

Building, buying, and boosting:

Insights from a year of members'
loyalty currency purchase behavior
during the pandemic



More together.®



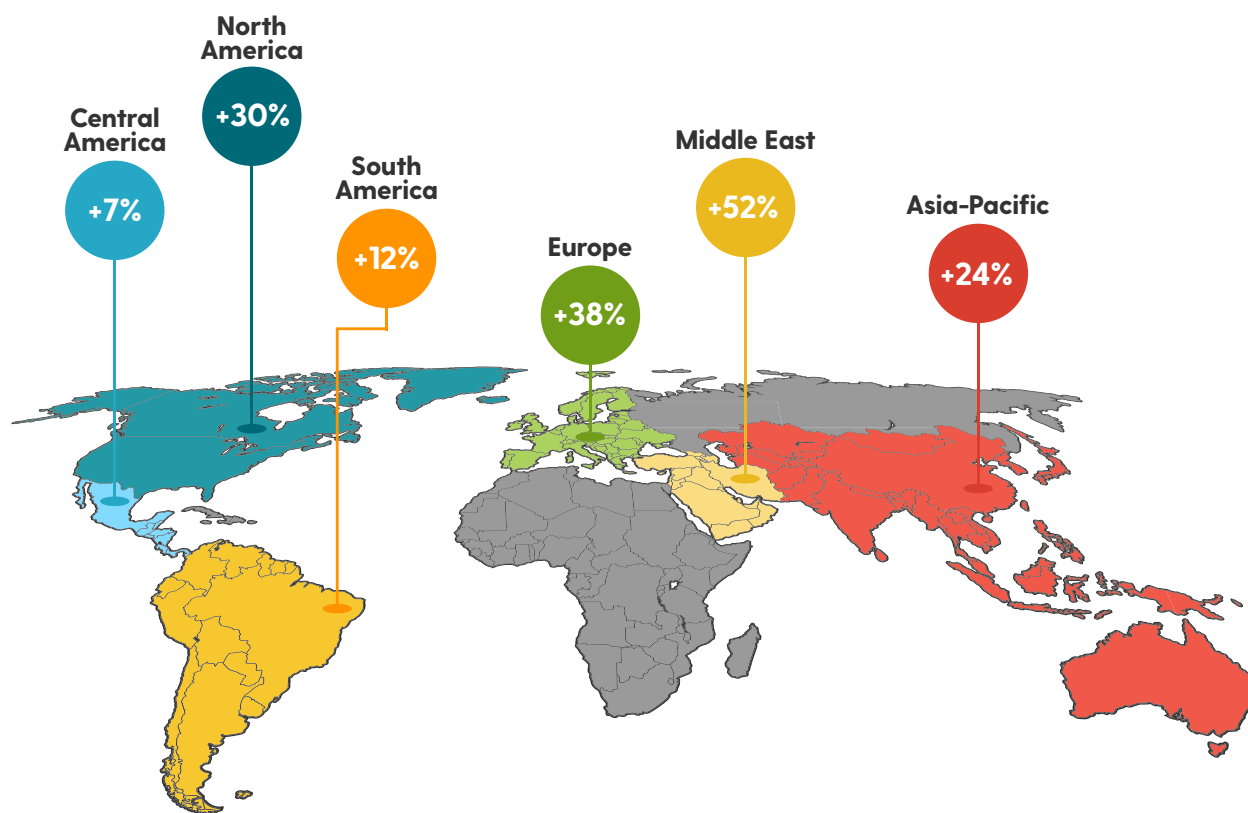
It's right there in the name—loyalty programs are designed to keep travelers choosing your travel services over your competitors'. But what happens when your services aren't accessible for the better part of a year? Our new data, collected from March 2020 to February 2021, shows that even when members aren't using your services for a lengthy period of time, their brand affinity doesn't have to diminish.

During the pandemic, members have been seeking out new and different ways to accumulate currency. And in the time it's going to take for travel to resume pre-pandemic levels, alternate means of earning can tag in as the main way they build their balances towards their reward goals.

A global phenomenon

There are few stronger ways members show brand affinity than by purchasing your points/miles outright. Our loyalty currency retailing business operates worldwide, giving us a global view of members' buying behavior. We found that **across the entire world, while the number of members buying points/miles decreased, the average transaction size grew by 35% during the year of the pandemic.**

Average points/miles bought per transaction, pandemic year vs. previous year*



Seeing a decrease in the number of members buying points/miles in 2020 was expected. Many buy to fulfil an immediate redemption need for a planned trip, and with travel at a standstill in 2020, this need all but disappeared. But a worldwide community of members buying currency in larger quantities than before to build their balances during a pandemic came as a welcome surprise for our loyalty program partners.

*Pandemic year: March 2020–February 2021. Previous year: March 2019–February 2020.



Points x points = more points

Even members who have continued to earn miles through travel or credit card spending during the pandemic are seizing opportunities to buy even more on top. For example, Points' Accelerator product allows members to pay to multiply the points or miles they've already earned from flights, hotel stays, credit cards, and car rentals. Our data from an Accelerator campaign for a North American airline from August to September of 2020 shows their appetite to earn: offered the choice of 1x, 2x, and 3x multipliers, **84% of members chose the highest rate of 3x.**

We saw the same effect with one of our European airline partners. Our Points Travel business powers a hotel- and car-booking site for this airline that allows members to earn miles on non-air travel bookings. They also have the option to pay slightly more to “boost” the miles earned on their reservations. In the year prior to the pandemic, 15% of bookings were boosted.¹ **During the pandemic, the boost rate has doubled to 31% of bookings.²**

¹ March 1, 2019 to February 28, 2020

² March 1, 2020 to present

In their own words...

During the pandemic, we ran a post-purchase survey asking members who bought points/miles about their motivation to buy.* We found that many still want to maintain a healthy balance of loyalty currency in their account, and are often buying it outright to make up for what they would have earned by flying. **With 36% of respondents buying “to build my balance” and 80% stating they “intend to buy again within 3 months,”** it's clear there is a real need to provide members with non-travel ways to collect currency.

The extent of high-value members' affinity to their favourite loyalty programs is both heartwarming and encouraging. Unprompted, they wrote messages of support to their favourite travel providers:



I love you guys. I'll support your business no matter what.

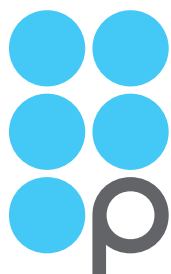
Hang in there! We'll be travelling with you again—just not soon enough due to Covid!

Good luck coming out of the pandemic. I'm looking forward to flying with you more often again and I hope this helps.



Give members the chance to invest in you

Enthusiasm for travel hasn't diminished through the ups and downs of 2020. After a year of Covid-19-induced travel restrictions, we see that loyalty program members are investing in the future of your program by building their balances throughout the pandemic. As we navigate 2021, continuing to provide your loyal members with multiple travel and non-travel ways to earn your currency will be essential, and will help you keep that affinity strong as travel recovery kicks into gear.



About Points

Points builds, powers, and grows new ways for members of the world's leading loyalty programs to get and use their favorite loyalty currency. We have 20 years of industry expertise unlocking programs' full potential and creating deeper, more profitable relationships with their members. Contact us at partnerships@points.com, or visit points.com.

*May 5, 2020, to January 29, 2021,