2024 State of Loyalty Report

Table *of* Contents

The State of Loyalty

It's easy to get caught up in the doom and gloom of today's economic environment; to hyper-fixate on tightening budgets, the Fed's next move or the latest jobs reports.
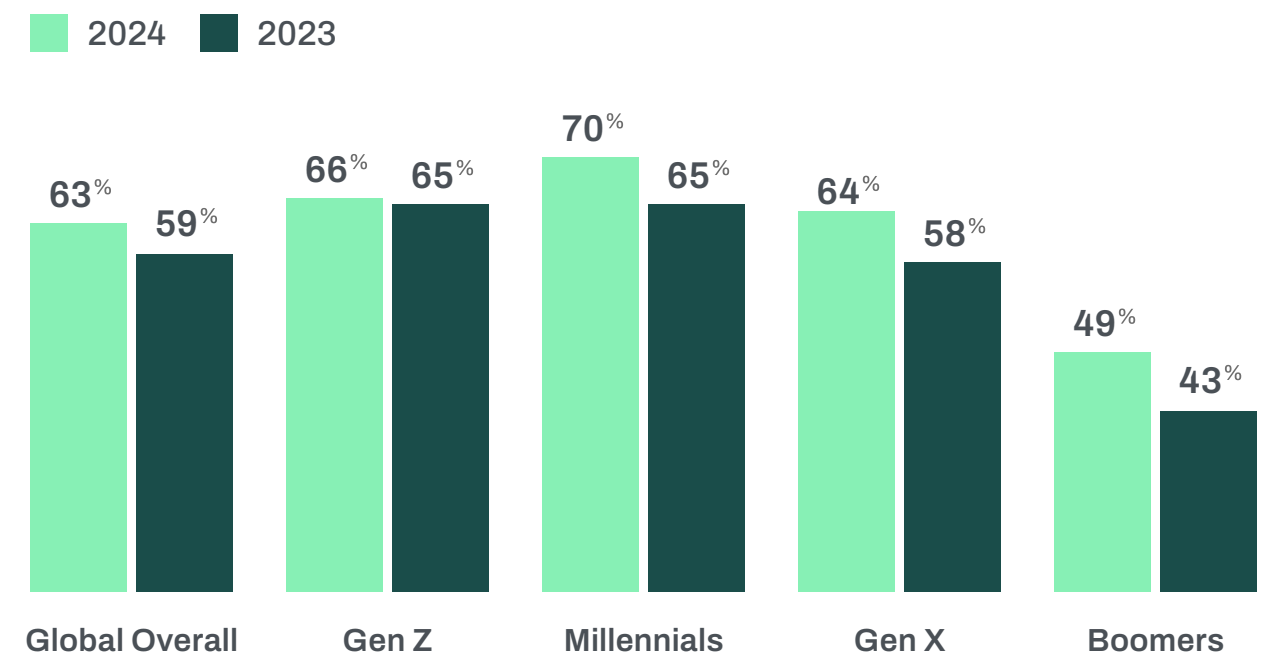
But through this noise, there exists unquestionably positive news for the brands who are putting effort into their loyalty strategies: **the value of consumer loyalty continues to increase.**

A whopping 63% of consumers cite a willingness to pay *more* to shop with the brands they're loyal to – a rise from 59% just a year ago. And even better, this positive movement is observed across age strata, from Gen Z through to Baby Boomers.

It's clear that consumer behavior is evolving. And with it, marketing tactics that allow us to provide more human experiences – more personalization, more relevance, more timeliness. Consumers have developed a taste for these experiences, and they're rewarding the brands who can provide them with their loyalty. It's during times like now where this loyalty becomes a major differentiator.

High levels of customer retention, more consistent revenue and a reduced burden to acquire new customers are among the many fruits a loyal customer base provides. **Put simply, loyalty is the rock savvy marketers can count on to protect their business.**

I'M LOYAL TO SOME BRANDS, AND I'LL PAY MORE TO SHOP WITH THEM

■ 2024 ■ 2023

	Global Overall	Gen Z	Millennials	Gen X	Boomers
2024	63%	66%	70%	64%	49%
2023	59%	65%	65%	58%	43%

So how do you cultivate this loyalty? *you may ask.*

In this report, we'll help you figure it out.

Action Items for Cultivating Loyalty

Personalize

Deliver contextually relevant messages to consumers on an individual level. Even if you have limited customer knowledge, you can leverage basic data points and create message triggers to improve your relevance. This will give you time to expand your data profiles with richer zero-party data.

Incentivize and Reward

Play to the economic desires of consumers. Provide discounts or coupons in exchange for data sharing, and ensure you recognize and reward loyal customers.

Optimize the Human Experience

Treat your customers like humans, not machines who are merely receiving data. Work to create more seamless experiences by uniting your marketing channels and eliminating silos.

Communicate Brand Purpose

What is your mission? Your purpose? Is your brand doing good for the world? The answers to these questions matter, especially to younger consumers.

Personalize

The first, and perhaps most obvious, component of fostering loyalty is personalization.

It's core to relationship marketing, and a must for any intelligent messaging strategy. And as advanced as today's marketing technology has become, you'd think it would be pretty easy to deliver. Yet, a lack of personalization remains a marked frustration for many consumers. **More than half (51%) have cited frustrations with receiving irrelevant content and offers from brands in just the last six months.**

DID YOU KNOW?
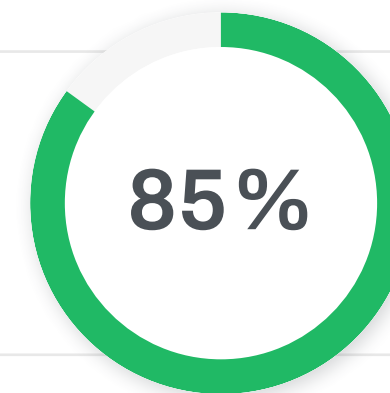
85% *of consumers* say their favorite brand **treats them like an individual.**
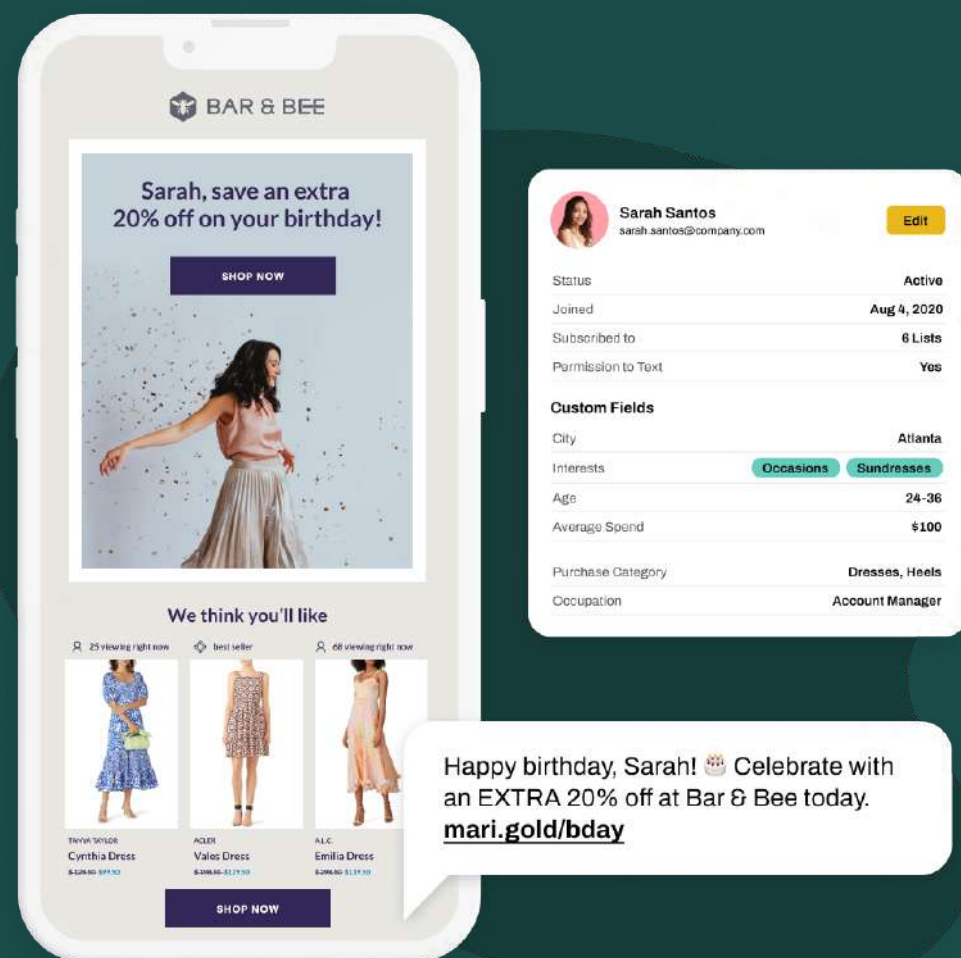
If loyalty is what you're after, it's critical to become an active listener for your customers.

Listening is just as important as speaking: give your customers opportunities across touchpoints to voice their preferences, motivations and interests. It is ultimately these zero-party data points that will enable you to deliver the relevance today's consumers demand.

ZERO-PARTY DATA ACQUISITION OPPORTUNITIES:

- Polls
- Preference centers & forms
- Interviews

- Surveys
- Questionnaires
- Sweepstakes & giveaways

It's important to not let the long game of building robust customer data profiles keep you from practicing personalization *right now,* though. Personalization doesn't have to be complicated, and even simple data points like birthdays, purchase history and abandoned online shopping carts present ripe messaging opportunities that resonate with a majority of consumers.

Brand interactions consumers find to be "cool"

Personalized birthday offers — 84%

Product recommendations based on previous purchases — 80%

Alerts about abandoned online shopping carts — 68%

In a similar vein, triggered messaging is also a tactic worth utilizing, even if your customer data is limited. You're likely already using triggered messaging to some extent. But if not, here's the gist.

Consumers interact with your brand in all sorts of ways. They add products to their cart, they subscribe to newsletters, they sign up for in-stock alerts, they attend events, and the list goes on. When you set triggers that automatically deploy messages for specific scenarios, you enable your brand to deliver relevant messages at precisely the right time, with the added benefit of reduced manual workloads.

TRIGGERED MESSAGING OPPORTUNITIES:

- Welcome series emails
- Back-in-stock alerts
- Transactional updates (order processed, shipped, delivered)
- Time-based reminders (upcoming appointments, reservations, events)

- Re-engagement emails (based on inactivity, low engagement, lapsed subscriptions)
- Milestone celebrations (new loyalty tier reached, X number of days/years as a customer, birthdays)

Incentivize & Reward

There's no getting around the fact that economic value is tied to brand loyalty.

As consumers grapple with rising prices and economic uncertainty, the brands who can best deliver relevant incentives and make customers feel appreciated for their business stand to gain.
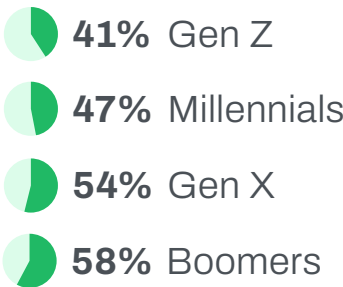
Hi, Sarah! Thanks for signing up! Take 20% off your first order. **trend.sale/welcome**

56% *of consumers* are pessimistic about the **rising cost of living.**

- **45%** Gen Z
- **53%** Millennials
- **61%** Gen X
- **65%** Boomers
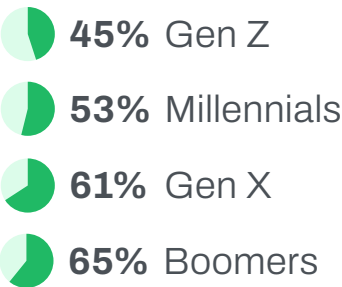
50% *of consumers* are pessimistic about the **economic outlook.**

- **41%** Gen Z
- **47%** Millennials
- **54%** Gen X
- **58%** Boomers

74% *of consumers* cite offers and promotions as **important or critically important to maintaining brand loyalty.**

- **69%** Gen Z
- **76%** Millennials
- **75%** Gen X
- **71%** Boomers

84% *of consumers* say they are likely to engage with **brand messages containing discounts or coupon codes.**

- **77%** Gen Z
- **86%** Millennials
- **86%** Gen X
- **84%** Boomers
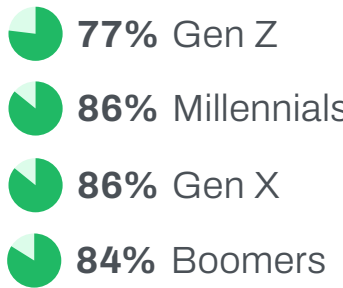
91% *of consumers*

cite discounts or coupons as a **valuable exchange for their personal data.**

- **85%** Gen Z
- **91%** Millennials
- **93%** Gen X
- **92%** Boomers

An Opportunity for Data Capture

At first glance, it would be reasonable to assume the benefit of financial incentives ends at increased sales. But, incentives can be a great way to collect zero-party data, too. If your personalization efforts need a boost, offer things like discounts or coupons *in exchange* for consumer participation in surveys, polls or questionnaires. It's these opportunities for data capture that will allow you to better laser in on customer interests and progressively refine your personalized messaging.

Show Them You Love Them

As customers demonstrate their affinity for your brand through behaviors like repeat purchasing and high levels of engagement, you should ensure you're doing your part to recognize them.

88% *of consumers*

say their favorite brand **rewards them for their loyalty.**

- **87%** Gen Z
- **89%** Millennials
- **89%** Gen X
- **84%** Boomers

Sometimes you need something extra special for your most loyal customers.

Consider the following:

Exclusive first looks at new products/services

Access to invite-only events

Upgraded services, like priority customer support

Gifts for milestones

Personally curated content

Surprise rewards, like discounts or free products included at checkout

Complimentary samples

Charitable donations on the customer's behalf

Optimize *the* Human Experience

92% *of consumers* say their favorite brand **provides a consistent experience across channels.**

88% Gen Z   **94%** Millennials   **94%** Gen X   **91%** Boomers

Consumers don't see the world as corporate channels or marketing departments. To them, it's all one experience. And for the loyalty-savvy marketer, it's not just any experience – it's a human experience.

In practice, optimizing the human experience is about delivering the right message at the right time through the right touchpoint. It's about making your customers feel a genuine sense of connection. It's about making them think, *this brand actually gets me.*

Delivering true human experiences necessitates an evolution from the generic buyer journeys of years past to real-time, dynamic journeys that are made possible with today's advanced marketing solution providers, like **Marigold**. In practice, the process involves bringing unification to your marketing channels – spanning email, SMS, mobile apps, and beyond – to transcend the silos that have historically led to disjointed and clunky experiences.
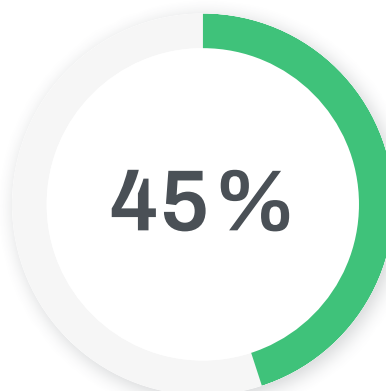
Customer Service:

DON'T NEGLECT IT

We can all think back to less-than-excellent experiences we've had with customer support teams. From being ghosted entirely to being provided with unclear contact instructions, dealing with uncertainty from a brand we've chosen to do business with can be frustrating.

Customer service and support are factors that – for sizable numbers of consumers – closely rival prices and incentives in terms of importance. For a truly human experience, this service and support is a must.

74%
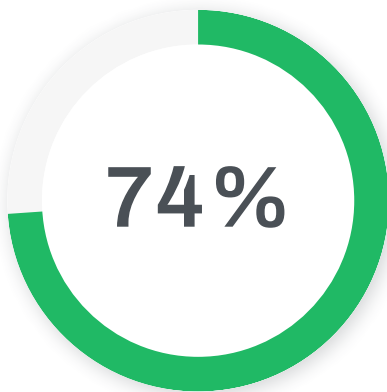
of consumers

cite customer service and support as **important or critically important to maintaining brand loyalty.**

66% Gen Z   **75%** Millennials   **76%** Gen X   **79%** Boomers

45%

of consumers

cite excellent customer service as a factor **more important than price** when it comes to making a purchase decision.

35% Gen Z

44% Millennials

47% Gen X

53% Boomers

What you can do:

Leverage your marketing technology.

Set up triggered messages via owned channels like email and SMS to acknowledge customer inquiries in real-time. Include relevant information that mitigates uncertainties, such as average response times and links to inquiry status pages.

Optimize your copywriting.

You're communicating with humans who may be experiencing feelings of frustration or urgency. Be thoughtful with your copywriting and assure customers of your brand's commitment to swift action.

Offer complimentary benefits.

People like *free*. These benefits don't have to be monetary, though. Free content related to your niche, like eBooks, guides or tutorials is worth considering.

Amotrio

Hi Mallory,

We've received your inquiry about your recent purchase – Solstice Coffee Table.

The fact that you chose our brand means the world to us. We want to ensure you receive the best possible care and will have a dedicated support member reach out shortly.

Our average response time is less than one business day. You can view your inquiry status in real-time **here**.

In the meantime, we're providing you with a complimentary interior design guide, accessible **here**.

Thanks again,

Your friends at Amotrio

Communicate *Brand Purpose*

Nearly six in ten Millennials cite brand purpose as important to maintaining their brand loyalty. Gen Z and Gen X aren't far behind.

Your brand may already have an active voice in your community, partnerships with charitable organizations or clearly defined ESG initiatives. Effectively communicating your role in these activities can help separate your brand from competitors and ultimately engender stronger loyalty.

55%
of consumers

cite brand purpose as **important or critically important to maintaining brand loyalty.**

57% Gen Z   **59%** Millennials   **55%** Gen X   **44%** Boomers

27%
of consumers

cite a brand's ethical values as a factor **more important than price** when it comes to making a purchase decision.

29% Gen Z   **30%** Millennials   **26%** Gen X   **24%** Boomers

We're not here to tell you which specific initiatives you should support, just that consumers do care about brand purpose, and that your brand needs an effective marketing strategy to bring visibility to this purpose.

Consider the following industry examples.

A clothing company makes *environmental sustainability* a core brand value.

It gets creative with marketing campaigns like "Organic October" featuring clothing lines made with organic cotton, and "Sustainable September" where the company offers discounts on its restitching and refurbishing services to promote reuse.

A restaurant chain emphasizes the importance of a *sense of community*.

Individual locations source local talent, including musicians and comedians, for entertainment. Local charities are given a spotlight too, with the first Friday of every month dubbed "Fundraiser Fridays" where patrons can buy tickets to participate in raffles, games and trivia.

A resort chain makes *localization* part of its identity.

It partners with local artisans and cultural organizations, allowing them to educate guests on each area's unique history. It also pays homage to the geographies and ecosystems of each location with environmental protection efforts, enabling guests to immerse themselves in sea turtle conservation projects at coastal locations and revegetation initiatives at arid locations.

Re-Imagining Loyalty Programs

Do you already have a dedicated loyalty program? If so, have you thoroughly evaluated it within the last 12 months? As consumer behavior shifts, and loyalty program participation rises, delivering what consumers want from these programs is critical to maximizing their effectiveness.

Consumer likelihood to engage with loyalty programs this year compared to last

MORE LIKELY	LESS LIKELY	NO CHANGE
39%	8%	52%

What Consumers Want *from* Loyalty Programs

Points/Reward Systems	55%
Exclusive product or service discounts	54%
32%	Exclusive access to products/events/services
25%	Ability to take part in contests, sweepstakes, or challenges
24%	Product/service recommendations based on loyalty program usage
21%	Communications via preferred channels
14%	Ability to connect with others who like the brand
12%	Community recognition

The importance of appealing to the broad consumer desire for cost-savings resurfaces here.

A major challenge, of course, is also offering a personal touch that differentiates your program from the countless others whose appeals start and end with points-for-purchases. For insight into loyalty strategies, technology and management systems that will elevate your program above competitors, check out our free guide, **_Re-Imagining Loyalty_**.

Here's a primer on some technical and service requirements you should review to ensure you're getting the most from your loyalty program:

Messaging

Messaging, messaging, messaging. It's a precursor to every other successful marketing effort. No matter how spectacular your loyalty program itself is, you need an ironclad method of messaging to actually maintain customer engagement with the program.

Your messaging tech should provide a centralized platform that seamlessly integrates across email, SMS and mobile apps. If you're using more than one messaging solution, consider consolidating to a single vendor who can handle both cross-channel messaging and your loyalty program. This continuity may seem like a given, but fractured marketing solutions with inadequate centralization can result in radically different experiences for your customers and unnecessarily complex implementations for your team.
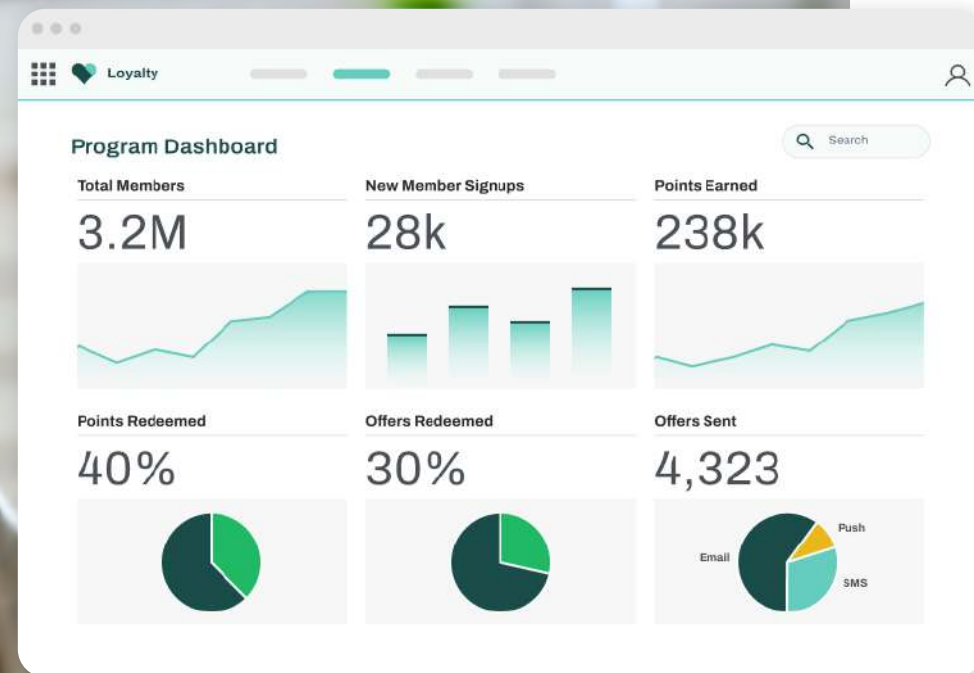
Reporting & Customer Insights

Quantifying your loyalty program's success and keeping a finger on the pulse of your audience both become significantly easier when your marketing solution can intelligently synthesize reporting metrics and customer insights. But handling this data, as you may know, isn't always as simple as it seems.

The difference maker is marketing tech with robust integration capabilities. Rather than having your data on islands – one for loyalty, one for messaging, for example – leverage a marketing solution, like **Marigold**, capable of bringing it together. When you can cohesively analyze your customer insights, the fun work can begin: crafting compelling experiences that will inspire action from your audience.

Account Management

Effective account management helps tie together the various critical elements that create a holistic view of each customer. In the realm of account management, this data is pivotal to creating a single member view – a home base, if you will, providing a 360-degree view of each customer, covering their interactions, engagement, preferences and purchase history.

First, ensure each customer has a unique member ID – these IDs will serve as individualized markers, allowing for precise tracking of each member's activity and engagement. Your marketing tech should also enable you to master the process of progressive profiling, continuously updating accounts with the latest data, allowing you to translate the knowledge of your customers into new messaging opportunities.

Program Management

There's a lot to balance in an advanced loyalty program, from the technical demands of creating dynamic loyalty tiers and earning systems, to the strategic challenges of curating compelling loyalty sequences that truly resonate with customers. The key is an intelligent system of program management that can dynamically segment customers into loyalty tiers, reward non-transactional (but still valuable) customer interactions (like survey participation), and offer robust reward management functionalities to keep customers actively engaged.
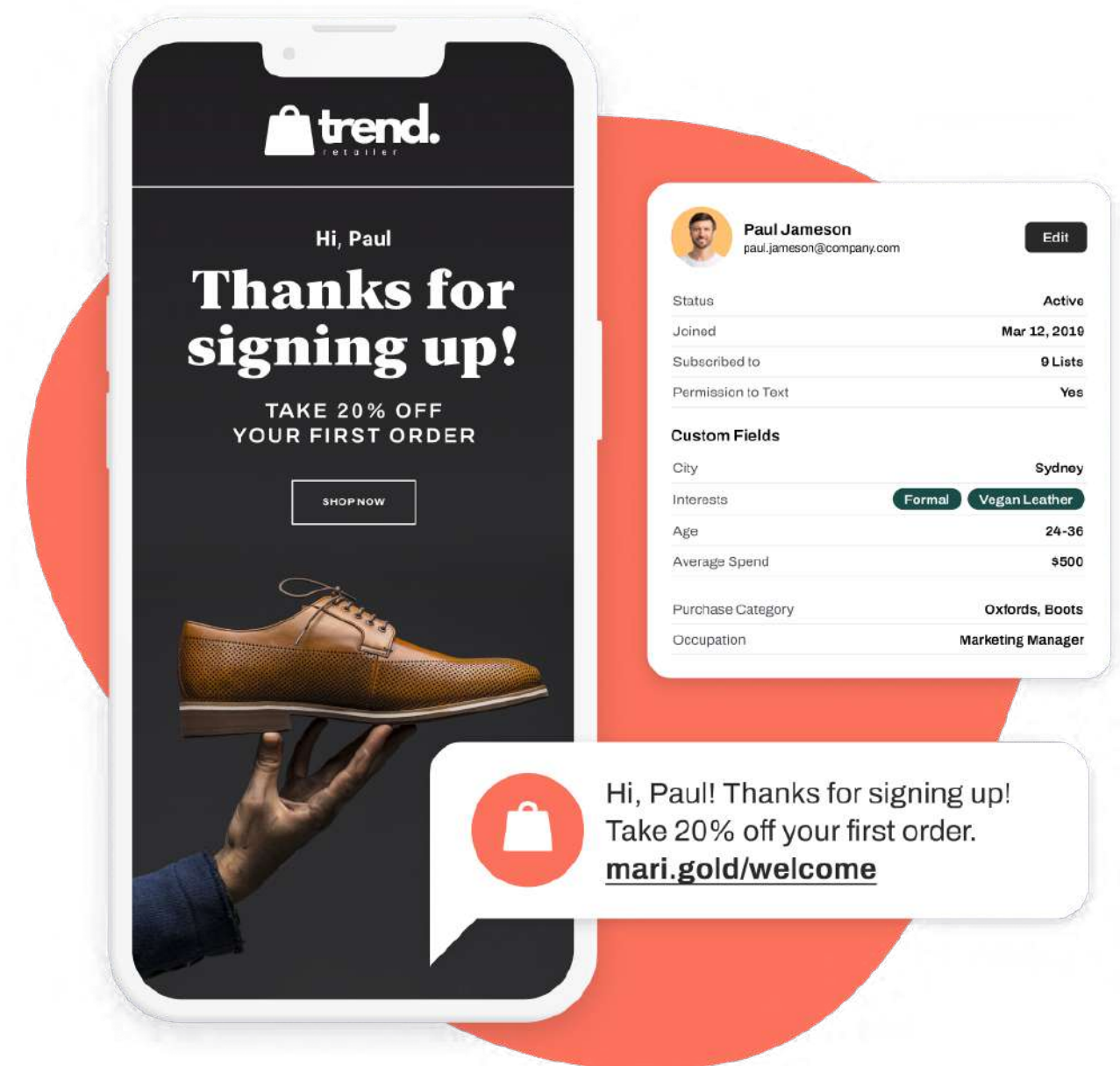
Wrap Up

The winning path to loyalty for 2024? *Be more human.*

Marigold's role? Ensure you have the vehicle to *deliver human experiences at scale.*

From cross-channel messaging to dynamic content to data acquisition to loyalty programs, we have the technology, services and capabilities to help you build relationships at every stage of the customer journey, all under one roof.

Let's talk!

Note: The data supplementing this report comes from Marigold's *2024 Global Consumer Trends Index* – our annual research project that dives into the specific factors influencing consumer behavior.

You can check out our Global version **here**. If you're focused solely on United States consumer data, you can find that **here**.

Where *relationships* take root.

Marigold's approach to Relationship Marketing stands alone in a world of one-size-fits-all marketing technology companies. Our solutions are designed for your specific size, industry, and maturity, giving you the technology and expertise you need to grow the relationships that grow your business, from customer acquisition to engagement to loyalty. And, with a team of strategists that provide insights into what's working, what's not, and what's changing in your industry, you're able to maximize ROI every step of the way.

Great marketing isn't just about conversion, but true connection. Learn why 40,000 businesses around the world trust Marigold to be the firm foundation they need to help relationships take root.

Find out more at **MeetMarigold.com**

✿ MARIGOLD™