



WEST OXFORDSHIRE
DISTRICT COUNCIL

WEST OXFORDSHIRE DISTRICT COUNCIL

Name and date of Committee	EXECUTIVE 8 FEBRUARY 2023
Subject	RENEWAL OR NON-RENEWAL OF LOYALFREE
Wards affected	All
Accountable member	Cllr Duncan Enright Email: duncan.enright@westoxon.gov.uk
Accountable officer	Emma Phillips, Market Towns Officer emma.phillips@westoxon.gov.uk
Summary/Purpose	A decision is sought as to whether the council should continue to fund the LoyalFree app
Annexes	Annex A – LoyalFree Contract Renewal Proposals
Recommendation(s)	<i>That the Executive resolves to agree not to renew the contract with LoyalFree.</i>
Corporate priorities	A Vibrant District Economy: Securing future economic success through supporting existing local businesses and attracting new businesses to deliver the economic ambitions of the Local Industrial Strategy
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Not applicable.

1. BACKGROUND

- 1.1** The Covid-19 pandemic had a significant impact on the way we were living our lives, in particular how we were utilising our town centres. Footfall dramatically reduced as more consumers shopped online and restrictions prevented businesses from opening. Many businesses saw reductions in revenue as a consequence and in some cases this resulted in closure. Businesses were forced to flex and adapt to the new economic landscape in order to survive.
- 1.2** In March 2021, the council was allocated £97,973 from the Government's Welcome Back Fund (WBF) and looked into a range of initiatives to support businesses during the recovery stage of the pandemic.
- 1.3** The LoyalFree app was procured using WBF as part of the council's efforts to support the local economy and increase footfall during the recovery phase of the Covid-19 pandemic.
- 1.4** LoyalFree is a place promotion app designed to support the local economy by encouraging people to save money when they 'shop local' and to explore their local area.
- 1.5** The app, which launched in July 2021, gave businesses the opportunity to promote offers and deals to the app users either as one-off deals or as part of a digital loyalty stamp scheme.
- 1.6** In addition to deals and loyalty offers the app also features competitions, trails, guides, and events.
- 1.7** The app currently has over 3,865 users within the district and promotes 68 deals from 50 local businesses, promotes 37 events, and lists 18 trails.

2. MAIN POINTS

- 2.1** The LoyalFree scheme was funded by the WBF and the 24-month contract ends on 31 May 2023. The Executive is being asked whether they would like to renew the contract with LoyalFree using the Council's own funds.
- 2.2** LoyalFree has submitted three proposals that incorporate a range of services. All packages run for three years. Please see Annex A.

3 PERFORMANCE

Below is a table of the expected benefits of the app and an evaluation of attainment:

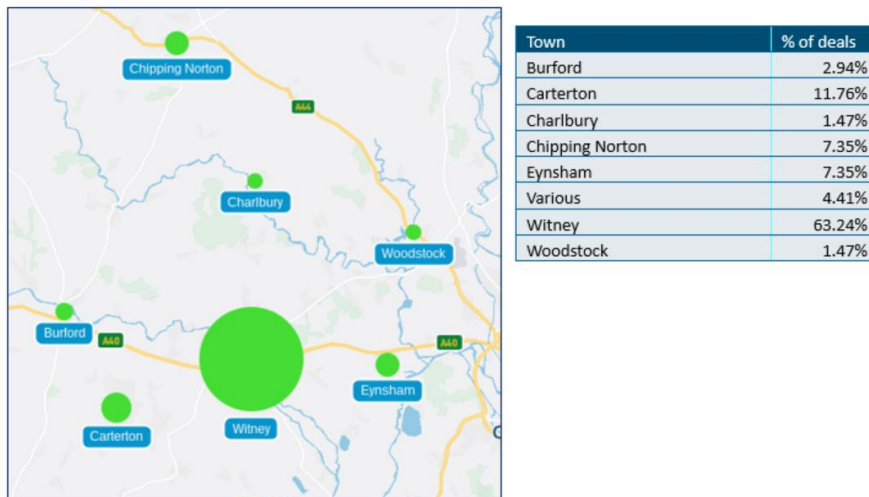
Expected benefit	Achieved	Comments
A platform to promote all aspects of the district; offers, events, trails, parking information, POIs, business profiles	Partially	Functionality is limited. Only a small proportion of market town businesses are represented through deals.
An events directory that links to business websites	Yes	As of November 2022, 2,403 event clicks have been recorded. If 10% of app users visited the event and spent £10 on average, this would be 240 visits and £2400 spent.
Provision of a 'local guide'	Partially	Limited information. The council already provides this information via the Cotswold.com pages
Enhancing business' online presence, including the e-commerce platform	Partially	Only a small proportion of market town businesses are represented on the app The e-commerce 'marketplace' has not resulted in any sales.
Raise the profile of businesses via the competitions function	No	Since the launch, there have been 8 competitions. Only 1 competition prize was offered by a local business, Blenheim Palace.
Businesses to be promoted on trails	Yes	As of November 2022, 5,178 trail location views and 18,076 trail interactions have been recorded. If 10% of app users visited the location and spent £10 on average, this would be 517 visits and £5170 spent.
Increase customer retention for businesses via the loyalty scheme element of the app	Partially	Of the 5,513 deal redemptions recorded up until November 2022, approx. 74% are derived from just 5 individual businesses
Insights into customer base and shopping habits	No	The data the council has is very basic; the busiest day for redemptions is Thursday and the busiest time is 10am-11am

Increase the overall revenue for businesses; some studies suggest loyalty schemes increase overall revenue for businesses, that members spend more than non-members on average and that members also make more frequent purchases

Unknown

The council does not have access to spend data

3.1 The map below shows the geographical spread of the number of live offers by town:



As of November 2022, 64 deals (71% of the total number of deals) have achieved less than 10 redemptions since the time of launch. Despite the high number of redemptions, these have been made by a small number of people, just 713 app users (0.6% of West Oxfordshire's population).

4 . PERFORMANCE OF SPECIFIC FUNCTIONS

4.1 The functions that achieve the highest levels of engagement are the offers, trails, and event listings. Below is a summary of engagement levels per function.

The app has listed a total of 93 deals since it launched in July 2021. There are currently 67 live deals on the app.

It has been recorded that 2,787 people have viewed a deal. A total of 4,097 loyalty stamps have been collected and 355 rewards have been claimed.

Despite the high number of redemptions, these have been made by a small number of people; just 716 app users. This equates to 18% of all app users and just 0.6% of West Oxfordshire's population.

4.1 As of November 2022, 64 deals (68.8% of the total number of deals) have achieved less than 10 redemptions since the time of launch. It is proposed that the council should implement other initiatives that have wider-ranging benefits for all businesses.

4.2 The app has featured 452 locations / businesses via 26 trails.

- 4.3** The council has seen the benefit of the trails function with regard to influencing footfall and levels of engagement: 1,488 people have viewed trail locations 5,178 times. The council can only speculate on the benefit this has on local businesses; if the council assumes that 10% of people visited and spent £10 on average, this would be 517 visits and £5,170 spent.
- 4.4** It is proposed that similar trails could be created and listed on the council website. To ensure that the trails were more accessible the council could produce printable versions of the trails.
- 4.5** A total of 339 events have been listed on the app and a total of 2,417 event clicks have been recorded.
- 4.6** With regard to the positive impact the event listings have on local businesses, the council can only speculate; if the assumption is that 10% of people visited and spent £10 on average, this would be 241 visits and £2,410 spent.
- 4.7** An alternative solution to the events listings was launched on 31 October 2022; the What's On [events page](#) currently lists activities and events for the public hosted by local businesses. This events page has, in just four weeks, recorded 1874 unique page views with the average person viewing the page for over three minutes.
- 4.8** The app has recorded 379 clicks on the 'local guide'. The section features a series of council owned external links, for example, information on parking at westoxon.gov.uk, a list of accommodation at Cotswolds.com.
- 4.9** 697 app users have entered one of the eight competitions. All but one of the competitions were organised by LoyalFree. The only business to use the competition feature to promote themselves was Blenheim Palace.
- 4.10** While the scheme mostly achieved what it set out to do in extraordinary circumstances, it is very difficult to show an economic benefit that exceeds the quoted cost of the scheme.
- 4.11** Officers have learned that the scheme needs constant high levels of officer time to promote the scheme and encourage businesses to use it. It is difficult to justify the time when considering the rate of take up by businesses.

5 CONCLUSIONS

- 5.1** Officers have concluded that although the scheme in general was a success, only relatively few businesses are making good use of the app. The council should consider other initiatives that may result in far wider-ranging benefits.
- 5.2** It is recommended that the council does not renew the contract with LoyalFree.
- 5.3** The Economic Development Team should support businesses by providing them with information about alternative loyalty scheme apps.
- 5.4** The importance of local businesses and town centres has been highlighted as a priority in the new [Council Plan 2023-27](#). West Oxfordshire's UK Shared Prosperity Fund (UKSPF) Investment Plan, which has recently been approved by the Government, also prioritised support for market towns. The Council is currently undertaking feasibility work to identify the most effective ways of using the UKSPF funds for this purpose.
- 5.5** The Council will continue to work with OxLEP and other business support providers to ensure there is a comprehensive and relevant support structure for our businesses and promote this through Business Matters newsletter, our website and other means.

6 FINANCIAL IMPLICATIONS

- 6.1** LoyalFree have proposed three 3-year contract options ranging from £12,120 (plus VAT) per year to £17,120 (plus VAT) per year.
- 6.2** No funding sources have been identified.
- 6.3** There are no financial implications should the cabinet decide to exit from the scheme at the end of the contract, on 31 May 2023

7 LEGAL IMPLICATIONS

- 7.1** There are no legal implications arising directly from this report.

8 RISK ASSESSMENT

- 8.1** The following covers the risks of both renewal and non-renewal of the LoyalFree contract.

Risks of nonrenewal

Risk	Likelihood	Impact	Response
Local businesses will feel unsupported			<p>The withdrawal of a service such as LoyalFree could be a sensitive issue it should be approached with thought and consideration to all stakeholders. However, it should be noted that when originally informing businesses about the scheme the council stated the opportunity to be involved would be for the duration of 2 years, as per the contract.</p> <p>WODC comms team to create a plan to communicate the council's exit from the scheme to ensure stakeholders are well-informed and satisfied with the outcome.</p>
A perception that customer retention levels of participating businesses will reduce			<p>Share information (above, point 2.6.2).</p> <p>Businesses are encouraged to adopt their own loyalty schemes to replicate the deal or loyalty scheme.</p>
Businesses will fail to attract new customers without the app			<p>Business are encouraged to promote their brand, products, and services.</p> <p>WODC to share any promotional opportunities via the business matters e-newsletter.</p>
A reputational risk that the council is no longer providing free activities such as the trails.			<p>Explore the feasibility of running trails through another medium, i.e. printable trails or via the council website.</p>
Loss of economic insight data for the local area.			<p>Consider procuring data to fill in any gaps.</p>
A loss of ability to promote the district			<p>The council's tourism team actively promotes many attractions and businesses in the district.</p> <p>Support local groups such as the Chamber of Commerce to manage town-specific websites.</p>

Risks of renewal			
Risk	Likelihood	Impact	Response
A perception that funding could be better utilized	Medium	Medium	Communications to promote the benefits of the place promotion app.
The 'novelty' of the app will diminish and engagement levels will reduce	High	Low	Continuous promotion of the app and its features.

KEY:



9 EQUALITIES IMPACT

9.1 None.

10 CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

10.1 None

(END)



West Oxfordshire DC 2023 LoyalFree Contract Renewal



Want great savings
from independent
retailers you *love*?

Download the LoyalFree app FREE





68 Live Deals
From 50
Businesses

3,865
Engaged App
Asers

47,527
Interactions

18,076 Trail
Interactions

365 Businesses
Promoted

1,823
Competition
Entries

5,513 Deal
Redemptions

17 Live Trails

16,937 Deal
Views

6 Month Growth - Usage

This includes all interactions on the LoyalFree App with West Oxfordshire

May	June	July	August	September	October
33,668	34,972	37,328	44,857	46,094	47,088
	+1,304	+2,356	+7,529	+1,237	+994

40% increase over the last 6 months



Case Study - Dino trails

Dino trails took place in Carterton, Chipping Norton and Witney in August 2022.

- From a survey of those that took part in Dino trails on LoyalFree across the country, we learnt that participating groups consisted of 3 or more people on average. They visited 13 businesses on their route and **spent around £35 per group**.
- Therefore we estimate that 500 groups of participants on a trail generate around 6,500 business visits and spend **£17.5k in local businesses**.

The team at West Oxfordshire made the trails really distinctive, with brilliant videos, scary dinosaurs and physical installations/performers, which undoubtedly created a great experience for trail goers and town visitors alike.

A promotional poster for the "Dino Trail" event. The background features a dramatic landscape with mountains, a body of water, and a large T-Rex in the foreground. The text "DINO TRAIL" is prominently displayed in a stylized font. At the top, there are logos for LoyalFree, West Oxfordshire District Council, European Union, and HM Government. At the bottom, there is a call to action and a date range.

LoyalFree
The Place Promotion App

WEST OXFORDSHIRE DISTRICT COUNCIL

European Union
European Regional Development Fund

HM Government

DINO TRAIL

One lucky dinosaur hunter will win a Family Day Pass to Cogges Manor Farm!
Find as many dinosaurs as you can to increase your chances of winning!

GET IT ON
Google Play

Download on the
App Store

2ND AUGUST - 4TH SEPTEMBER 2022

LoyalFree is dedicated to driving repeat customers to visit partner areas and their businesses.

What are we looking to achieve in West Oxfordshire in the next 3 years?

- Build on the success of trails to grow footfall in key areas. Providing more variety in the trail options available for users, raising the profile of the council as a support of local businesses.
- Grow the engagement level of independent businesses with deals and loyalty by helping them to retain customers, and increase frequency of customer visit and spend.
- Increase the number of engaged app users, interacting with the businesses in the area, raising the profile of the area.
- Continue to support Emma, Barry and the team with their promotions, trails and ideas.





LoyalFree

West Oxfordshire District (3 year contract)

Option 1 - £12,120 + VAT per year	Option 2 - £15,340 + VAT per year	Option 3 - £17,120 + VAT per year
<p>Subscription to the LoyalFree place promotion platform and mobile application including:</p> <ul style="list-style-type: none"> • Trails functionality and unlimited build-your-own trails. • Unlimited profiles for West Oxfordshire District businesses. • Digital loyalty technology & deals for promoted businesses • API feed of offers to external website • Event listings • Local Tourism Guide • Co-branded location within the app • Standard partnership performance dashboards • All standard platform and feature upgrades and updates (see next slide) <p>Services and materials:</p> <ul style="list-style-type: none"> • Promotion administration including the adding and updating of events, and business offers received from the council or promoted businesses. Creation and distribution of till wobblers to businesses. • Co-branded promotional materials including leaflets, roller banners, window clings, and business benefits sheets (as required). • 2 pre-packaged trails per year to include concept creation, poster & leaflet design, social media images and press releases. • 4 co-branded pieces of promotional content per year (e.g. bus shelter advert design) 	<p>Subscription to the LoyalFree place promotion platform and mobile application including:</p> <ul style="list-style-type: none"> • Trails functionality and unlimited build-your-own trails. • Unlimited profiles for West Oxfordshire District businesses. • Digital loyalty technology & deals for promoted businesses • API feed of offers to external website • Event listings • Local Tourism Guide • Co-branded location within the app • Standard partnership performance dashboards • All standard platform and feature upgrades and updates (see next slide) <p>Services and materials:</p> <ul style="list-style-type: none"> • Promotion administration including the adding and updating of events, and business offers received from the council or promoted businesses. Creation and distribution of till wobblers to businesses. • Co-branded promotional materials including leaflets, roller banners, window clings, and business benefits sheets (as required). • 4 pre-packaged trails per year to include concept creation, poster & leaflet design, social media images and press releases. • 2 days of business engagement visits per year • SEO optimised web pages to drive additional traffic to the application • 6 co-branded pieces of custom promotional content per year (e.g. bus shelter advert design) 	<p>Subscription to the LoyalFree place promotion platform and mobile application including:</p> <ul style="list-style-type: none"> • Trails functionality and unlimited build-your-own trails. • Unlimited profiles for West Oxfordshire District businesses. • Digital loyalty technology & deals for promoted businesses • API feed of offers to external website • Event listings • Local Tourism Guide • Co-branded location within the app • Standard partnership performance dashboards • All standard platform and feature upgrades and updates (see next slide) <p>Services and materials:</p> <ul style="list-style-type: none"> • Promotion administration including the adding and updating of events, and business offers received from the council or promoted businesses. Creation and distribution of till wobblers to businesses. • Co-branded promotional materials including leaflets, roller banners, window clings, and business benefits sheets (as required). • 3 pre-packaged trails per year and 1 custom trail to include concept creation, poster & leaflet design, social media images and press releases. • 4 days of business engagement visits per year • SEO optimised web pages to drive additional traffic to the application • 8 co-branded pieces of custom promotional content per year (e.g. bus shelter advert design)

Additional available services

Marketing

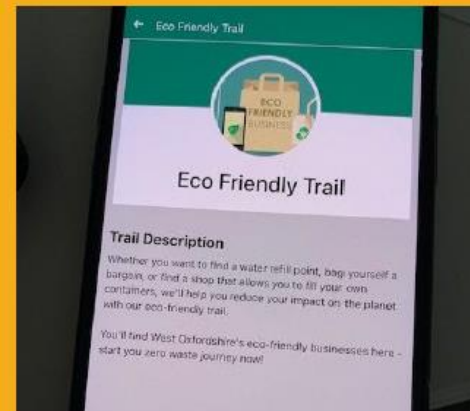
- Push notifications to users (currently manually implemented by LoyalFree)
- Additional trails (pre-packaged and custom trails including trail assets like AR, video, and audio).
- Graphic design for physical advertising including signs, bus shelters and banners.
- Digital/social media content production
- SEO optimised web pages to drive additional users
- Additional co-branding options including splash-screen images, till wobblers and leaflets.

Business support

- Business engagement visits and call campaigns

Have we got the right package for you?

If the suggested packages do not meet your requirements, let's create a custom package for West Oxfordshire Council, based on the results you want to achieve and the services you would like us to provide.





Future developments

A re-marketing hub to include:

- The ability for council and business to remarket events and offers to opted-in users via push notification or email.
- The ability for businesses to create and promote personalised offers for their customers based on their interactions with the area and businesses. This is designed to change the perceived value from businesses of rewarding loyal customers, to increasing the frequency of customer visits and average transaction value.

Trail developments including:

- Improved Augmented Reality (AR) experiences
- Additional gamification options for trail participants

LoyalFree is always exploring the latest technology to ensure that we deliver the best place promotion experience to our users, value to businesses and to our partners. Therefore we are currently exploring open-banking, card-linking and POS technology in order to increase participation rates on loyalty schemes and business deals. In addition, these innovations could enable us to capture and return more spend data to our partners in their areas.

Future marketing initiatives

LoyalFree is now available in 70+ towns and cities and growing in usage across the UK to over 108,000 registered users. This scale is providing additional marketing opportunities.

LoyalFree are investing in a web-presence to drive traffic and new users to the app. These pages can be further SEO optimised to keywords such as 'Things to do in ____' and 'Whats on in ____'. The content for these pages will include deal, loyalty, event and trail content from the app, to increase the advertising value to the businesses.

LoyalFree are actively seeking partnerships with physical installation providers for trails.

LoyalFree are negotiating deals with national businesses in order to help our partner areas across the UK to gain more deals from big brand names and drive more users to the app.