

The Modern Loyalty Marketer's Playbook

★ Winning Strategies for a Changing Consumer ★



The Modern Loyalty Marketer's Playbook: Winning Strategies for a Changing Consumer

Study basis: 1,001 nationally representative U.S. loyalty program users (Aug. 2025).

Introduction

In today's economic environment, the value exchange between consumers and brands has never been more critical. Customer retention is no longer just a priority. It's a competitive imperative.

Many brands are grappling with how to make customers feel truly valued in a landscape defined by proliferating loyalty programs, dwindling attention spans, and rising consumer expectations. As one casino resort CMO put it:

"If I lose just one VIP, I need to recruit 7,000 new customers."

While the ratio may vary by category, the truth holds across industries: retaining high-value customers is exponentially more efficient and impactful than constantly chasing new ones.

This anecdote illustrates a broader truth: loyalty is no longer a nice to have, it's business critical. VIPs, power users, and advocates exist in every vertical, and their outsized impact on revenue and profitability means brands must prioritize keeping them engaged.

Yet the loyalty playbook is being rewritten. Where traditional programs relied on delayed fulfillment, static tiers, and periodic rewards, today's consumers, empowered by technology and conditioned for instant gratification, demand more. Every brand touchpoint is now judged on its **ability to deliver relevance, speed, and sustained value.**

Our latest research, conducted in partnership between Fetch and Digitas, explores this shift. Based on insights from over 1,000 U.S. loyalty program users, the findings reveal a rapidly evolving loyalty landscape shaped by:

- ◆ Generational differences
- ◆ Psychographic loyalty profiles
- ◆ Redefined expectations around value, privacy, and convenience

Consumers are increasingly embracing multi-brand rewards platforms, like Fetch, which average nearly three sessions per user per day and see 12M+ receipts uploaded daily. These platforms help eliminate friction and make it easier for consumers to extract value from everyday purchases.

To succeed, modern loyalty strategies must embrace four core themes:

A new definition of value: Speed, simplicity, and a frictionless experience

Generational shifts: Younger consumers are changing the rules, and older consumers bring strong preferences of their own

Psychographic segmentation: Loyalty now hinges on mindset in addition to demographics

AI's promise and pitfalls: Personalization must be balanced with transparency and trust

The chapters ahead explore how to meet these new demands, starting with the all-important first moments of the customer journey.



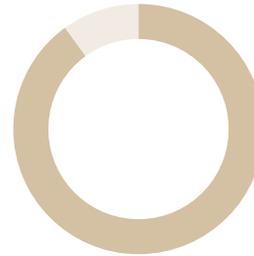


Chapter 1

Loyalty Starts at Hello

In an era of shrinking attention spans and rising consumer expectations, the first moments of a customer’s experience with a loyalty program carry outsized weight. Our research confirms what many marketers intuitively know: **first impressions matter most.** But what drives a customer from initial interest to long-term engagement has changed.

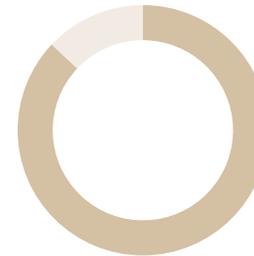
Today’s consumers come to loyalty programs with clear expectations. They expect programs to be free, fast, and respectful of their privacy. A full 92% of respondents said a loyalty program must be free to join.



Almost as many,

90%

said rewards must accumulate quickly...



while

87%

prioritized data protection.

What was once seen as a bonus is now baseline.

Loyalty programs must deliver immediate value or risk losing the customer at the start.

This demand for instant gratification is more than a trend; it's a shift in how consumers define value. Participants in our study voiced this plainly:



“I love when programs offer customizable or flexible rewards that are easy to achieve and redeem.”



“I love being able to accumulate points quickly and grow my balance to redeem for big rewards. It's a lot easier to do with combined brands under one rewards program. It keeps me engaged and wanting to use the rewards program.”





Chapter 1

Loyalty Starts at Hello (*cont.*)

Ease and simplicity are also critical.

More than half of respondents

54%

say that a straightforward sign-up process is a key reason they join a loyalty program.

50%

are influenced by the promise of a sign-up bonus or welcome reward.

In short, removing friction at every turn isn't just helpful—it's expected.

Aggregator platforms and multi-brand ecosystems are increasingly central to delivering this seamless experience. They consolidate value, simplify the user journey, and allow consumers to earn rewards across the places they already shop. This model resonates deeply with users who want efficiency without sacrificing value. As one Fetch user put it:



"The ability to link my account to Fetch Rewards, so whenever I shop, I automatically get my Fetch Rewards, is a game changer."

Another user reflected on the limits of single-brand programs:



"It's also a lot easier to get rewards from places that I don't shop at a lot. With regular rewards programs, you usually only get rewarded after you hit a certain limit... that's not always feasible."

When consumers recommend a loyalty program to others, their reasoning is refreshingly pragmatic. Sixty-eight percent cite tangible savings as their top reason. More than half (51%) say they appreciate how quickly rewards add up, and 46% value overall ease of use.





Chapter 2

Redefining Value

For all the innovation in loyalty marketing, one core question remains: **What do customers truly value?**

Our research shows that the answer is not only evolving, but also becoming more nuanced, actionable, and full of opportunity for brands ready to meet the moment.

It begins with emotional resonance. While traditional loyalty design is often over-indexed on transactional perks or gamified mechanics, **today's consumers are driven by the feeling of progress and achievement.**

Importantly, the appeal of gamification isn't rooted in badges or leaderboards—it's about meaningful outcomes.

As one participant shared,

★ **"The coolest thing I've seen was a holiday promotion where you could win free coffee for a year. It made earning feel exciting."**

That kind of value, tangible, attainable, and emotionally satisfying, is what today's users are seeking.

More than three-quarters,

76%

say they love finding creative ways to save money

60%

get excited about leveling up or earning special bonuses.

This sense of connection extends beyond game mechanics or transactional touchpoints. In our research,

63%

of users said they feel genuine excitement when earning rewards.

57%

feel emotionally connected when they receive surprise bonuses.

The takeaway is clear: **great loyalty programs don't just reward behavior; they reinforce belonging and recognition.**





Chapter 2

Redefining Value (cont.)

Still, emotional connection alone isn't enough. It must be paired with practical utility.

86%

of users say a program must work where they already shop.

That's why multi-brand ecosystems are gaining traction. These platforms make it easier to accumulate rewards across purchases, unlock value more frequently, and avoid the friction common in single-brand programs.

As one user put it:



"I love that I can get rewards from places I only shop at occasionally... That's not possible with single-brand programs."

The data reinforces this high engagement:

75% of respondents use loyalty programs weekly.

1 in 3 engage every time they shop.

75% of interactions happen while shopping, underscoring the need for real-time, responsive design.

But there's a flip side. The reasons users leave are just as instructive.

40% churn when rewards take too long to earn.

36% cite a lack of value.

30% say the process requires too much effort.

When programs make users work too hard, or deliver too little, they lose them.





Chapter 3

One Size Doesn't Fit Anyone Anymore

The days of one-size-fits-all loyalty programs are over.

In a landscape where consumer expectations are splintering across generations, values, and digital behaviors, personalization is no longer a nice to have—it's essential.

Our research dismantles the myth of the "universal loyalty shopper" and reveals a landscape shaped by generational differences and mindset-driven behaviors.

Let's start with age.

Gen Z

AGE: 18-24

Gen Z are digital natives who demand immediacy, simplicity, and rewards that feel worth their time. For this cohort, loyalty must be low friction and fast-moving.

79% say speed to reward is a top priority.

Millennials

AGE: 25-44

Millennials, who are also tech-savvy and brand-engaged, are embracing multi-brand and aggregator apps in large numbers. They often treat loyalty as a strategic endeavor, optimizing and stacking value across platforms.

Gen X + Boomers

AGE: 45-78

Meanwhile, older generations, Gen X and Boomers, are frequently underestimated. Our research reveals that they are pragmatic, digitally active, and motivated by value. For instance, older women emerged as particularly strong deal hunters, dispelling assumptions about their willingness to engage with loyalty programs.

All Age Groups

Across all age groups, some needs are universal.

75% say "free to join" is extremely important

77% report that automatic savings would motivate them to try a new loyalty app





Chapter 3

One Size Doesn't Fit Anyone Anymore (*cont.*)

Yet age alone doesn't tell the full story.

Segmenting by loyalty mindset or "personality" reveals more about how consumers think and behave within programs. We identified several key loyalty types:

The Minimalist (19%)

Seeks simplicity and obvious value, avoiding clutter—an approach that especially resonates with Baby Boomers (24%).

The Loyalist (18%)

Prefers to stick with a few favorite brands or programs, a pattern also strong among Boomers (26%).

The Strategist (15%)

Always looking to maximize and stack rewards, a mindset most prevalent among Gen Z (16%) and Millennials (18%).

The No-Fuss Optimizer (11%)

Wants to maximize value when convenient, checking for rewards in the moment, favored by Gen Z (17%), Millennials (12%), and Gen X (12%).

Other types, such as the Freebie Fan, The Explorer, and The Casual Saver, bring their own engagement patterns, some seeking novelty, others drawn by sign-up perks.





Chapter 4

The Case for AI in Personalization

As loyalty programs grow more sophisticated, so do the tools available to deepen consumer relationships. Among these, artificial intelligence (AI) stands out as both a powerful enabler and a potential point of friction.

Our research reveals a consumer base that is increasingly open to AI-driven personalization, but only when it comes with visible, trustworthy data practices and a clear return on value.

The foundation of this trust is privacy. When considering a new loyalty program, **87% of respondents say it's important that their data is protected and used responsibly.**

That priority intensifies with age:

81% of Gen Z

83% of Millennials

89% of Gen X

94% of Baby Boomers

say data privacy is a top concern.

At the same time, consumers are increasingly open to sharing just enough personal information in exchange for better, more personalized rewards.

While only

13%

are comfortable sharing nearly any type of information;

a larger group of

26%

is willing to share basic details along with a few personal preference—like age, family status, or shopping habits—if it leads to more relevant experiences.

Meanwhile, 30% prefer to share only the basics, such as email and birth date.





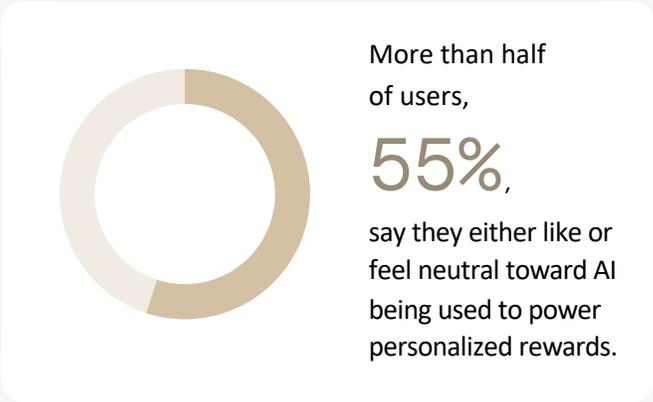
Chapter 4

The Case for AI in Personalization (*cont.*)

When deployed responsibly, AI becomes more than a backend engine—it becomes an invisible concierge, helping users discover offers, rewards, and actions that feel tailored just for them.

As one respondent put it:

★ “What I wish [is that] every loyalty program had rewards that actually match my own past purchases... and can be different for everyone.”



They recognize AI's potential to simplify the experience, surface relevant options, and reduce the mental burden of optimizing for value.

One participant imagined the future this way:

★ “AI can track what I'm actually using most from the discounts available. It would make me feel like [the brand] knows me and make me want to check back more often.”

Still, brands must tread carefully.

While interest in AI is high, **18%** of users remain uneasy.

The message is clear:

Consumers want personalization, but not at the expense of control. Transparency, consent, and choice are nonnegotiables.



Final Recommendations

What Loyalty Marketers Must Do Now

Loyalty is no longer just a tactic— it's a full-funnel, cross-functional strategy.

In a market where consumers expect immediate value, emotional connection, and personalized experiences, successful programs must evolve in lockstep with user needs.

Here are five strategic imperatives for loyalty marketers today, paired with actionable guidance to help teams translate insight into impact:

01 Embrace Being Customer-first: One Size Doesn't Fit All

To build meaningful loyalty, you need to understand the person behind the points. That means segmenting not just by age or channel, but by mindset and behavioral patterns.

How to get there:

- ✦ Segment your audience by "loyalty personality" (e.g., Minimalists, Loyalists, Strategists)
- ✦ Design program features and communications that align with these mindsets, whether it's simplicity for Minimalists, optimization tools for Strategists, or explicit value for Loyalists.
- ✦ Recognize the generational nuances. For example, Gen Z is highly engaged in retail loyalty, especially beauty; Millennials and Gen Z favor QSR rewards; Boomers prioritize ease and clear value.

Final Recommendations

What Loyalty Marketers Must Do Now

02 Prioritize Speed, Simplicity, and Tangible Value

Consumers overwhelmingly want fast, easy, and meaningful rewards. Complexity and delay are loyalty killers.

How to get there:

- ✦ Make sign-up frictionless, and promote an enrollment offer (e.g., instant bonus, auto-link, or receipt scan).
- ✦ Focus on ongoing, everyday value via discounts, product, and practical rewards, and deliver emotional connection through achievement.
- ✦ Highlight how quickly rewards can be earned and redeemed, using progress meters or micro-celebrations in app.
- ✦ Use subtle animations, progress indicators, and stack/swap mechanics to create a sense of momentum.
- ✦ Tie all mechanics directly to tangible value or speed to reward.

03 Unlock Everyday Relevance Through Ecosystem Connections

Programs that feel embedded in everyday life, not added on top of it, are the ones that stick. Multi-brand platforms make rewards feel omnipresent and more attainable.

How to get there:

- ✦ Consider your brand's role and placement on aggregators, multi-brand rewards platforms, or coalition programs.
- ✦ Let users earn and redeem rewards flexibly across multiple places they already shop while ensuring you're setting up guardrails to mitigate "double-dipping."
- ✦ Pursue partnerships and collaborations that increase redemption opportunities with brands whose customer base overlaps with yours.



Final Recommendations

What Loyalty Marketers Must Do Now

04 Unleash AI Thoughtfully, with Trust at the Center

AI can drive smarter rewards, better targeting, and more seamless experiences, but it must be transparent, opt in, and always anchored in user value.

How to get there:

- ✦ Make privacy features and practices visible and easy to understand.
- ✦ Be transparent about what data is collected and how it's used; offer robust opt-in and control options.
- ✦ Communicate how personalization is powered by data in a way that feels respectful and non-intrusive.
- ✦ Deploy AI to surface relevant, timely offers and to remove friction from the experience.
- ✦ Clearly explain the value of AI-driven features and let users opt in or adjust their personalization settings.
- ✦ Use AI to “know just enough to impress” by tailoring rewards to shopping history and preferences but avoid feeling invasive.

05 Reach for Real-time Optimization

What worked last quarter might not work next quarter. Real-time insights and adaptive strategies are now a requirement, not a luxury.

How to get there:

- ✦ Engage with multi-brand rewards programs for category-level insights, like FETCH's AI-powered FAST platform, to deliver rich insights for your customer and business.
- ✦ Use analytics and direct feedback to continually refine program structure, rewards, and communications.
- ✦ Test new features (like micro rewards or collaborative offers) with targeted segments before broad rollout.
- ✦ Stay attuned to macro trends (inflation, digital adoption, generational changes), and adapt your value proposition accordingly.

Loyalty still matters.

**But the rules have changed. The marketers who adapt will
be the ones who win not just attention, but allegiance.**



Interested in more?

Reach out to unicorn@digitas.com
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