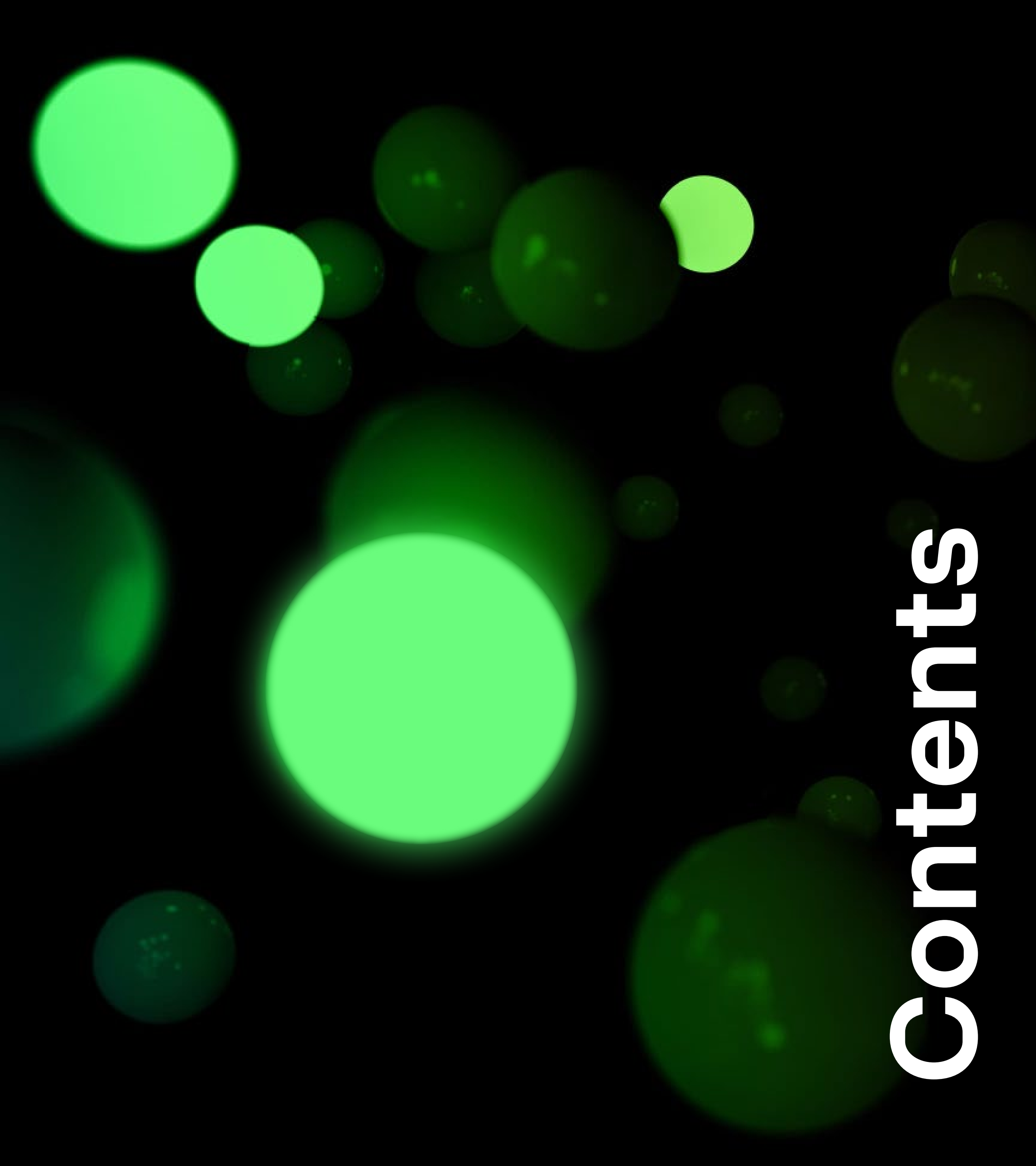


# From Points To Purchases:

How Consumers Leverage  
Rewards And Loyalty  
Programs In Inflationary  
Times







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# Introduction

2023 has been a year of economic ups and downs for the American consumer.

Many of the worst fears about the economy have diminished, with inflation coming down from the peak that dominated headlines during 2022. But consumers are still **concerned about higher prices** on the things they buy every day. And experts remain divided about whether a recession looms on the horizon or whether other factors might cause **spending to slow** later this year.

With good and bad economic news vying for attention daily, many consumers are understandably feeling cautious.

Against that backdrop, we wanted to understand the level of satisfaction consumers are currently experiencing

with their loyalty and rewards programs, what drives those feelings, and, finally, how concerns about the economy might relate to their usage of these programs.

In July 2023, Runa conducted a research study among loyalty and rewards program participants in the U.S. between 18 and 60 years old.

We found that consumers have positive feelings toward the programs they participate in. They see them as an integral part of their spending — particularly in these uncertain times. We also found that they see room for improvement when it comes to meeting their preferences about the types of rewards they receive and how they use them.





# Key Findings

The research revealed these key insights about consumer preferences and behavior in the current climate. We'll look at each point more closely in the following pages.



Consumers see loyalty and rewards programs as playing a role in their response to the current economic climate.



Rewards program participants are generally satisfied with their programs. They feel appreciated and rewarded.



Participants attach the most importance to the value they get from their rewards and loyalty programs.



Program participants would like more choice in how they receive rewards.



Consumers prefer flexible reward types that they can spend at their discretion.



Consumers prefer to earn — and use — rewards at the places where they spend money most often.



Participants use rewards toward purchases often and spend relatively frequently, in smaller amounts.



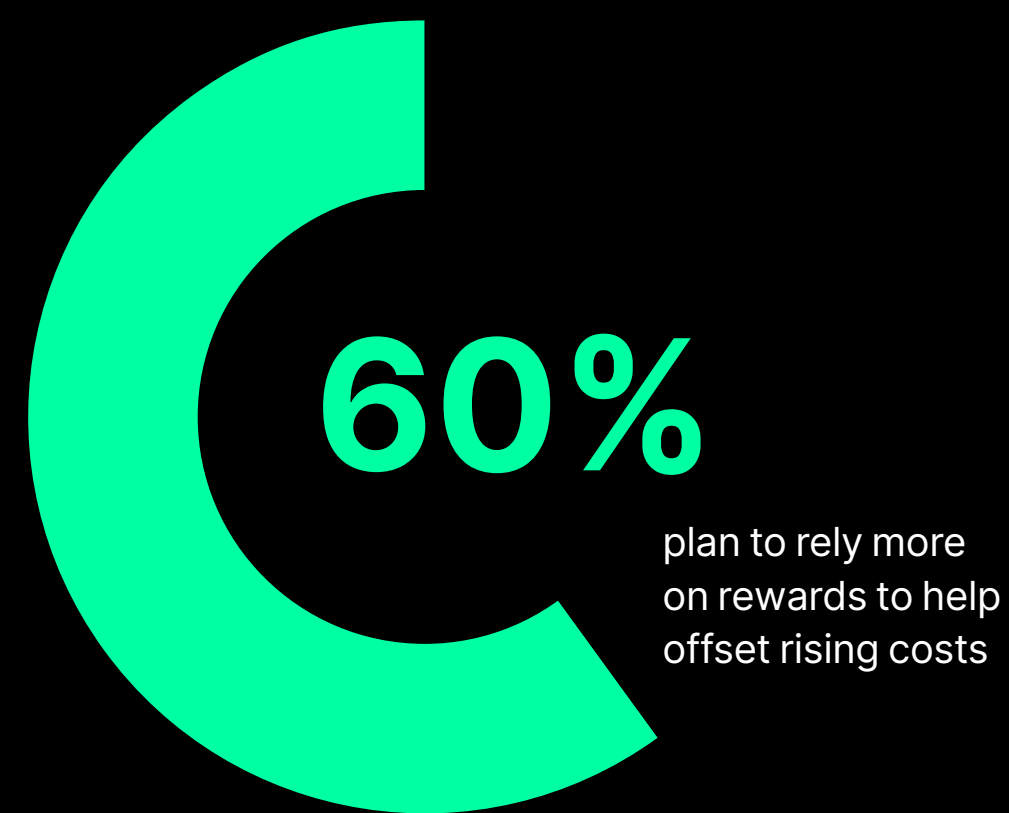


# Detailed Findings

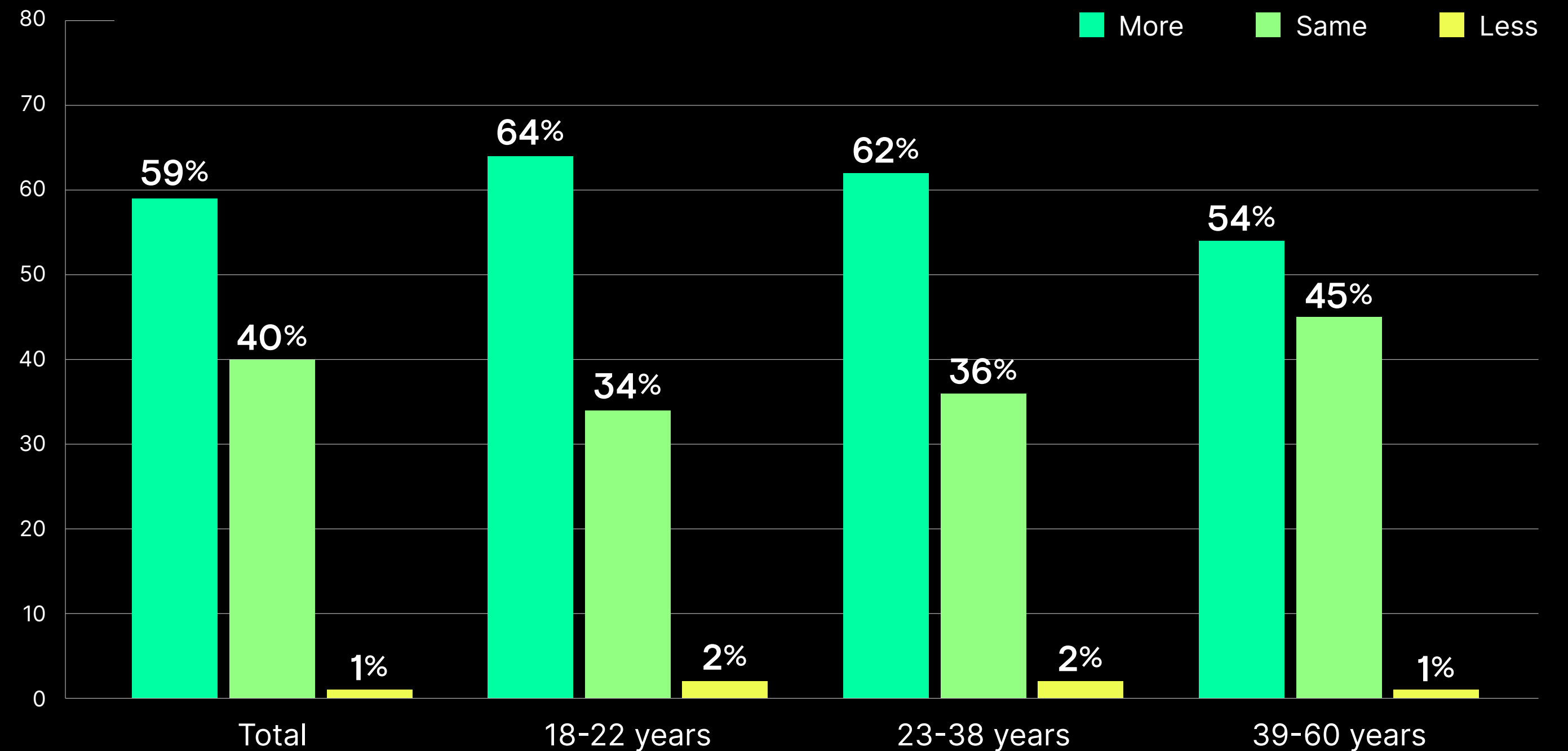
Consumers see loyalty and reward programs as playing a role in their response to the current economic climate.

Nearly 60% of rewards participants said they plan to rely more on rewards to help offset rising costs and economic uncertainty during the next 12 months than they previously have.

This is especially true of younger respondents. Nearly two-thirds of Gen Z (64%) and 62% of Millennials said they will rely more on rewards.



PLANNED REWARDS USAGE IN NEXT 12 MONTHS DUE TO ECONOMIC UNCERTAINTY



# Rewards program participants are generally satisfied with their programs. They feel appreciated and rewarded.

There's good news for marketers who manage loyalty and rewards programs: Survey respondents overwhelmingly said they feel satisfied with their programs.

When asked whether the programs made them feel appreciated and rewarded as loyal customers, 91% responded positively. And 90% agreed that participating in the programs enhances their overall experience as a customer.



said participating in rewards programs enhances their overall customer experience

## PARTICIPANTS' FEELINGS ABOUT REWARDS PROGRAMS



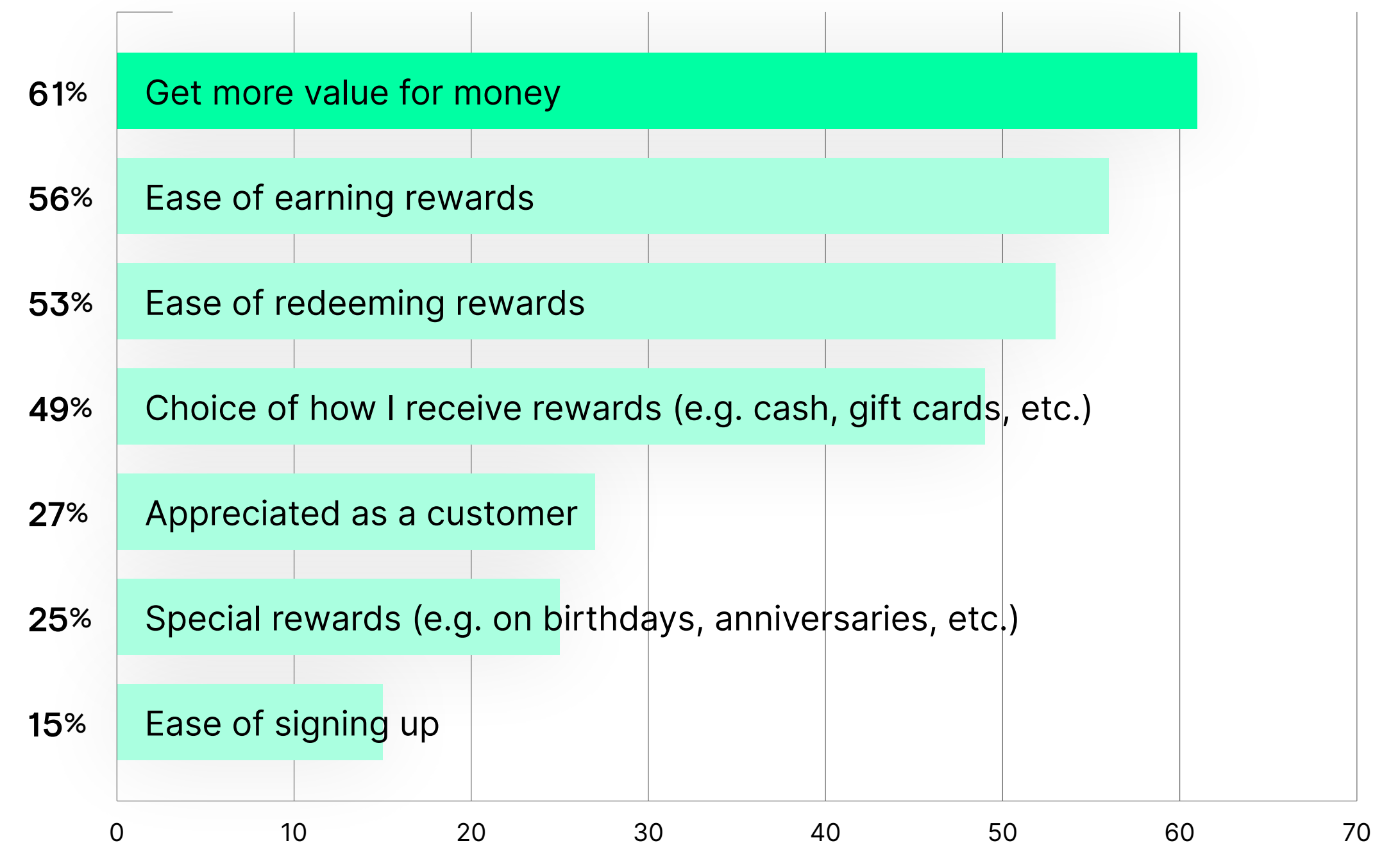
# Participants attach the most importance to the value they get from their rewards and loyalty programs.

To keep satisfaction levels high, it's essential to understand the drivers behind them. So we asked what consumers see as most satisfying about rewards and loyalty programs.

The leading factor participants said made them happy about their rewards programs was the value these programs provide for their money (61%). Two reasons related to the program's ease of use – ease of earning and ease of redeeming rewards – were close behind.



## REASONS FOR PARTICIPANT SATISFACTION WITH REWARDS PROGRAMS



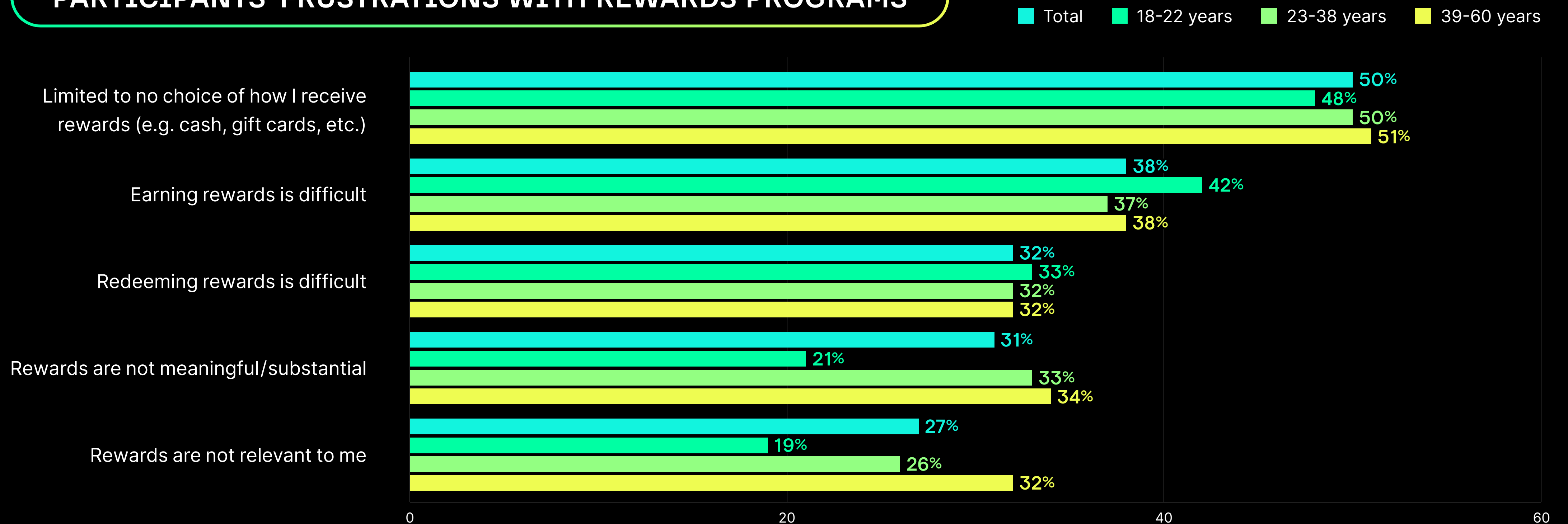


# Program participants would like more choice in how they receive rewards.

Similarly, when asked to rank what frustrates them most about rewards programs, half of the survey participants chose limited to no choice in how they receive the rewards

(50%) as their top reason. Difficulty earning rewards (38%) was the second-most chosen reason.

## PARTICIPANTS' FRUSTRATIONS WITH REWARDS PROGRAMS





# Consumers prefer flexible reward types that they can spend at their discretion.



When asked how often they could spend their rewards exactly where they wanted, fewer than half (42%) of respondents answered “always,” leaving room for improvement. However, only a tiny fraction (4%) replied “never.”

cashback or points they could use toward a selection of e-gift cards as their second favorite reward type. Their least preferred option was discounts and coupons.

Again, survey participants said they prefer flexibility and the ability to make their own choices.

When asked for their favorite reward type, participants ranked cashback into a bank account highest, followed by

Rank*	Participants' Favorite Reward Types
1	Cashback into bank account
2	Cashback or points to be used on a vast selection of e-gift cards
3	Cashback or points rewards to be redeemed on a selection of physical goods
4	Discount/coupons

\*Most picked reward type for each rank



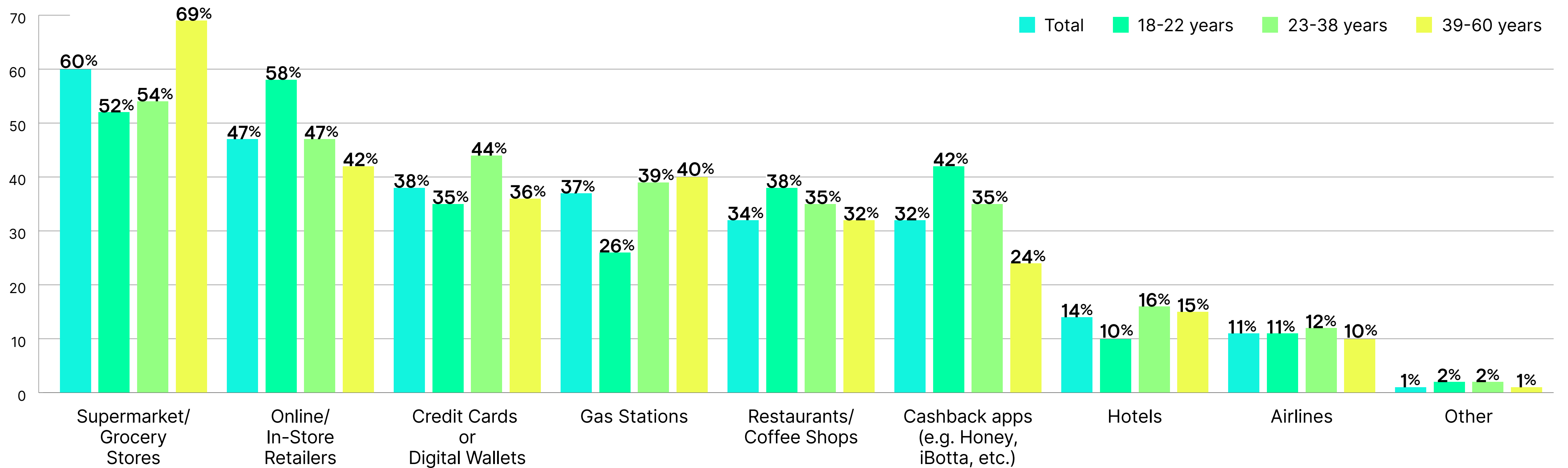


# Consumers prefer to earn – and use – rewards at the places where they spend money most often.

Grocery stores (60%) were respondents' favorite place to earn rewards, and restaurants (52%) are where they would like to use their rewards. When asked where they most

often want to spend their rewards, most respondents chose restaurants, then food delivery, followed by travel and experiences.

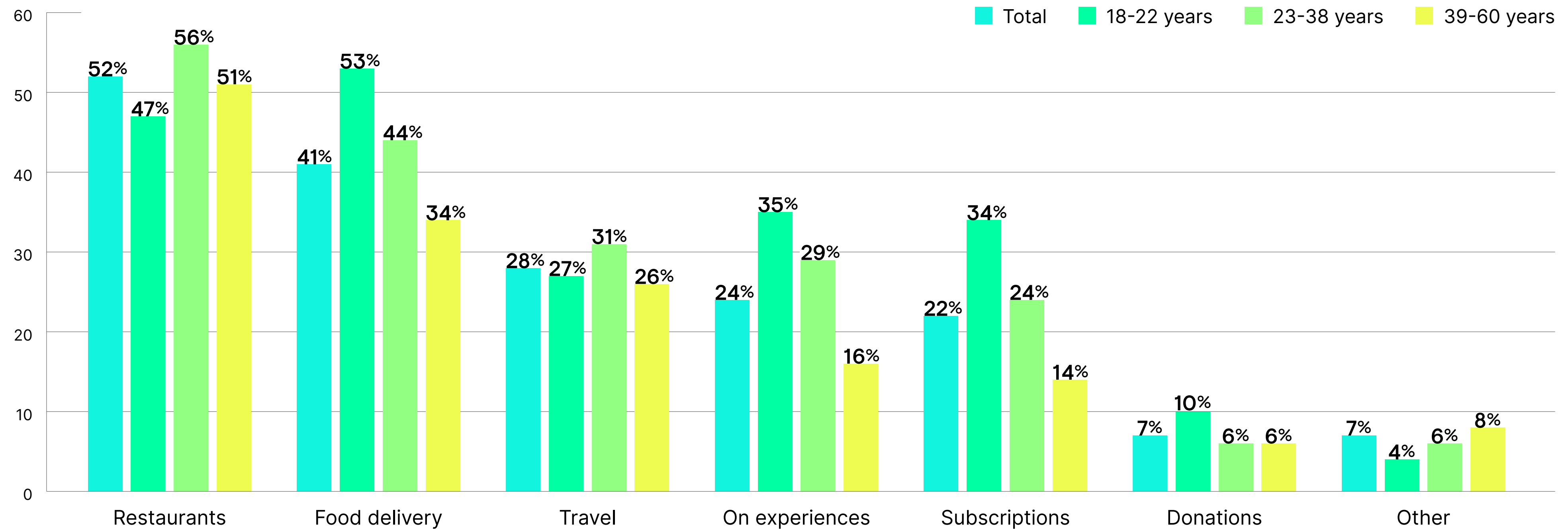
## PARTICIPANTS' FAVORITE PLACES TO EARN REWARDS





# Consumers prefer to redeem rewards on food – whether at restaurants or food delivery.

PARTICIPANTS' PREFERRED WAYS TO SPEND REWARDS



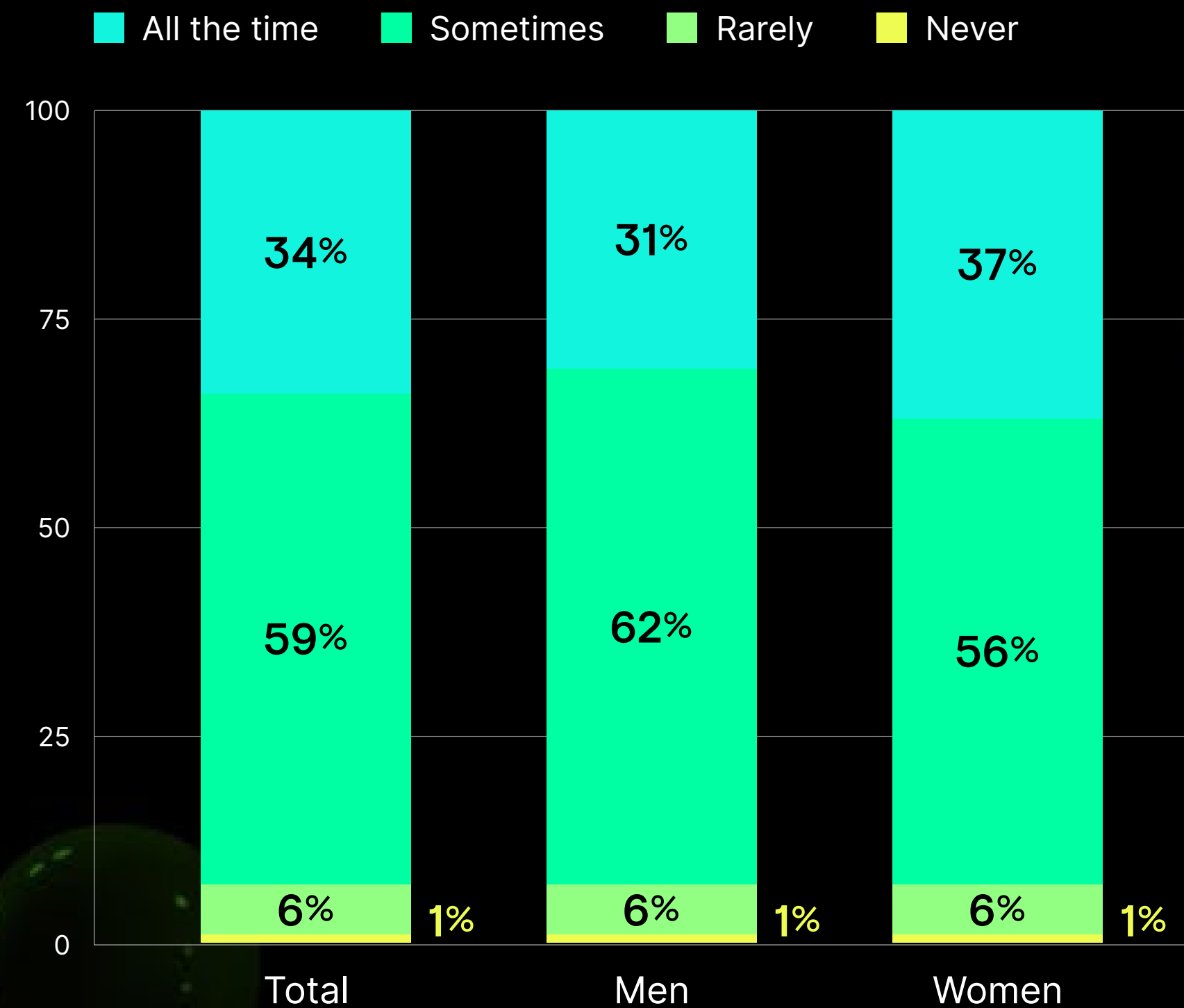


# Participants use rewards toward purchases often and spend relatively frequently, in smaller amounts.

A third of respondents (34%) said they use rewards “all the time” to make purchases. More than half (52%) collect \$25 or less before spending their rewards on purchases. Only 5% save their rewards until they have \$100 or more.

More women than men use rewards when making purchases. Almost 40% of the women respondents said they use rewards toward purchases all the time, while another 56% said they use them sometimes. Women also prefer to cash out their rewards in smaller amounts than men, with 60% cashing out for \$25 or less.

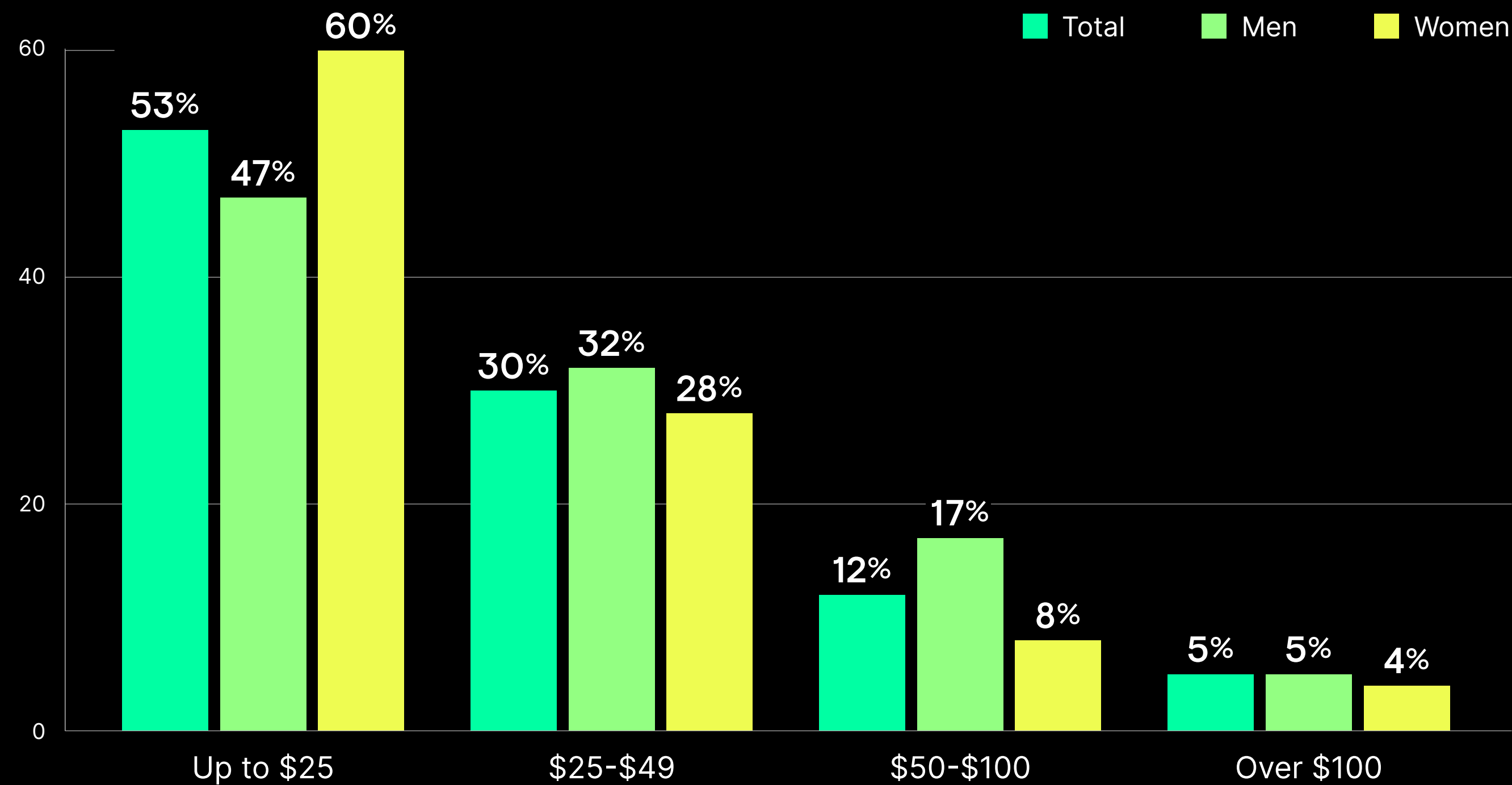
## FREQUENCY OF REWARD REDEMPTION





# Consumers prefer to redeem rewards in smaller denominations.

AVERAGE AMOUNT OF PARTICIPANT REWARD REDEMPTION





# Conclusions

Overall, the news is good for companies offering loyalty and rewards programs. Consumers report being largely satisfied with the programs they participate in. They see value in the payouts they receive and are thoughtful about how they use them.

It's also clear that rewards and loyalty programs have a role in helping consumers navigate today's economic uncertainty. Consumers appreciate the value these programs give them for their money, and they plan to increase their usage to hedge against rising costs.

Consumers view their use of reward payouts as strategic and practical. They redeem their rewards often and see

them as part of their regular spending options. They earn them and use them in places where they're spending most frequently. All this means that it's critical for programs to make it easy for consumers to earn and use their rewards in their daily spending.

Flexibility is essential to users, and there appears to be room for improvement regarding how loyalty and rewards programs are meeting that need.

## **Users want to have more choice**

in how they redeem their rewards. They value options that give them that choice, whether that means cashback options, a wide selection of gift cards, or both.

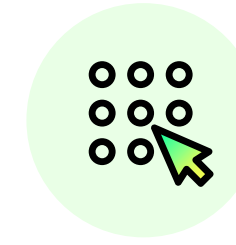




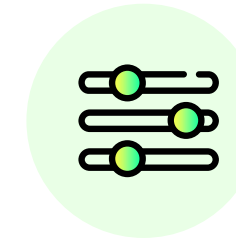
# Takeaways:

## How to tailor your rewards and loyalty programs for the most impact

Knowing that consumers are actively using their rewards as part of their strategy for combating economic uncertainty, rewards and loyalty program managers should be sure their programs offer consumers what they need to do so.



Give customers flexibility in when and where they spend their rewards. If possible, consider offering cashback alongside a wide selection of gift card options that feature a variety of brands, experiences, and benefits.



Simplify your rewards program to make earning and redeeming easy so it's easy for consumers to access the rewards routinely.



Optimize your program to create value for your users' money.

**Want to learn more? CONTACT** the experts at Runa to discover ways to build or optimize your rewards or loyalty program to help you retain and attract users.

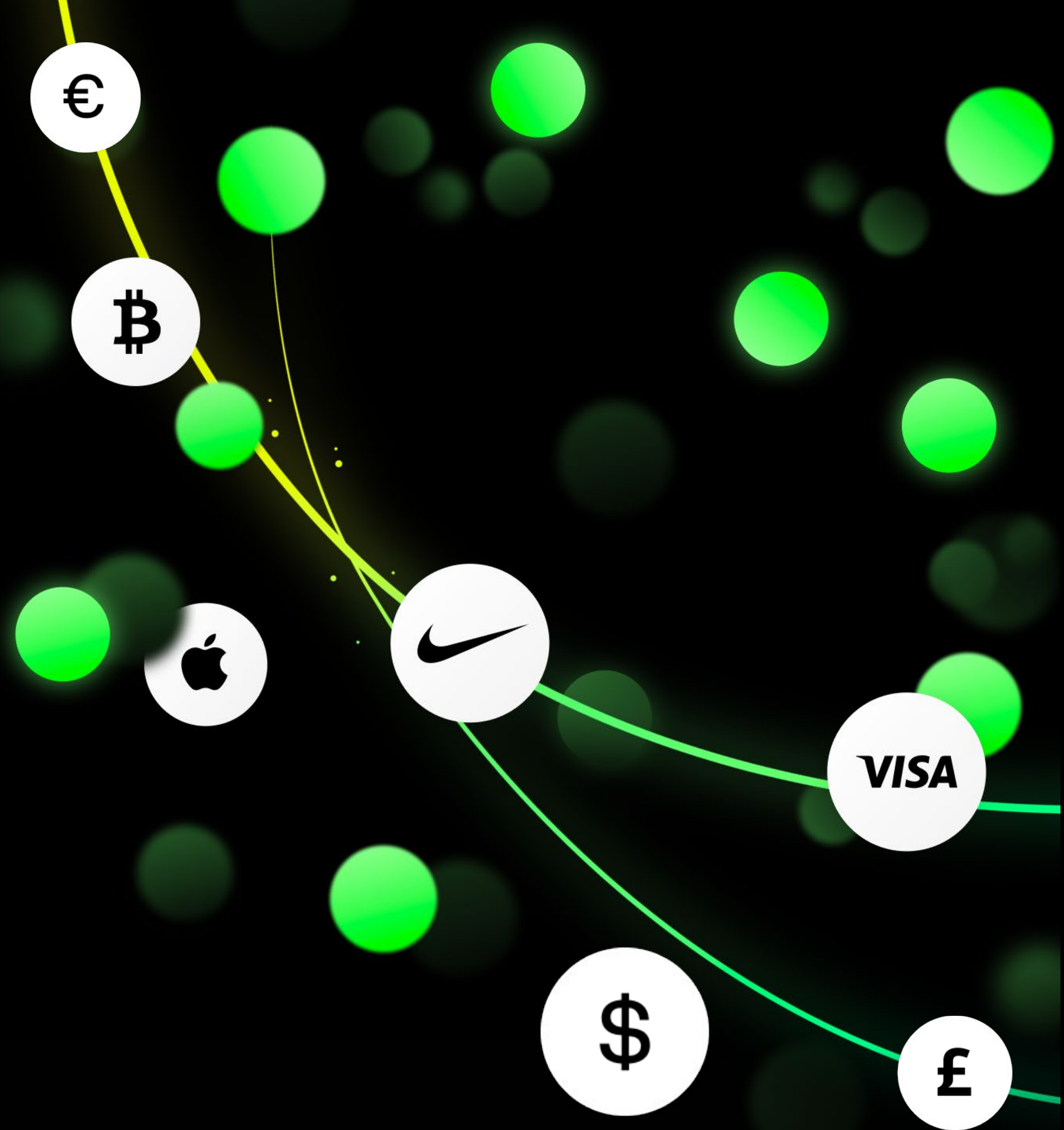


# About Runa

Runa is a digital value infrastructure and network that enables people to pay and get paid by anyone, anywhere, instantly. The Runa network reaches more than 1 billion people and instantly connects merchants, organizations, and individuals for fast, affordable, effortless, and data-rich payouts in more than 30 countries and 20 currencies.

Organizations of all types rely on Runa's infrastructure to power the movement of digital value and better serve their users. Runa provides direct connections to its network partners, enabling value to move more efficiently and economically than legacy solutions. Thousands of the world's top brands use Runa to reward, incentivize, and disburse funds.

Runa is headquartered in London with a globally distributed team. Our investors include Element Ventures, CommerzVentures, Clocktower Ventures, Volution Capital, AlbionVC, and SAP.



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