

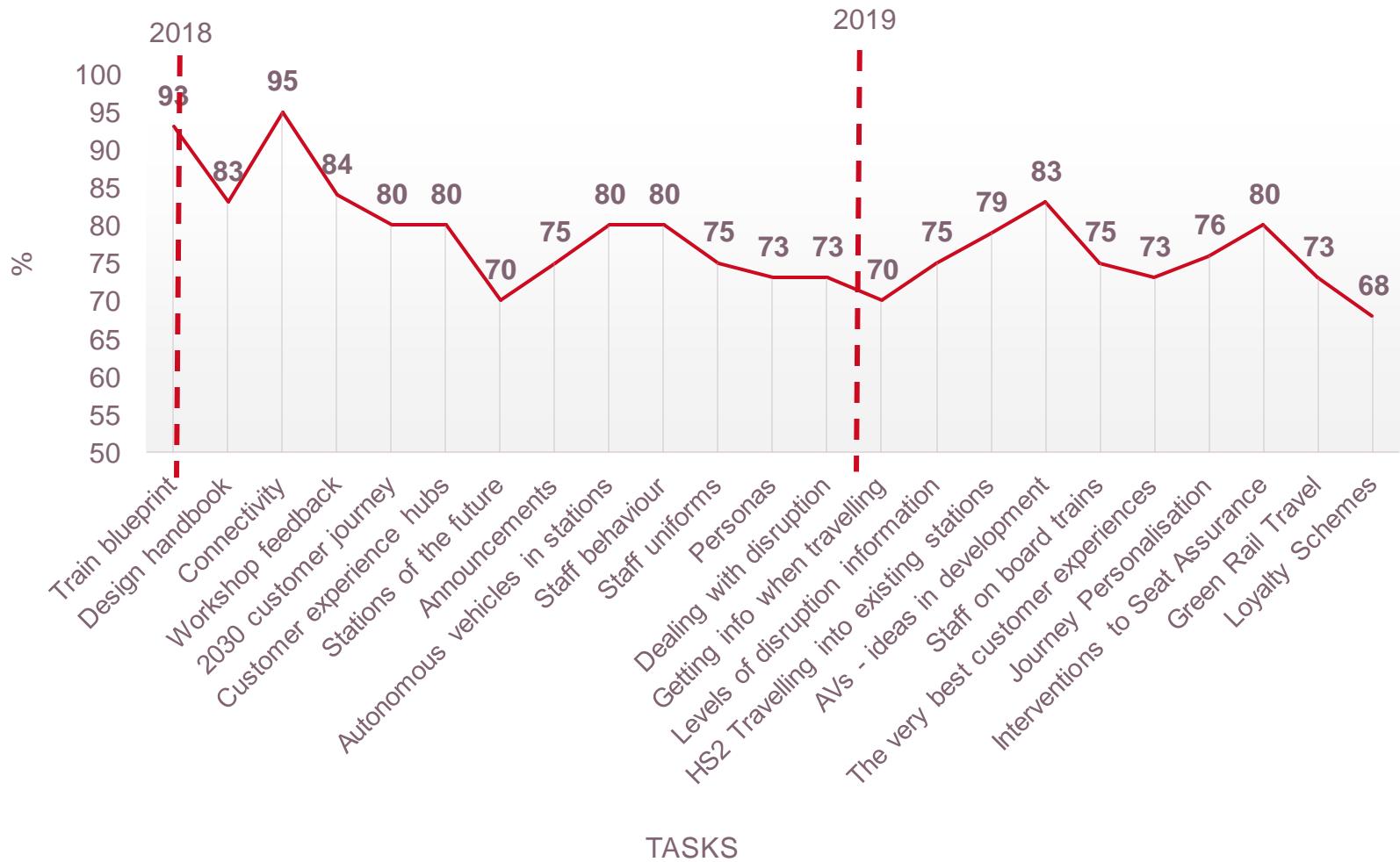


HS2 Customer Community Loyalty Schemes – November 2019

Agenda

1. **Task debrief – Loyalty Schemes**
2. Next task
3. AOB

Panel participation



The task

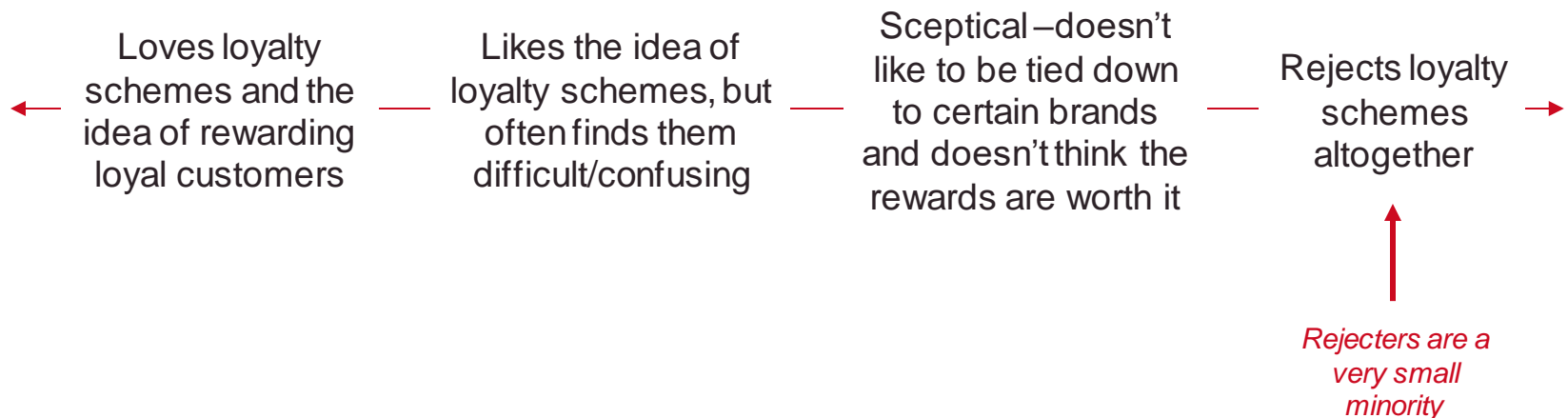


What do you think of **loyalty schemes**? Are there any loyalty schemes that you think are **particularly good and why**?

What about loyalty schemes in the **travel or transport sector**? Are there any that stand out to you and why?

Would you like there to be a **loyalty scheme for travelling on HS2**? How do you imagine this loyalty scheme would work? What would you **receive in return** for travelling on HS2?

Most are positive about loyalty schemes, but there is a spectrum of attitudes



Examples of the spectrum of attitudes

"I love loyalty schemes and rewarding loyalty. Too often, new customers get better offers than existing customers so rewarding people for travelling more is a good way of keeping them."

Male, 31-40, Commuter

"I think many of us have become slightly cynical of loyalty schemes, seeing them as a Big Brother approach to the customer relationship. But I have the sense that if a retailer knows what interests me, and wants to tailor offers accordingly, why would I want to refuse?"

Female, Commuter, Business, Leisure

"I actively dislike loyalty schemes. They seem time consuming to set up and to ensure all your points or miles are accounted for and make shopping around all the more complicated. This essentially reduces competition in my view and if anything increases the price people pay in the end."

Male, 41-50, Business

For those open to schemes, there are some key factors to make it successful



Offer something to all customers and not be exclusive to certain groups



Be easy to understand and use



Be personalised

Having to carry/remember multiple cards is often a pain point

- Many mentioned the hassle of carrying around multiple loyalty cards in order to claim their rewards
- One person mentioned the option of having an electronic version on their phone was appealing as it didn't take up space in their wallet and they would have it on them at all times

I don't carry loyalty cards around as they are a hassle if I forget them whilst shopping so I love having the cards electronically on my phone.

Female, 18-23, Commuter

For a railway loyalty scheme, that means offering something to infrequent as well as frequent travellers

*“I also think you need to be careful and not price a lot of users out of the system. for example if I travelled long distance six times a year and always used HS2 I'd think I was very loyal, but it's not the same as frequent. So I **prefer loyalty to anything tied to very high frequency of usage.**”*

Male, 51-60, Business

Popular loyalty schemes are those with frequent and useful rewards



Boots Advantage



Morrisons More



Sainsbury Nectar



Shell



Expedia.com



Subway Subcard

How can HS2 implement a loyalty scheme?



Differing preferences depending on the type of customer

Infrequent travellers might prefer free or discounted food and drink given they are not investing a large amount on tickets

"As I am only likely to use HS2 on an occasional basis I would much prefer the cost of a loyalty scheme put into lowering the price of coffee or snacks!"

Male, 61-70, leisure

"Ideally I think a good incentive would be a free journey for every X number of journeys travelled, for example if you travelled Monday-Thursday then Friday would be free, this would bring the price down for the consumer while still guaranteeing profit for the company."

Male, 18-23, Leisure

But frequent travellers may see this as an insignificant reward for their loyalty, and would prefer free or discounted travel

This means there is an appetite for a flexible scheme where the passenger can tailor their rewards

If passengers can choose how they are rewarded depending on their travel behaviour or preferences, everyone can feel valued...



Key findings

1

Most people would be very positive about a loyalty scheme on HS2



2

But to be successful, the scheme must offer something to everyone, be easy to use, and be personalised



3

A scheme where customers can tailor their rewards according to their preferences could work well

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