



# Loyalty Trends

Discover Trends in Loyalty Marketing  
for 2021/2022



Welcome to the Loyalty Trends 2021/2022 report – the research on existing and upcoming trends in customer loyalty marketing. We prepared this report to inspire you with industry insights and predictions, which can help you create a better marketing strategy for winning customers' loyalty and growing your business. I want to thank every loyalty professional who helped us create the report and wish everyone a good read!

**Karl Bzik**

Co-founder of Open Loyalty



# About the report



The Loyalty Trends 2021/2022 report was created **for marketers who want to understand common trends in the field of loyalty marketing** and use that knowledge to optimize their strategy for winning and retaining customers. The report is especially relevant for experts focused on customer loyalty marketing and loyalty programs of any kind.

The research is based on the insights from **112 interviews with high-profile loyalty professionals from various locations and industries.**

The report answers some pertinent questions:

- What **goals and challenges do loyalty professionals see?**
- What are **the most significant trends in loyalty marketing** in the long and short term?
- What are **the most common areas for investments?**
- What are **the predictions for the future** of the loyalty programs?

The first part of the report refers to the results of the survey and shows **how trends have changed +/- comparing to last year.** The second part contains commentary from numerous experts on existing challenges and predictions for the loyalty industry.

# Loyalty experts behind the research



The insights in the report come from **112 experts from all over the world**, including multi-industry loyalty program consultants and loyalty marketers working for single brands.

Here's a summary of the backgrounds of only a few of the responders:

- Airlines: British Airways, Virgin, Malaysia Airlines, Qantas Airways, El Al Airlines, Royal Air Maroc, Etihad Airways, Nouvelair, Singapore Airlines
- Hotels and travel: Accor Hotels, IHG, Marriott, Starwood Hotels
- Petrol and automotive: BP, Shell, ExxonMobil
- Retail: Ikea, Samsung, Nescafe, Red Bull, American Eagle Outfitters, Yves Rocher, Marks&Spencer, Forever New Fashion, CAT, Vans, Timberland, Lego, Calvin Klein, Tommy Hilfiger, Dell, H&M, Best Buy, The Home Depot, Gap, Old Navy, Banana Republic, Mattel, Gilt
- Convenience and department stores: Tesco, Carrefour, Woolworths, Harrods
- Finance and insurance: American Express, VISA, Mastercard, American Express, Commonwealth Bank, National Bank of Canada, RACV, CIBC, Bank of America, P Morgan Chase, Wells Fargo
- Coalition: PayBack, Velocity Frequent Flyer, Avios, Air Miles, Nectar
- Other: Uber, Sigma Healthcare, Nando's, P&G, Henkel, PMI, Johnson & Johnson, Zuellig Pharma, CVS Pharmacy, Disney



# The results of the Loyalty Trends survey

# Which loyalty marketing goals will you focus on in 2021?



We asked responders to select up to 3 of the most important goals.

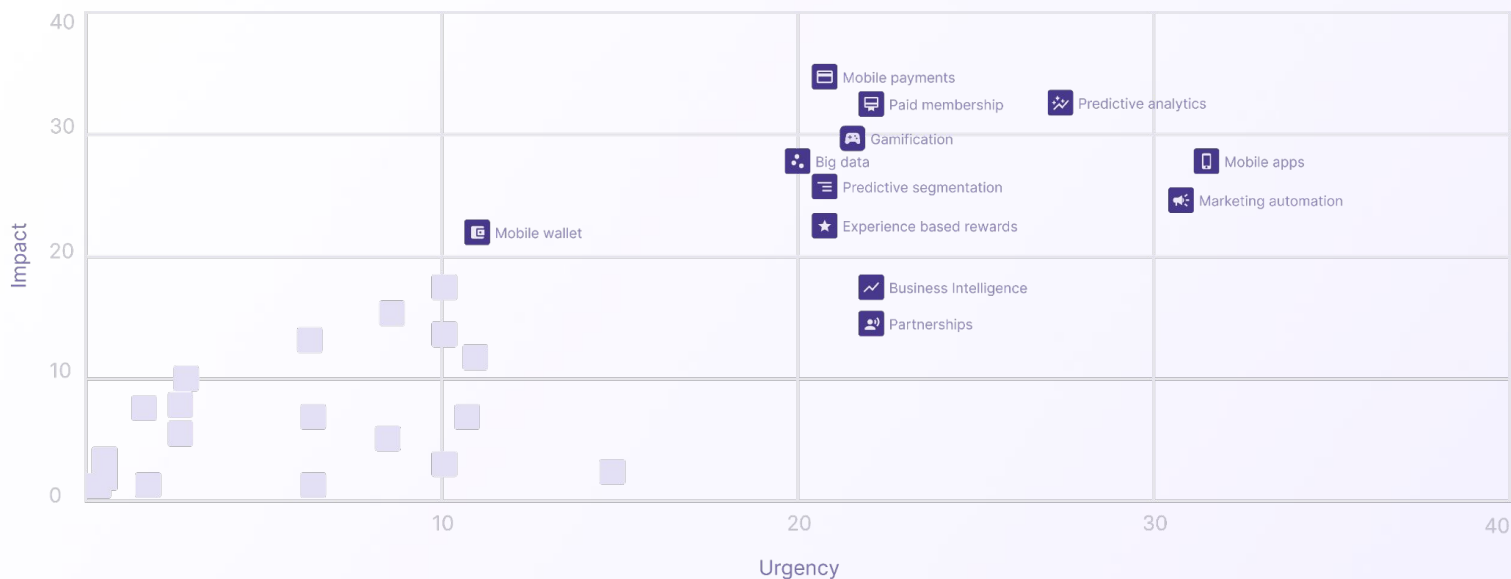
+/- shows how trends have changed comparing to last year.

1. **Improving overall Customer Lifetime Value** (44.1%)
2. **Acquiring more new customers** (38.7%)
3. **Lowering customer churn** (36%)
4. Generating more revenue (31.5%)
5. Improving purchase frequency (29.7%)
6. Improving ROI (26.1%)
7. Generating higher margins (15.3%)
8. Improving Average Order Value (13.5%)
9. Generating more orders (10.8%) **+1**  
Improving in-store visit frequency (10.8%)
10. Lowering the amount of fraud (5.4%)

# Loyalty Trends matrix



The graph shows the importance of trends from two angles: the biggest impact on loyalty marketing in 2-3 years and trends with the biggest urgency in terms of investment in 2021.



# Which future trends will have the biggest impact on loyalty marketing in 2-3 years?



We asked responders to select up to 5 of the most important areas of investment.

The list contains top 10 results, +/- shows how trends have changed comparing to last year.

1. **Mobile payments** (29.7%)
2. **Paid membership and Subscription** (27.9%) **+1**  
**Predictive analytics** (27.9%) **+3**
3. **Gamification / Game-based mechanics** (27%) **+6**
4. **Mobile apps** (26.1%) **-2**
5. **Big Data** (25.2%) **-3**
6. **Marketing automation** (23.4%) **-2**
7. **Predictive segmentation** (22.5%) **-1**
8. **Experience based rewards** (21.6%) **-3**
9. **Mobile wallet** (18.9%) **-3**
10. **BI (Business Intelligence)** (17.1%) **+2**



# In which of these trends do you plan to invest in upcoming year?



We asked responders to select as many trends as they want.

The list contains top 10 results, +/- shows how trends have changed comparing to last year.

1. **Mobile apps** (29.7%) **+1**
2. **Marketing automation** (27.9%) **-1**
3. **Predictive analytics** (24.3%) **+4**
4. **BI (Business Intelligence)** (21.6%) **+6**
  - Paid membership and Subscription (21.6%) **+5**
  - Partnership based marketing (21.6%) **+2**
5. **Gamification / Game-based mechanics** (20.7%) **-2**
6. **Experience based rewards** (18.9%) **-1**
  - Mobile payments (18.9%) **-2**
  - Predictive segmentation (18.9%) **+4**
7. **Big Data** (18%)
8. **Auto-segmentation** (13.5%)
9. **Mobile wallet** (10.8%) **+3**
  - Recommendation engines (10.8%) **+4**
10. **Chatbots (Conversational Commerce)** (9.9%) **+6**

# Can you name brands that you consider as thought leaders in terms of loyalty marketing?



- Airlines: Delta Air Lines, Air Canada, Qantas Airways, Emirates Airlines, Air Canada, Singapore Airlines, JetBlue Airways
- Hotels: Hilton, Accor, Marriott, Hyatt
- Petrol and automotive: BP, Shell, Uber
- Retail: Nordstrom, Amazon, Nike, Perfect Diary, American Eagle Outfitters, REI, Vans, GameStop, IKEA, Patagonia, Casper, Macy's, MECCA, MAPCLUB, Lululemon, Matches Fashion, H&M, DSW.com, Zalando, GAP, Boden
- Supermarket and department stores: Target, Tesco, Harrods, Dan Murphy's, Virgin Megastore, Costco, Woolworths, Pick 'n' Pay
- Finance: American Express, Chase, DBS Bank, Capital One, Maybank Malaysia, Mastercard, Discovery Bank, First National Bank
- Coalition: Grab, Payback, Nectar, Momentum Multiply, PC Optimum, Clicks ClubCard, Miles & More
- Food: Starbucks, McDonald's, Domino's Pizza, Chipotle, Pret A Manger, Nando's, Panera Bread, Coca-Cola
- Other: Disney, Etisalat, Irish Life, Vodacom, Leisure Systems, Inc., Skybet, Spotify, Vitality



# What experts say

### What challenges do you see in Loyalty Marketing for 2021?

Lockdowns and changing market conditions will certainly keep us busy for some time to come. We need to find answers here. In loyalty marketing, it can be seen that the discipline has great strategic importance and is always given space. It is important to understand the customer well in order to be relevant and to be perceived as a true partner. Here, it will now be more and more about meshing with the digital world. In my view, the combination of payment and loyalty is becoming increasingly important. The same applies to personalization in customer communication. Be relevant, make it easy and convenient for your customers, and you will be one of the winners.

### How do you see the future of Loyalty Programs in 2-3 years?

Loyalty marketing is becoming increasingly important in business strategy and is also a competitive differentiator. I think the demand for loyalty has just started to gain momentum. From my point of view, important topics are subscription/paid loyalty, community building, deep integration between online and offline (omnichannel loyalty). Not to forget the changed situation with the decline of 3rd party cookies, will prepare a strong time for the loyalty.



**Alexander Süßel** 

Digital Loyalty Consultant at AS-auf-Zeit

Industry experience: Frankfurt Airport, Wirecard, Loyalty Prime, Eintracht Frankfurt, Catalina Marketing

## What challenges do you see in Loyalty Marketing for 2021?

One of the main challenges of 2021 Marketing sits in how marketers manage the changing landscape of data compliance and consumers' views towards usage of their personal data. Loyalty programmes enable a brand-consumer relationship to develop with permissions, rather than restricted activities due to cookie-less environments and data regulation. Data regulation is good for the responsible brands which know how to ensure a better experience for their clients.

## How do you see the future of Loyalty Programs in 2-3 years?

We see loyalty programmes being fully integrated into consumers' payment processes from a technology point of view. Digitisation needs to enable enhanced simplicity of earning and redeeming rewards in a seamless experience. Instant rewards for ad hoc activities or simply as surprise & delight will play an ever more critical role for loyalty members.



**Amanda Cromhout** 

Founder & CEO at Truth

Industry experience: British Airways, Woolworths

### What challenges do you see in Loyalty Marketing for 2021?

Again, from a high-level perspective, loyalty often gets lumped in with other digital transformation initiatives and therefore, often suffers the same fate as the rest of the initiative. And whereas digital transformations seem to have accelerated across the board during the pandemic, true transformation is extraordinarily difficult to achieve. Cultural hurdles, organizational silos, and territorialism have proven to be more challenging than many expected, and have left many such initiatives stuck, shelved, or abandoned altogether. The challenge for loyalty marketers is to develop a narrative that explains the value (ROI) of loyalty as a catalyst for further transformation rather than as just another component of it.

### How do you see the future of Loyalty Programs in 2-3 years?

I think brands will continue to become more aware of the value of their loyalty programs and the value that brand-loyal customers bring to the equation. That's the good news. On the other hand, I think that many loyalty marketers and the technologies that enable them will only continue refining processes & systems for incremental gains without re-assessing the meaning of, the nature of, and the value of, changing customer relationships. There can be no doubt that the customer/brand conversation has been radically re-shaped over the past year and a half. Customers' expectations have risen faster and higher than at any point in history and they have more control over the relationship than ever before. In my view, that necessitates a re-thinking of the traditional "carrot & stick" dynamic that so many loyalty marketers still deploy. Those brands (the the loyalty vendors that support them) who understand the changing nature of the customer relationship, and who are willing to re-draw their own roadmaps to meet them, will find customers ready and willing to build rich relationships with them. Those brands (and the loyalty vendors who support them) who can't or won't alter their course, are going to find themselves chasing marketshare and mindshare that has gone elsewhere.



## Mike Giambattista

Managing Director at [atlaas.io](http://atlaas.io),  
CEO & Publisher at TheCustomer

Industry experience: Marriott, One & Only Resorts,  
Tribune Media, Knight-Ridder, 3radical, Cordial.

## How do you see the future of Loyalty Programs in 2-3 years?

We continue to see rapid change in loyalty program enablement brought on by digital and technological disruption. Everything new looks different than the past; everything old is being refreshed and relaunched. However, the basic foundational elements associated with best practice in reward and recognition – segmentation, ROI modeling, personalized communications, tiers, soft benefits, reward differentiation and experiential offerings, etc. – these practices are not going away. Our fear is that a new technical breed is taking over without any sense of core principles and best practices. Remember that technology enables but imagination wins!”



**Michael Capizzi** 

Managing Director at Marketing Strategists  
Dean at The Loyalty Academy

## What challenges do you see in Loyalty Marketing for 2021?

The challenges facing loyalty in 2021 depend largely on how each brand has been impacted by Covid. The brands that have grown massively during lockdown need to find ways to shore up the customer base as the economy opens up while travel brands need to find ways to remain relevant as the market recovers. The wider issues like personalisation and relevance are still important but 2021 will still be about more fundamental issues.

## How do you see the future of Loyalty Programs in 2-3 years?

As the economy recovers payment and loyalty will combine to make collection easier for customers and data richer for programme operators. This pressure to make collection easier will also see the growth of mobile wallets and combined card solutions as customers find ways to solve the issue of too many cards and apps that have not been filled by traditional coalition programmes.



**Iain Pringle** 

Managing Partner at New World Loyalty

Industry experience: Virgin Atlantic, Avios, British Airways, EDF Energy, Shell

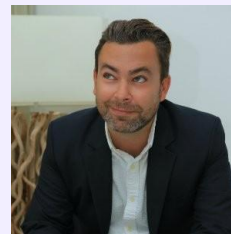


## What challenges do you see in Loyalty Marketing for 2021?

Embracing change and adapting. The reality is the world has changed. Programs need to offer more to their members in terms of value to ensure they are still engaged, as well as paying more attention to what consumers now need. Creating a 2-way dialogue has now become even more critical to understand the impact the new world has had on program members and consumers as a whole.

## How do you see the future of Loyalty Programs in 2-3 years?

Evolution. By choice or by force, programs will have to evolve. As a result, programs should become better overall. Key areas in which programs can do this is within a) value exchange, and b) smarter use of technology (insights, listening, understanding, resulting in better segmentation methodologies and 1-1 personalisation).



**Paul Malcolm** 

CEO at Vivid Engagement

Industry experience: Red Bull, American Express, DHL, P&G, Marks & Spencer UK, Sun International Casinos, Visa, Qantas Frequent Flyer

## What challenges do you see in Loyalty Marketing for 2021?

As companies continue to be negatively impacted by Covid-19, the urgency to drive short-term revenue will increase. Many companies will ramp up their digital marketing efforts, hitting their loyalty program base with email after email to stimulate sales. This 'marketing assault' will irritate most members and reflect badly on the whole industry.

## How do you see the future of Loyalty Programs in 2-3 years?

The convergence of payments and loyalty is the big story playing out globally. Klarna buying Stocard demonstrates the value fintechs see in loyalty member bases. These types of acquisitions will continue. Card-linking and merchant-funded rewards will expand and become mainstream via banks, airline and supermarket programs, utilities and other industries.



### Philip Shelper

CEO at Loyalty & Reward, Author of "Loyalty Programs: The Complete Guide"

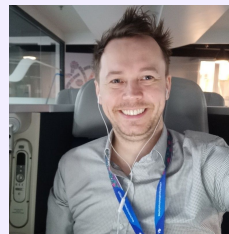
Industry experience: Qantas Loyalty, Singtel Optus, P&G, Commonwealth Bank, El Al Airlines

### What challenges do you see in Loyalty Marketing for 2021?

Cutting through the noise to grab the attention of customers. Loyalty marketing promotions have become more creative, more compelling and more rewarding for consumers. To cut through the noise and hook the customers' attention - newer, smarter and more interesting campaign mechanics are required to achieve the same level of results as in previous years. In other words - what worked last year doesn't necessarily work today.

### How do you see the future of Loyalty Programs in 2-3 years?

In the travel industry in which we operate, there is a radical shift within loyalty programs. The high-value customers of yesterday won't necessarily be the high-value customers of tomorrow, and that new type of customer that will exist tomorrow is forcing loyalty programs to make drastic changes to stay relevant to the customers who are driving revenue to the bottom line. The last 12 months have seen significant changes in loyalty programs in this industry, and projecting that out 2-3 years from now we may well see entirely new market opportunities open up as a result of the shift in customer bases.



### Mark Ross-Smith

CEO at Status Match  
Airline Loyalty Consultant at New World  
Loyalty

Industry experience: airlines, telco

## What challenges do you see in Loyalty Marketing for 2021?

A convergence of consumer loyalty with the payment process from an operational, technical & commercial perspective.

## How do you see the future of Loyalty Programs in 2-3 years?

Full transparency within the loyalty program value exchange will form the basis for all consumer data capture & insights.



## Nick Chambers

Director at Mobile Loyalty Technologies  
Managing Partner at the CSN

Industry experience: Shell, Nectar, Air Miles, Home Retail Group

## What challenges do you see in Loyalty Marketing for 2021?

Ensuring brands embarking on loyalty program projects are committed both financially and with people to manage their program.

## How do you see the future of Loyalty Programs in 2-3 years?

The future of loyalty programs is looking prosperous for both brands and the service industries supporting them. Staying ahead of changes in customer buying behaviour due to world events will drive more nimbleness to iterate on program propositions and the experience they provide their members. Technology, data, payments are three enablers that brands need to be tuned into as they change at speed.



**Adam Posner** 

Founder at The Point of Loyalty

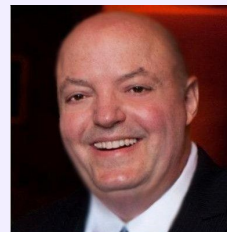
Industry experience: retail, CPG, hotels and accommodation, B2B

### What challenges do you see in Loyalty Marketing for 2021?

From a design and strategy standpoint, offering spend and get benefits will continue to be not enough to make a difference in the lives of loyalty program members. Gen Alpha, Gen Z and on up the segment chain want much more from those they choose to have affinity with. Demonstrating a commitment to the environment, sustainability, social causes, charity will grow in prominence. These aspects create clear differentiation for client programs and require creativity, brand alignment, careful stewardship and operational excellence.

### How do you see the future of Loyalty Programs in 2-3 years?

Highly flexible loyalty technology architecture that is adaptive and provides AI/ML capabilities at the individual level is the future state. Programs will be less about spend and get based on points structures, and more about delivering truly personalized offers, benefits and curated experiences, meaningful content on a timely cadence matched to individual preferences. Loyalty will continue to be an enterprise-wide capability that has high demand for strategic talent in program design, strategy, operations, technology and analytics. Lastly, the voice of customer remains key to inform, refine, evolve and innovate programs so they remain responsive to market demand and societal change.



**David Slavick** 

Co-Founder and Partner at Ascendant  
Loyalty Marketing

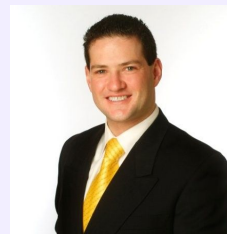
Industry experience: American Eagle Outfitters, SC  
Johnson, Sears Holdings, Accor N.A., VISA,  
Mastercard, ExxonMobil, Phillips66, Famous  
Footwear, Rue21, Backcountry.com

## What challenges do you see in Loyalty Marketing for 2021?

Programs that fail to focus on the customer and provide an attractive and compelling reward proposition will struggle. Vague attempts to connect "emotionally" will fail for most programs without a solid underlying core reward value offering.

## How do you see the future of Loyalty Programs in 2-3 years?

Programs with solid value propositions that put members and customers first will thrive. Mediocre "also-ran" programs with poor reward propositions will fall short of optimum results.



**David Feldman** 

Director at Catchit Loyalty,  
Chair of Loyalty Summit

## What challenges do you see in Loyalty Marketing for 2021?

2021 will see an acquisition battle over customers returning to industries like travel. Price isn't the only consideration, for high value customers they prefer Status recognition. Programs will have to learn how to "weaponise" Status through matching.

## How do you see the future of Loyalty Programs in 2-3 years?

Programs are rebuilding right now to get staff and capability back online. It won't ever be what it was, but a new future will be chartered and hopefully some really innovative thinking comes forth.



## Stuart Dinnis

Director, Co-Founder at StatusMatch.com

Industry experience: Virgin Australia, Virgin America/Alaska Airlines, El Al, Royal Jordanian, Royal Air Maroc, Royal Brunei, Frontier, Accor, Travello, Suncorp Bank



## What challenges do you see in Loyalty Marketing for 2021?

Balancing the personalisation of a loyalty program with the management of data collection and customer privacy.

## How do you see the future of Loyalty Programs in 2-3 years?

Omni-channel experience and the evolution of what online and offline really mean. Customer and member expectations dictate that they are recognised and rewarded regardless of the channel and they want to receive a consist experience. Mobile technology usage in-stores creating an online experience while physically engaging with a store or a brand.



**Carly Neubauer** 

Director at Sciensa Loyalty consultancy

Industry experience: Haircare Australia, RACV, Sigma Healthcare, Nando's, Suncorp

## What challenges do you see in Loyalty Marketing for 2021?

There is a lot of interest in loyalty and customer engagement right now but all our clients are looking for a new innovation or differentiator. Creating a really unique offering in a congested marketplace is tough! Earn and Burn programmes are going to struggle but there are some very interesting new loyalty schemes out there, especially subscription based programmes and experiential benefits.

## How do you see the future of Loyalty Programs in 2-3 years?

The future of customer loyalty will be driven by turning data into insight and then into emotional connections with customers. The method for data collection and personal identification will also develop, through the use of technologies such as card-linking and open banking, as well as integration with other customer insights like social media and geo-location. The more insight a brand can develop on their customers the more highly relevant and personalised communication they can provide, which will create strong emotional connections.



**Tom Peace**



Managing Director at The Loyalty People

Industry experience: MYER, Morrisons, Harrods, Harvey Nichols

### What challenges do you see in Loyalty Marketing for 2021?

There is an urgent need to consolidate how brands think about what loyalty means for them and their customers. It varies considerably by vertical, purchase frequency and value, and, most importantly, the nature of customer need. Comprehensive views of customer engagement are technically challenging to construct and reliably deliver across diverse campaign types and channels, but first and foremost, the emotional outcome for each touchpoint needs to drive channel, copy and creative development for messaging as the overall brand strategy drives the objectives and design of the loyalty programme overall. Misfiring by limiting design to frequency and spend threshold objectives will have lifetime value and overall customer mix implications that impact businesses significantly both commercially and from the point of view of longer-term brand equity.

### How do you see the future of Loyalty Programs in 2-3 years?

There is huge interest currently in adding loyalty programmes to the customer comms mix, with the underlying assumption we all mean a points programme. But the primary question needs to be, how should our brand best reward our customers for their ongoing engagement and advocacy? Behavioural loyalty through own brand commercial rewards/discounts will still be the most important first step into loyalty, boosting volumes of value-seeking consumers. Brands that are seeing the greatest successes in this area are those that are laser focused on consistently delivering to where and how the optimal ROI appears. The challenge beyond this then becomes the extent to which teams are willing to downgrade investment in less lucrative or valued executions. Tactically, loyalty providers that include a comprehensive marketing toolkit, and beyond that, established reward partnerships, can add exceptional value to their brands. We are already seeing an increased requirement for reward arbitrage as it allows clients to engage their customers beyond discount and promotion. It's hard to expect that all brands have customer 'permission' to reward at a lifestyle/experiences level, so the "BFF brand" fallacy needs to be coolly assessed.



**Louisa Evans**



Independent Consultant at Loyalty  
Designed

Industry experience: Nectar, Brakes Foodservice,  
M&S, Yum brands (Pizza Hut, KFC), T.M.Lewin

## What challenges do you see in Loyalty Marketing for 2021?

Speed of change.... while everyone has been talking about and planning their digital transformation for a long time, now, it's essential to get new solutions live - contactless, payment-linked loyalty etc.

## How do you see the future of Loyalty Programs in 2-3 years?

Increasing focus on loyalty programs and CX especially. Increased investor focus on customer loyalty - not just acquisition performance.



### Paula Thomas

Host of "Let's Talk Loyalty" podcast  
Author of "Driving Loyalty in Convenience Retail"

Industry experience: Electric Ireland, Avios, AIB, Telefonica O2/Three Ireland

### What challenges do you see in Loyalty Marketing for 2021?

With the acceleration of digital adoption at a global level, users are relying more than ever on their devices to interact with an organization in the online environment and now have access to abundant information which allows them to quickly discover product and brands. However, since the users' attention span in the online environment is very low, this creates a real challenge for companies and brands to meaningfully engage. While Loyalty Marketing was built with the objective to enable companies to better understand their customers and how to engage them predominantly in the offline environment, the pandemic has reshaped the economy dynamics and it has become more difficult for Loyalty Marketing to create the same impact in the online world. The real challenge for loyalty marketing is to understand how to build a bridge between personal relationship (offline) and transactional relationship (online).

### How do you see the future of Loyalty Programs in 2-3 years?

The role of Loyalty Programs will remain the same, to drive customer retention and a competitive edge, but the principles will fundamentally change. As more and more companies will adopt and implement variations of loyalty programs, the simple mindset of transactional relationship (instant gratification) will no longer be enough for companies to get value from it. Loyalty programs must change the fundamentals of relationship with members, and build a new strategy that will permit creating a more meaningful relationship in the online world. Implementing principles and strategies from the offline loyalty marketing and adjusting them to the online world, will enable loyalty programs to be the growth drivers for companies.



**Alex Gheordanescu** 

Managing Director at Augmentation X  
Strategic Advisor at Concerto

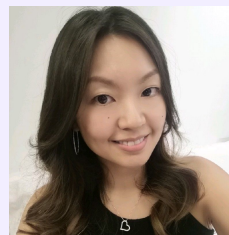
Industry experience: IHG PLC, Emaar PJSC,  
Azadea Group

## What challenges do you see in Loyalty Marketing for 2021?

Competing priorities within the organisation for resources and urgency, and to launch new features and benefits for loyalty marketing ahead of competition in this ever-evolving landscape.

## How do you see the future of Loyalty Programs in 2-3 years?

Increased partnerships or mergers of programmes, digital-focused and mobile-friendly.



**Emily Ong** 

Certified Loyalty Marketing Professional™,  
Regional Loyalty Product Owner



# Executive summary

# Executive summary 1/2



The Loyalty Trends report shows key challenges, plans, and investments of loyalty professionals in the present and upcoming years. The research is based on a survey and in-depth interviews with 112 high-profile loyalty marketers from various industries and locations.

## Challenges

**Improving overall customer lifetime value, acquiring new customers, lowering customer churn, and generating more revenue** for the brand are the most common objectives for loyalty marketers. Many businesses had to reshape their loyalty marketing and are now recovering from the negative impact of the lockdowns.

A deep dive into the research shows that, **compared to the previous year, the general objectives didn't change a lot.**

Many loyalty experts are struggling with limited resources because marketing budgets were cut. COVID-19 pandemic accelerated digitalization and eCommerce, and that provided new opportunities.

Many marketing campaigns needed to be rethought and adapted to respond to new buying patterns. By choice or by force, loyalty programs had to evolve.

**Having a well-organized and cost-efficient loyalty marketing plan became a priority for many businesses.**

## Trends for upcoming 2-3 years

**Mobile payments, paid memberships, predictive analytics, and gamification were identified as trends that will have the biggest impact** on loyalty marketing in two to three years. The data indicates that it's very possible that we'll soon see more and more cases where the boundaries between payment and loyalty are blurred. Getting actionable insights and predicting customers' behavior stays on the top of the list.

**Most loyalty professionals recognize mobile applications and marketing automation as the most important areas of investment in the short term.** For many companies, co-promotions with partners and the introduction of advanced business intelligence are among the important upcoming investments for 2021.

Having these trends in mind, we can expect that **loyalty programs will move closer to the buying process** and become responsible for providing a personalized and consistent experience across all touchpoints. On top of that, **with third-party data being phased out, loyalty programs will become main tool for collecting zero-party data.**

Loyalty managers are also looking for inspiration from thought leaders like Amazon, Nike, Sephora, Zalando, REI, Marriott, IKEA, Target, Starbucks, McDonald's, Disney, or Tesco.



# Executive summary 2/2



## The future of loyalty programs

The **pandemic increased the need for constant shopping pattern analysis and making actionable insights based on them.** The ability to implement quick changes in the communication and shape of the loyalty program is the key to success.

Building a solid data-driven base is still one of the main focuses for most marketers. With the end of third-party data, data compliance is becoming important now more than ever. For many businesses, loyalty programs will become a strategic asset and the main source of data.

**The predictable future of loyalty programs lies in hyper-personalization and the frictionless omnichannel experience at every touchpoint.** Going outside of typical loyalty mechanics and the deeper integration of loyalty programs with the payment process might be the next reasonable steps for many companies.



## #1 Headless loyalty platform

Open Loyalty is the API-first Loyalty Software with the most flexible set of tools for building personalized loyalty programs of any shape and scale.

[www.openloyalty.io](http://www.openloyalty.io)