



The Transformation of Customer Loyalty: A Pan-Industry View

January 2024

INTRODUCTION

Scope

Key Takeaways

Exploring customer loyalty

Drivers of customer loyalty

Capitalising on the power of mobile growth

Experiences high on the agenda for loyalty programmes to help drive added value

Grocery retail brands: lead the way for global loyalty programmes

Loyalty programmes more important than ever

Designing loyalty programmes: key considerations for businesses

The core principles of effective loyalty programmes

LOYALTY IN BEAUTY AND PERSONAL CARE

Beauty loyalty programmes are most influential in colour cosmetics and among Millennials

Fluctuations in subscription box demand and direct selling salesforce are major challenges

BeautyCounter builds loyalty through ingredient safety positioning, “clean beauty” mission

Bubble builds loyalty through app frequented by Generation Z and co-creation approach

Bond over shared ethos, co-create with younger consumers, and build community in beauty

LOYALTY IN LUXURY GOODS

Elevating customer loyalty through value-driven rewards and exclusivity across luxury

Leveraging digital platforms for loyalty programmes across luxury is essential

Building emotional loyalty and nurturing brand advocates is pathway for future consumers

YSL Beauty: Nurturing exclusivity with NFT loyalty approach to connect better with Gen Z

Luxury department store Liberty London gives its loyalty members more bang for their buck

Fusing exclusivity, quality, heritage and storytelling to build a strong strategy in luxury loyalty

LOYALTY IN APPAREL AND FOOTWEAR

Apparel and footwear brands need to create value as consumers buy the best they can afford

Winning brands offer a hassle-free experience and bond with consumers over self-love

Lacoste banks on gaming and personalisation with its UNDW3 NFT loyalty card

Nike Well Collective taps into emotional loyalty to support “Body, Mind and Life”

Fashion: Moving through uncertain times together and building loyalty along the way

LOYALTY IN PACKAGED FOOD

Digital trends have the potential to reshape loyalty programmes in the food industry

General Mills opens path to data-driven loyalty programmes

Kraft Heinz's NFT integration with Oscar Mayer Wiener Whistle

Enhancing customer engagement through loyalty programmes in the evolving food industry

LOYALTY IN DRINKS

Supporting ubiquitous brands with targeted loyalty programmes, particularly in foodservice

Coke ON consumer loyalty app helps to kickstart vending growth in Japan

Drinks brands invest in B2B digital loyalty programmes for traditional and independent retailers

Tim Hortons extends loyalty programme with new Tims credit card

LOYALTY IN DRINKS

Drinks programmes to foster both consumer and retailer loyalty

LOYALTY IN CONSUMER FOODSERVICE

Foodservice programmes must transcend discounts and foster lasting loyalty through experiences

Boba Guys' reward system adds an element of surprise through mystery boxes

Taco Bell empowers loyalty members to take part in the design of hot sauce slogans

LOYALTY IN CONSUMER FOODSERVICE

Delivering value aligned with their consumers' needs and wants

LOYALTY IN TRAVEL

Loyalty ecosystems target growing leisure travel segment

Accor uses subscriptions to increase loyalty programme participation

ANA Pocket offers lifestyle ecosystem rewards

Future travel loyalty programmes will be lifestyle ecosystems

LOYALTY IN RETAIL

Loyalty and personalisation, a match made in heaven

Direct to consumer model makes it easier to achieve maximum personalisation

The Fresh Market launches Ultimate Loyalty Experience, exploring personalisation

Marks & Spencer finds new heights by shining the light on Sparks

Loyalty nirvana is now the ultimate goal for consumers and retailers alike

LOYALTY IN NICOTINE

Loyalty in nicotine is largely a feature of emerging cigarette alternative categories

Ecigwizd Vape Rewards: Addressing price sensitivity

BAT's B-Lounge: Rewarding and educating uptake of an emerging category

Where viable loyalty programmes offer approaches to key industry challenges

CONCLUSION

Key Takeaways

Customer Loyalty: How to win

Evolution of customer loyalty

Questions we are asking

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