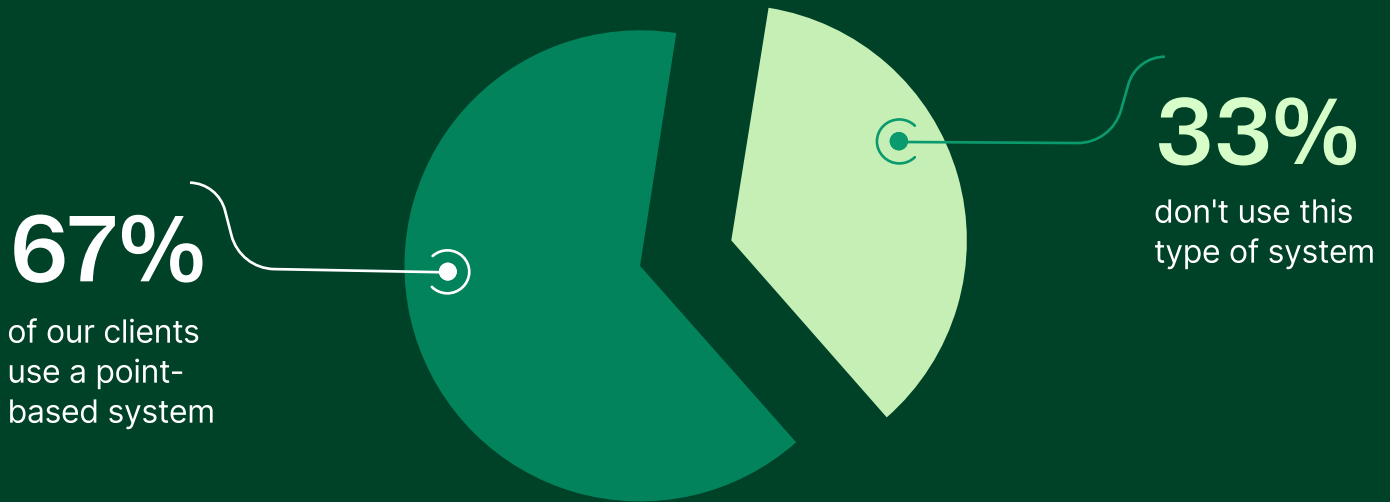
This system is very popular in certain sectors, such as retail, where 64% of loyalty programs use a spend-based system. It is also popular in e-commerce (36% of programs) and furniture/gardening (33%). Among our customers that use this type of system are Auchan, Carrefour, Franprix, Castorama, Botanic and Conforama.

On the other hand, it is rarely used in other sectors such as hospitality (11%), fashion (14%) or retail (17%).

Companies that opt for this system should ensure that they set an attractive conversion rate between euros spent and credits earned, in order to effectively reward and retain their customers.

# Points-based system

Restaurants, fashion, retail: the top three sectors for point-based systems



**67% of customers use a point-based system** for their loyalty programs. Point-based systems are widely adopted because they are easy for customers to understand and manage. Collected points can be exchanged for products, discounts or other benefits.

The point-based system is particularly popular in certain sectors such as hospitality (89% of programs use this system), fashion (83%) or retail (74%). It enables companies in these sectors to easily reward repeated purchases and encourage customers to return. Among our customers that use this type of system are Léon de Bruxelles, Sushi Shop, Jules, Histoire d'Or, Galeries Lafayette, Petit Bateau, Yves Rocher and Lacoste.

On the other hand, the points-based system is less popular in the retail sector (36%), which prefers the spend-based system, in e-commerce (45%) and in the home furnishings/gardening sector (67%).

To be effective, a point-based system should offer a clear scale of points and attractive, easily attainable rewards. Companies also need to communicate clearly on how to obtain and use points, to encourage customers to actively participate in the program.



# Rewards-based system

Retail, home furnishings/gardening and e-commerce: champions of financial rewards in 100% of their loyalty programs

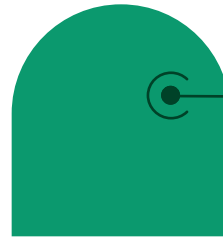
75%

Offer financial rewards



25%

Don't offer any



**75% offer financial rewards such as discounts, vouchers and loyalty vouchers.**

Financial rewards are particularly attractive to customers, as they offer immediate, visible value. They can also encourage repeat purchases and increase long-term loyalty.

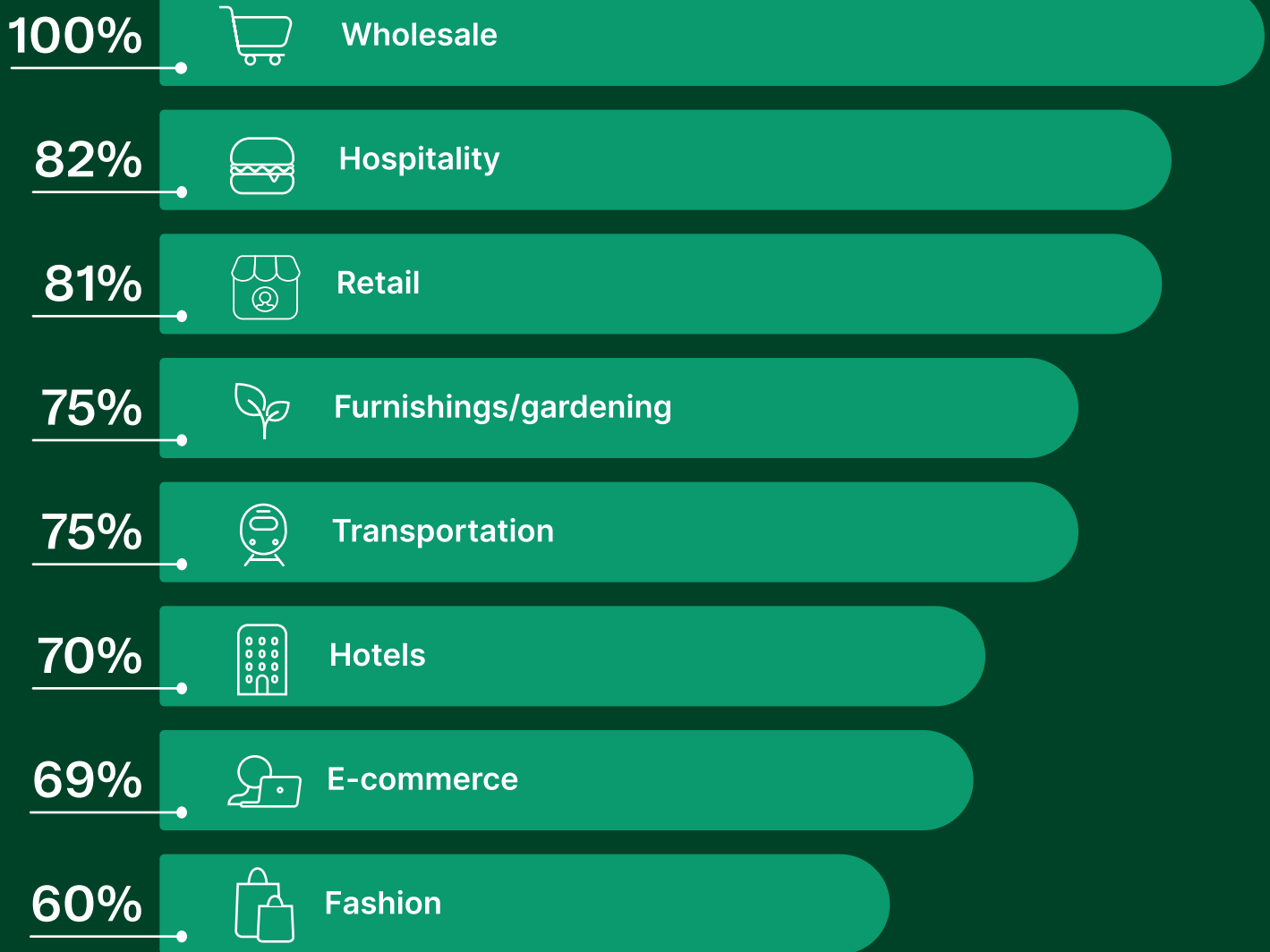
They are particularly prevalent in certain sectors, such as retail (100% of programs), furniture/gardening (100%) and e-commerce (73%). In these highly competitive sectors, offering financial rewards can be an effective way of standing out and retaining customers, as is the case with Intermarché, Jardiland, Picard, Oh My Cream, Truffaut, Sarenza and Le Bon Marché.

On the other hand, they are less widely used in other sectors such as retail (72%), fashion (69%) or hospitality (72%), which prefer other types of reward such as exclusive advantages or experiences.

Companies that choose to offer financial rewards should take care to propose attractive and differentiating offers, while maintaining a satisfactory level of profitability. They can, for example, offer progressive discounts based on the amount spent, or vouchers redeemable for complementary products or services.

# Business sectors and loyalty programs

## Top sectors offering loyalty programs



Loyalty programs are particularly well-established in key sectors such as wholesale, restaurants, retail, furniture/gardening and transportation. These figures show that loyalty programs are particularly popular in sectors where competition is intense, and where customer retention is crucial to maintaining a stable, committed customer base.

## Sectors with the lowest percentage of loyalty programs



**25%** Insurance



**25%** Optics



**37%** Real estate



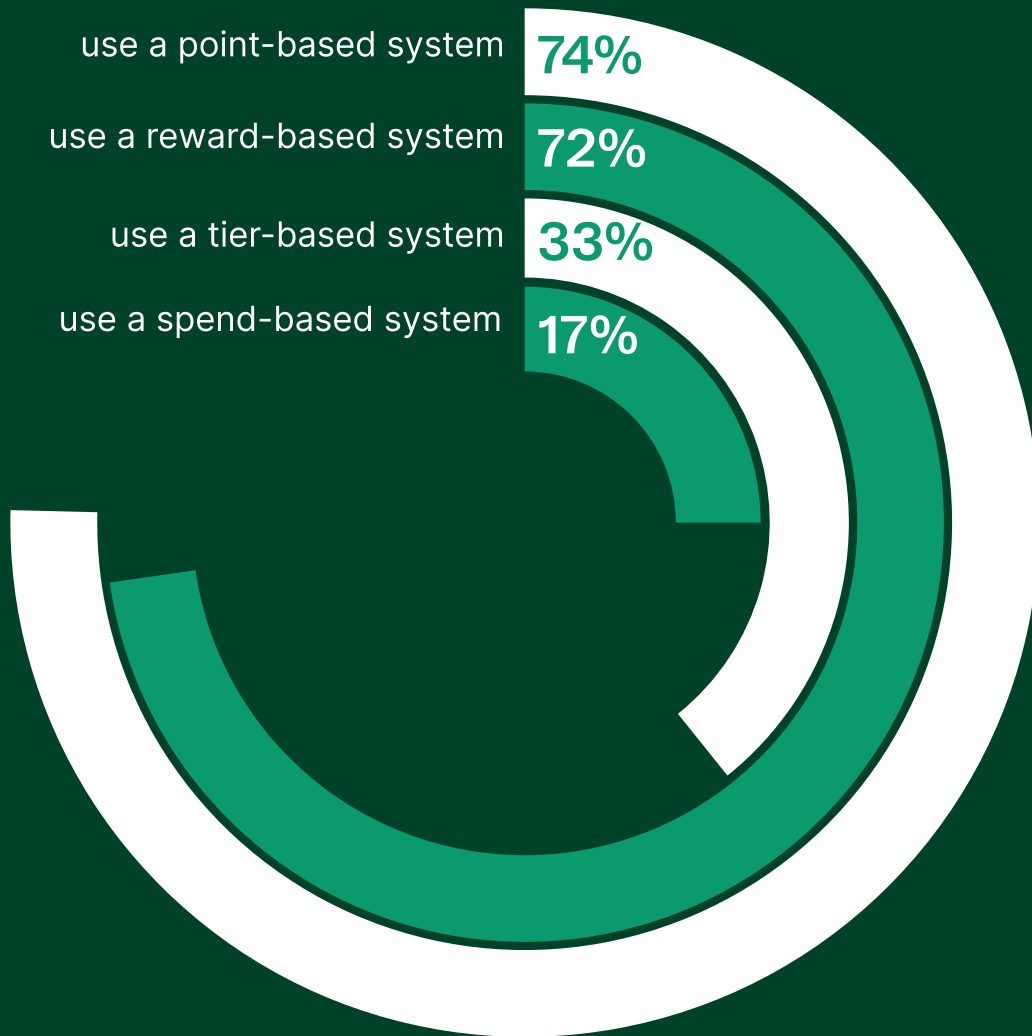
**66%** Luxury goods

On the other hand, some sectors, such as insurance, optics, real estate and luxury goods, show a lower adoption of loyalty programs, which can be explained by various factors linked to the nature of their activities and their marketing strategies.

There is therefore a real opportunity for these sectors to explore loyalty models adapted to their specific characteristics, in order to strengthen customer retention.

**Retail**

**81%** have a loyalty program



Among our retail customers, Galeries Lafayette stands out with a comprehensive loyalty program including a tiered, point-based system and financial rewards. Decathlon, on the other hand, offers a point-based system with no financial rewards.



# Fashion

60% have a loyalty program

83%



use a point-based system

69%



use a reward-based system

45%



use a tier-based system

14%



use a spend-base system

In the fashion sector, Etam has set up a loyalty program with tiers, points and financial rewards, a set-up that has been adopted by the majority of our fashion customers. Lacoste, on the other hand, has opted for a program with tiers and points, but no financial rewards.



Wholesale

100% have a loyalty program

100%

use a rewards-based system

64%

use a spend-based system

36%

use a points-based system

14%

use a tier-based system

All our wholesale distribution customers offer loyalty programs, mainly in the form of spend-based systems and financial rewards. Carrefour and Monoprix are perfect examples. Picard stands out from the crowd by also offering a point-based system.



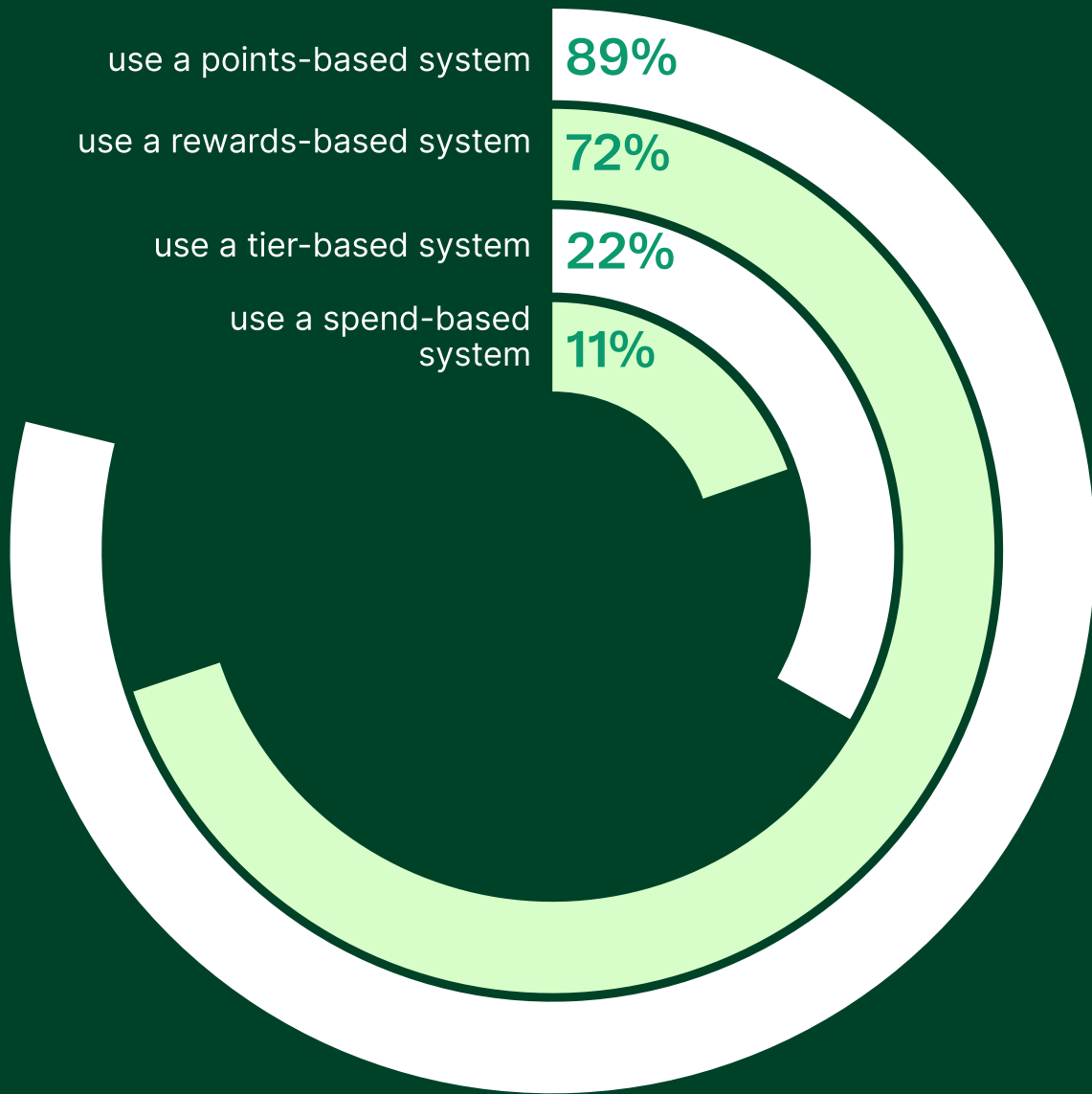
MONOPRIX



picard

# Hospitality

82% have a loyalty program



In the foodservice sector, loyalty programs are very popular, and are mainly based on point-based systems and financial rewards, like at Léon de Bruxelles or La Croissanterie, which adds a tiered system. Pomme de Pain stands out with its original spend-based system.

100%



use a rewards-based system

67%



use a points-based system

33%



use a spend-based system

0%



use a tier-based system

Loyalty programs are widespread in the furniture and garden center sector, and generally combine spend-, points and reward-based systems as at Truffaut or Jardiland. Conforama stands out from the crowd by offering only a spend-based and reward-based system.



## E-commerce

69% have a loyalty program

73%

use a rewards-based system

45%

use a points-based system

36%

use a spend-based system

18%

use a tier-based system

Finally, in e-commerce, loyalty programs are highly varied, with a slight predominance of point-based systems and financial rewards. Oh My Cream is a good example. Some players, such as Boticinal, focus solely on a spend- and reward-based system.

OH MY CREAM!

 Boticinal

# Summary

This analysis highlights trends, practices and differences by sector in the adoption and use of loyalty programs among more than 250 of our customers. The data shows strong adoption of loyalty programs in sectors such as retail, foodservices, while other sectors such as insurance and optics are still lagging behind.

Companies with loyalty programs in place benefit from a powerful tool for strengthening customer engagement and encouraging repeat purchases. **However, to maximize the effectiveness of these programs, it is crucial to choose the right configurations**, whether they are point-, spend- or tier-based, and to offer attractive and relevant rewards.

Loyalty programs represent a major opportunity for companies in all sectors. Those that have not yet adopted such initiatives should seriously consider doing so, in order to remain competitive and satisfy their customers on a sustainable basis.





# Brevo

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in love with your  
brand.**

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