



I was perusing a new research report about travel rewards in loyalty programs. It wasn't focused on the major airline, hotel, and OTA programs, but on broader programs that include travel rewards. The not-so-subtle conclusion of the fourteen-page paper was that such programs need a particular kind of platform to succeed with travel rewards. Not surprisingly, the publisher of the report sells such a platform.

Ok, all's fair. When I worked for agencies and service vendors, I wasn't above setting up a problem for which my company was the solution. I'm not going to mention the source by name, because I neither want to promote their sales effort, nor denigrate their research.

I'm going to assume the research is legit. The findings revealed a significant divide between what companies think about how their customers behave, and how customers report their perceptions. That in itself isn't surprising; but the size of the perception gap was.

43% of consumers want programs that give them discounts, while just 25% of providers think customers want discounts. 19% of providers think customers value status-based perks, while just 8% of consumers say they value status. 30% of companies say there's room to improve on their earning and redemption capabilities while 50% of customers want better earn-and-burn options.

I could chalk most of this up to the obvious tensions between buyer and seller. Of course customers want more discounts, more options, easier rewards. And of course, marketers would rather offer less expensive benefits, such as status. After all, the purpose of a loyalty program isn't to pass out rewards; it's to cost-effectively drive incremental revenue.

But the size of the gap is disturbing. We don't need to cave every time a customer believes they deserve a better price. But we had better understand that if many

consumers say they want discounts, we need to address that desire by creatively finding ways to add value. We need to demonstrate that value, and show that we're listening to customers. We need to use data to understand which customers are most price-conscious, and which are motivated by status, and customize our offers and messages accordingly.

Perception, as account execs always used to tell me, is reality. We have the data, analytics, and communications tools to understand and address the perception gap; it should always be our goal to narrow it. **Your thoughts?**

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