

# Bakkt Loyalty & Rewards 2022 Outlook Study

February 2022

#### BAKKT LOYALTY & REWARDS 2022 OUTLOOK STUDY / OVERVIEW

#### We ran a consumer study to uncover and validate consumer\* crypto loyalty preferences

- Crypto buyers are more likely to use loyalty programs across major categories, over-indexing the average U.S. consumer in hotels (59%), gas (53%), travel (55%) and finance (52%).
- The growing ubiquity of cryptocurrency is shifting consumer behavior as the majority (72%) of the crypto buyer group, who purchased crypto at least 1x in the past 6 months, are likely to redeem loyalty points for cryptocurrency compared with 34% of the national average.
- For crypto buyers, those interested

in earning crypto rewards (51%) almost rises to the preference level of earning cash back instead of points (56%).

- Income level was also found to be a driver of crypto rewards interest, with 40% of consumers with income over \$100,000 likely to redeem loyalty points for crypto.
- Of the consumers who said they are not likely to redeem for crypto, 44% responded that the biggest barrier to redeeming cryptocurrency is understanding what can be bought with crypto.



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#### **Survey overview**



### Crypto purchasers skew younger, male, and slightly higher income, as compared to the US population

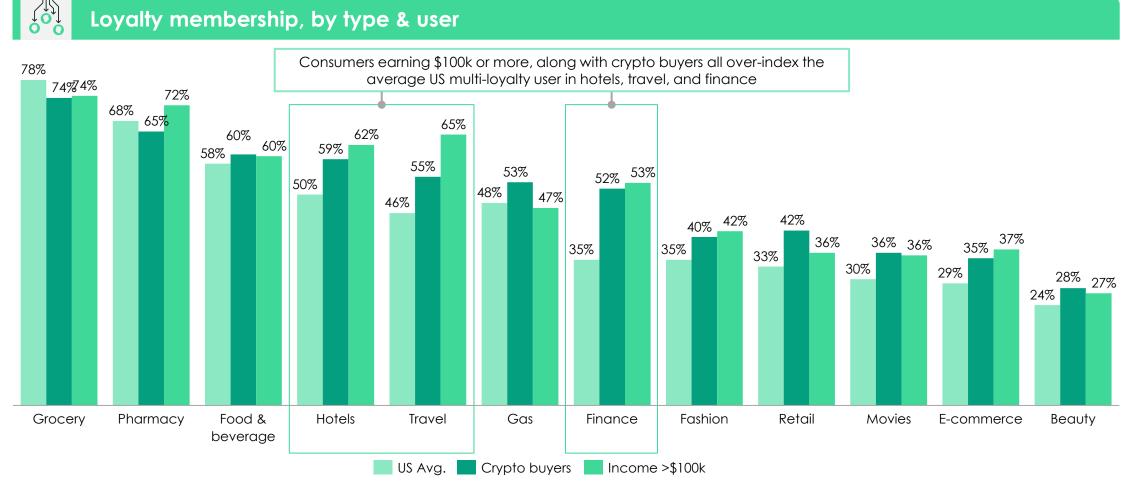
		US multi- Crypto loyalty users buyers Income>\$100k							Cr	ypto buyers	and thos	e with inc	come	
Household Income		29%	-5%	-29%	-				higher than \$100k are more likely to rep					
	\$50k-\$99k	31%	-6%	-31%					greater loyalty enrollment					
	<\$100k-\$149k	20%	0 0 0	6%	31%						21% 2			
	+\$150k	20%	0 0 0	5%	29%	25%	25% 23% <sub>21%</sub> 21% 21% 18%					23%		
Age	18-24	10%	0 0 0	3% -3%	I			, D						
	25-34	20%	0 0 0	12%	0%				14%					
	35-44	19%	0 0 0	16%	13%				1	5%				
	45+	51%	-30%	-10%					14%	8%				
Gender	Male	47%	•	12%	13%					9%	9%			
	Female	53%	-13%	-13%						8%	9%			
Ethnicity	White	78%	-1%		7%							4%		
	Black	13%	0 0 0	0% -5%								1%		
	Asian	4%	0 0 0	1%	1%									
	Hispanic	14%	• • •	4% -1%			4	5	6	7	8	9	10+	
	Total N	500	7	710 48	35		US r	nulti-loyal <sup>:</sup>	tv ava	Crypto buy	er 🗾 Inco	ome >\$100k	ć	





#### Crypto purchasers and those earning more than \$100k are more likely to use loyalty programs across most major categories

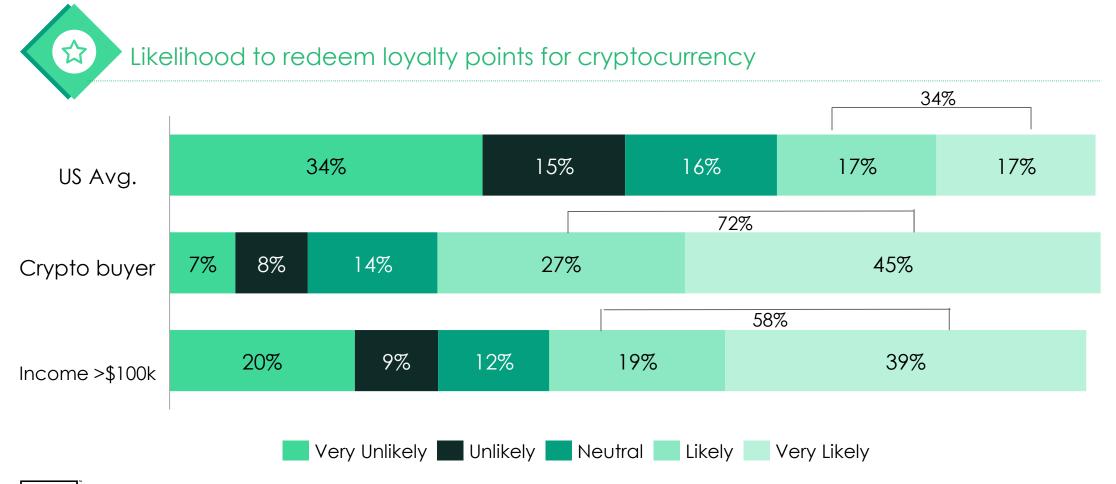
#### Loyalty membership, by type & user



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### Crypto buyers show high excitement for redeeming loyalty points for cryptocurrency



Source: Bakkt Lovalty & Rewards 2022 Outlook Study, December 2021, n=1000

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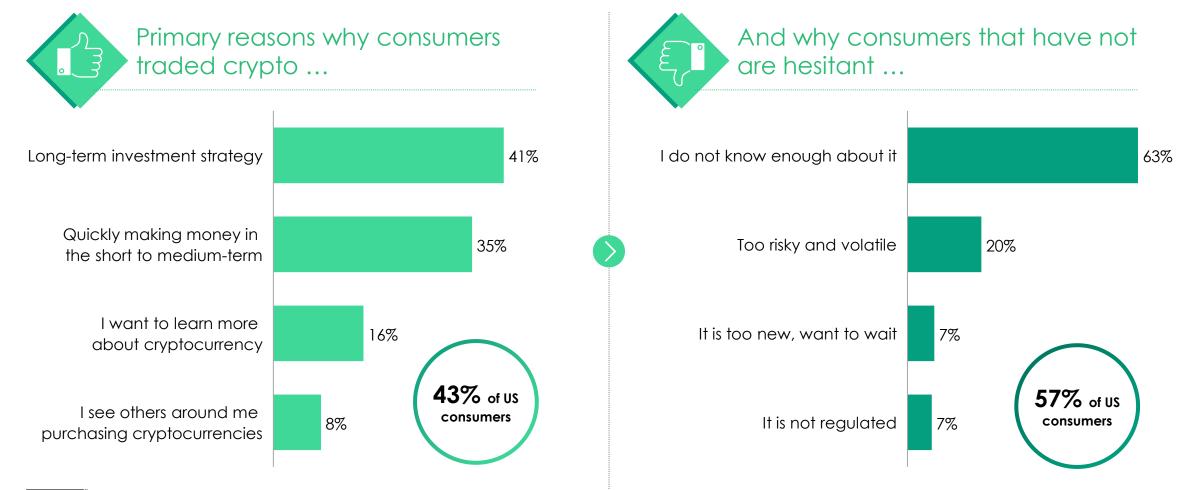


### While most consumers currently prefer cash back when earning, crypto buyers are nearly equally open to earning in crypto

Earning preferences	S							
Earning cash back instead of points	61%	56%		66%				
Earning cryptocurrency in addition to points	43%	51%	21%					
Earning cryptocurrency instead of points	41%	49%	19%					
Earning points to be used at the company where earned	32%	31% 31%						
Earning NFTs instead of points	25% 279	7 10%						
Accrue separately and redeem	21% 19%	24%						
	Income	>\$100k 🗖 C	Crypto buye	US Avg.				



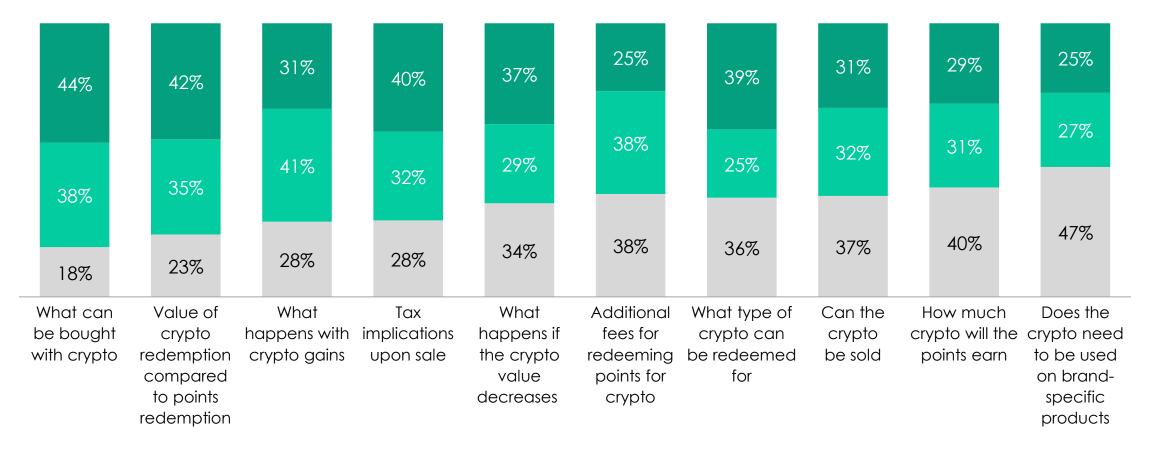
### US consumers see information as the largest barrier to purchasing cryptocurrency



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🛛 Rank 1 🔜 Rank 2 📃 Rank 3

Redemption

Value

# About this study

Commissioned by Bakkt and conducted via an online survey tool, the study polled 1,000 consumers across the U.S. and was fielded in December 2021, providing insight into how individuals interact, redeem and accrue loyalty points, as well as examining what outlook consumers want for the future of the industry. Participants were screened for membership of at least 3 or more loyalty programs.





## The End

#### Media

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