2025 EY Loyalty Market Study

Evolving consumer expectations
and marketer priorities

EY

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with confidence

Contents

Introduction and executive summary

As the way we shop is increasingly redefined by technology, and as deal-hungry consumers continue to confront cost pressures amid a challenging economy and the fallout from historic inflation rates, brand loyalty programs are evolving from simple retention marketing tools into essential strategies for building lasting consumer relationships. At the same time, corporations are facing new market entrants seeking to capture their customers' attention, all while marketing budgets shrink in the face of tight profit margins. So how do loyalty programs offer the most bang for the buck — for customers and brands? That's the question that animates the **2025 EY Loyalty Market Study**.

Last year, we inaugurated the study to help organizations better understand and execute loyalty strategies. Leveraging the perspectives of consumers and corporate employees, our study asked: What insights could we gain around consumer preferences on loyalty programs? How are organizations thinking about and investing in loyalty to entice new and existing customers?

By coupling these two perspectives, we built a holistic understanding of loyalty, bridging the gap between what consumers want and what organizations are delivering.

Our 2024 results were instrumental in helping EY teams work with clients, providing insights in how they can best manage and execute loyalty programs. However, the consumer landscape can shift rapidly — influenced by shopping preferences, enabling technologies, and the political and economic landscape. This year's study offers a much-needed pulse check as loyalty programs proliferate.

This year, we aimed to delve deeper into the customer loyalty personas we first identified in our 2024 study, examining how these preferences have evolved across generational divides. While on the corporate side, we focused more on defining industry benchmarks for measuring success across programs. Ultimately, the 2025 study enabled us to revisit assumptions about both the consumers of loyalty programs as well as the corporations that bring these programs to life.

The 2025 results show that brands have a powerful opportunity to implement deeper engagement strategies and stand out from a crowded field. Overall consumer participation in loyalty programs remains stable: nearly all the consumers (92%) we surveyed are enrolled in at least one loyalty program, and almost 50% are a part of more than five programs. Yet a closer look at the demographics reveals some disparities, emphasizing the necessity of understanding who your customers really are and what motivates them — ensuring that your offerings meet their expectations. You might assume that your target segment is primarily interested in savings or discounts; however, they may prefer access to exclusive products and content or engaging in gamified challenges.
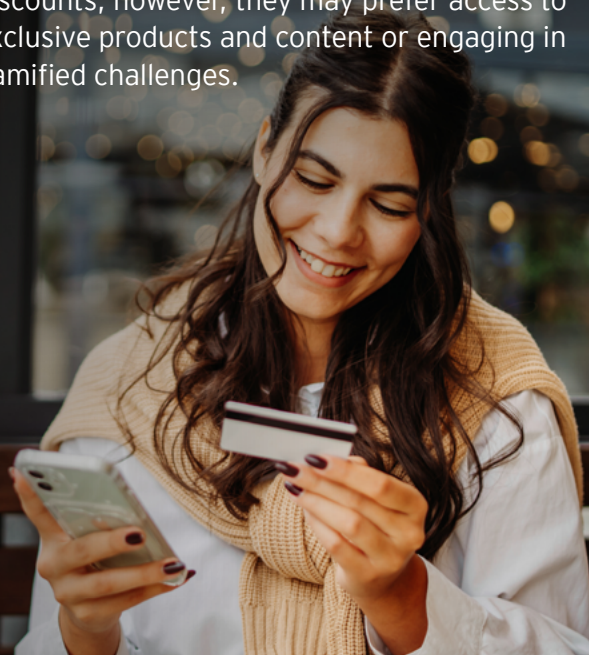
Three important trends were revealed in the 2025 data:

1 | Consumer engagement is solid – but mostly transactional:

While more than half of shoppers we surveyed engage with their loyalty programs weekly, a significant portion report feeling little to no emotional connection to these programs. Brands may be successfully driving participation through rewards and discounts, but the lack of emotional ties suggests that many customers view these programs as transactional rather than relational. To cultivate deeper loyalty, companies must focus on creating meaningful experiences and connections that resonate with customers on a personal level. This year's survey shows that most consumers want innovative rewards and diverse features, such as timely alerts and opportunities to earn points through various activities, for a more engaging and rewarding experience.

2 | Digital and mobile dominate – but that's not the full story:

More than half of the customers who participated in the 2025 survey frequently use mobile apps for their loyalty programs, indicating a preference for convenience and immediacy in accessing rewards. But this trend is complicated by demographic nuances, as younger customers show a desire not just for push notifications but also for in-store engagement via mobile. On the other hand, older shoppers generally stick with only their favorite few loyalty programs, showing greater reluctance to branch out. Brands must increasingly adapt their strategies to cater to a digital-first mindset that coincides with other available channels so that their loyalty programs are accessible, user-friendly and integrated.

3 | Hyper-personalization and innovation are the Holy Grail:

As brands increasingly collect data, consumers are growing more expectant of receiving value in return, such as personalized experiences that align with their preferences and behaviors. Companies have much to learn from customer insights and should strive for a deeper level of understanding through hyper-personalization, which brands are prioritizing and making headway toward – more than they had reportedly planned for in our previous study. This deeper relationship between customer and brand is enabled by the exchange of data for better experiences and accelerated by artificial intelligence (AI) and machine learning (ML). But brands have work to do to build trust regarding data usage and to deliver differentiated offerings that go beyond traditional discounts and coupons. Companies that can effectively leverage AI and advanced analytics to enhance personalization will likely see greater success in their loyalty initiatives.

In today's omnichannel landscape, where mobile apps are rapidly gaining dominance and in-store experiences are transforming, the ability to deliver the right reward to the right person through the right channel is more crucial than ever. For those ready to make strategic investments and align their priorities with the needs of their target customers, this objective is not only vital but also increasingly attainable.

Behavioral science techniques leveraged by loyalty programs

Loyalty programs aim to connect customers to brands on a deeper, psychological level. In addition to perks like discounts and rewards, loyalty programs can use behavioral science techniques to drive consumer behavior. Sprinkled throughout our study, we will be calling out when and how these techniques come into play.

EY Loyalty Market Study overview

In December 2024, the EY organization conducted the second EY Loyalty Market Study survey, focusing on both consumers and marketers managing loyalty programs. We collected and analyzed both qualitative and quantitative data from over 1,600 consumers and more than 350 corporate employees across several sectors including: retail, consumer packaged goods (CPG), food and beverage, and hospitality. The study aimed to further our understanding of consumer motivations and evolving expectations for their current loyalty programs, as well as to explore where companies are investing and how they are measuring success across sectors.

See the EY survey methodology section at the end of this report for more detail on the methodology used for this study.

Consumer survey

We surveyed more than 1,600 consumers to explore the changing motivations and preferences of individuals participating in loyalty programs.

What we asked:

- What is the primary reason you remain loyal to a brand?

- How emotionally connected do you feel to the loyalty programs you participate in?

- What rewards do you most enjoy accessing?

Corporate survey

We surveyed over 350 loyalty leaders to analyze recent and planned investments, as well as how programs assess success across various sectors.

What we asked:

- What benefits does your loyalty program offer to those enrolled?

- What are the key performance criteria for your loyalty program?

- What is the approximate percentage of annual sales that comes from customers enrolled in your loyalty program?

- In the next year, what improvements are planned for your loyalty program?

Because this dynamic report draws from separate surveys of customers and corporations, we have color-coded our charts and graphics to signify which data set we're leveraging. Customers are represented with a warmer color spectrum of reds and oranges, and corporations are shown with a cooler spectrum of blues and greens.

CHAPTER 1

Program popularity is rising – making it harder to stand out and drive connections

1.1

Reasons for having a loyalty program: relationships

The power of loyalty programs is easily shown in our study: consumers told us that loyalty programs were the top reason why they stay loyal to a brand, even more so than having high-quality products and services. Consumers feel valued when brands recognize and reward them for loyalty, establishing a point of connection and value — not only for the consumer but for the brand as well.

Consumers feel valued when brands recognize and reward them for loyalty.

Primary reasons consumers remain loyal to a brand

Brand offers a loyalty rewards program

Brand makes high-quality products/services

8% Brand offers great customer service

7% Brand aligns to my values

5% Brand makes me feel special

3% Brand makes the world a better place

3% Other

41%

33%
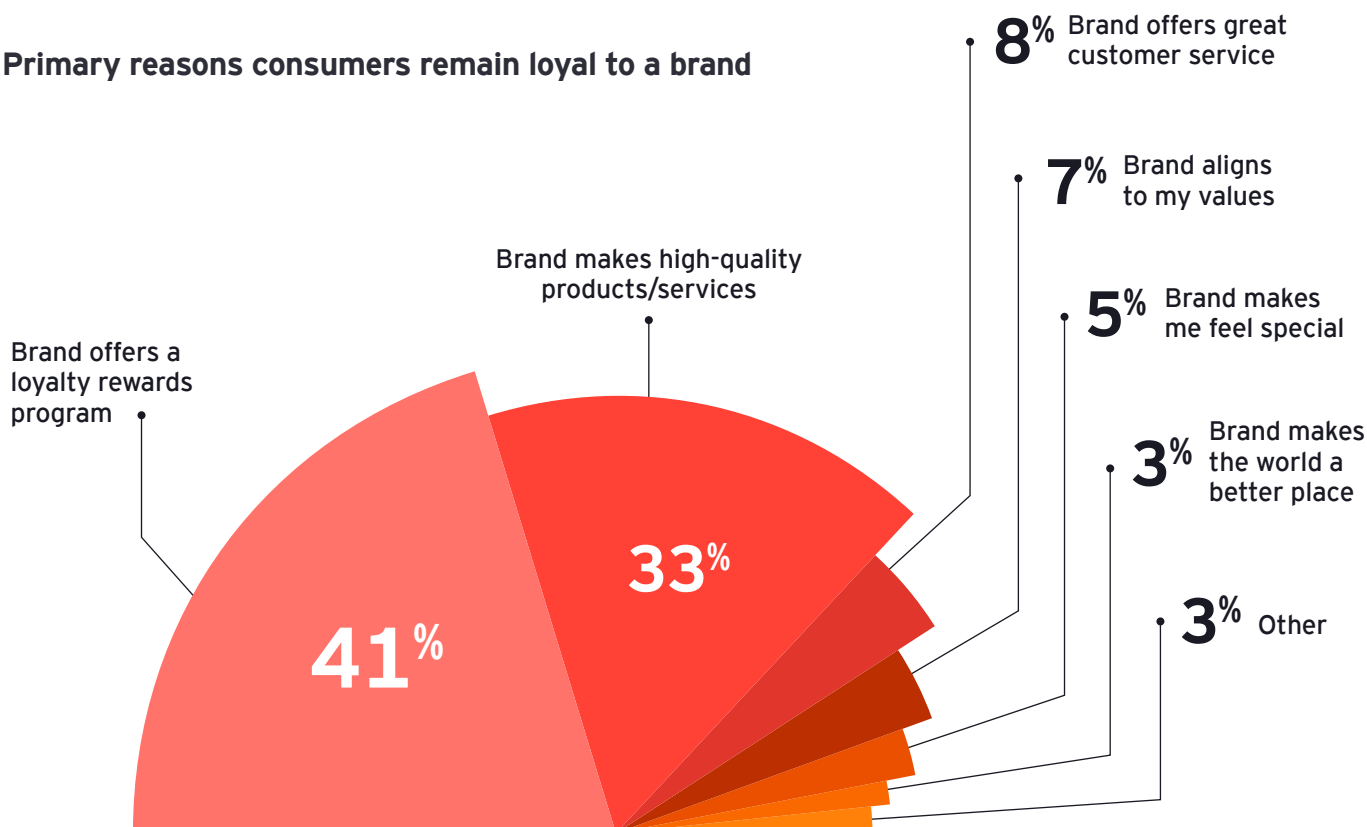
Most companies recognize loyalty drives retention, reporting that their top motivations for having loyalty programs are to build lasting connections with their customers rather than solely to increase short-term sales. However, this focus varies across different industries, reflecting unique industry dynamics and goals for their programs.

Most important reasons for corporations to have a loyalty program

Increased customer margin/ lifetime value	Increased customer retention	Improving brand relationship with target customers/groups	Part of the overall customer experience	Increased sales	Response to competitive pressure/ market entrant	Fending off competitors
51%	49%	45%	30%	24%	17%	13%

Industry insight: consumer packaged goods

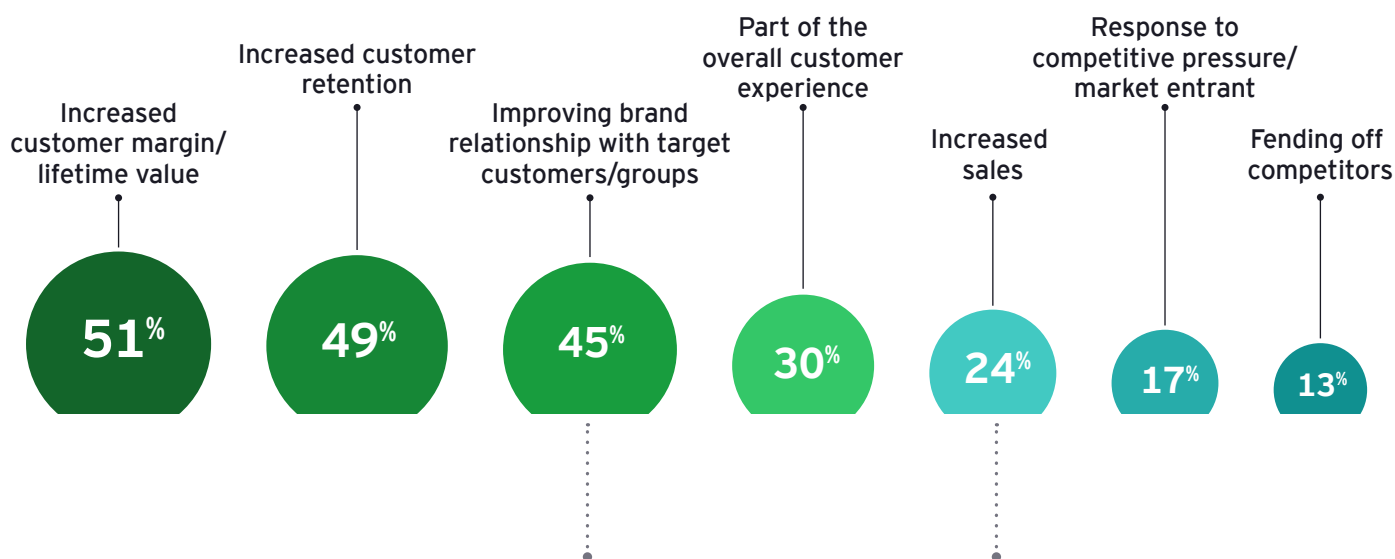CPG corporate respondents are more likely to cite improving brand relationships with target customers as the main reason for having a loyalty program (55% vs. 45% across all industries).

TAKEAWAY FOR THE LOYALTY MARKETER

There is a growing need for CPG brands to establish direct consumer relationships and strengthen first-party data strategies in response to competitive pressure and new market entrants.

Industry insight: food and beverage

Food and beverage corporate respondents are more likely to cite increasing sales as the main reason for having a loyalty program (35% vs. 24% across all industries).

TAKEAWAY FOR THE LOYALTY MARKETER

Programs in food and beverage, especially for quick service restaurants, are mainly focused on low-cost purchases. Therefore, the goals of the programs should be to increase the frequency of purchases, especially in a space of market saturation and economic pressures, as consumers look to cut down on unnecessary purchases.

1.2

Decrease in consumer connections to programs

While the power of loyalty programs is not in dispute, when compared with last year's results, fewer customers feel that loyalty programs improve their perception of a brand or increase their spending. When asked if consumers are emotionally connected to the loyalty programs they participate in, the results are split. A third of consumers feel moderately connected, but more feel slightly or not at all connected. These results likely stem from the ever-growing number and variety of programs in which they participate. Simply having a loyalty program has become table stakes, but brands have a bigger opportunity to drive emotional loyalty with consumers, beyond one of transactions and discounts.

Impact of loyalty programs on consumer perceptions and spend

Loyalty programs make me feel generally positive to far more positive about a brand

50% 2025   VS.   **67%** 2024
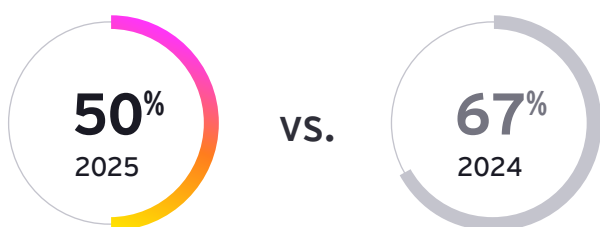
Loyalty programs increase my spending either to a general extent or to great extent

43% 2025   VS.   **58%** 2024
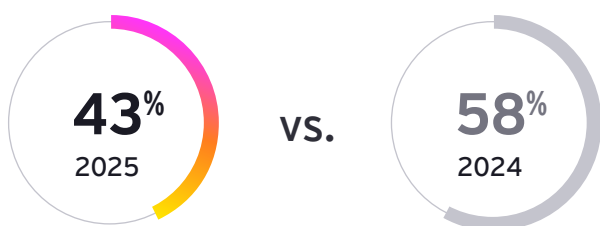
Deeper into demographics

Men are more likely than women to report that loyalty programs make them feel far more positive about a brand (24% vs. 17%, respectively).

TAKEAWAY FOR THE LOYALTY MARKETER

Men usually enroll in fewer loyalty programs, leading to deeper connections with brands. In contrast, women join more programs and need targeted messaging and a clear emphasis on value to improve their perception. To effectively engage women, brands should focus on tailored communications that highlight the unique benefits of their loyalty programs.

How emotionally connected consumers feel toward loyalty programs they participate in

10% **19%** **33%** **20%** **18%**

Extremely   Very   Moderately   Slightly   Not at all
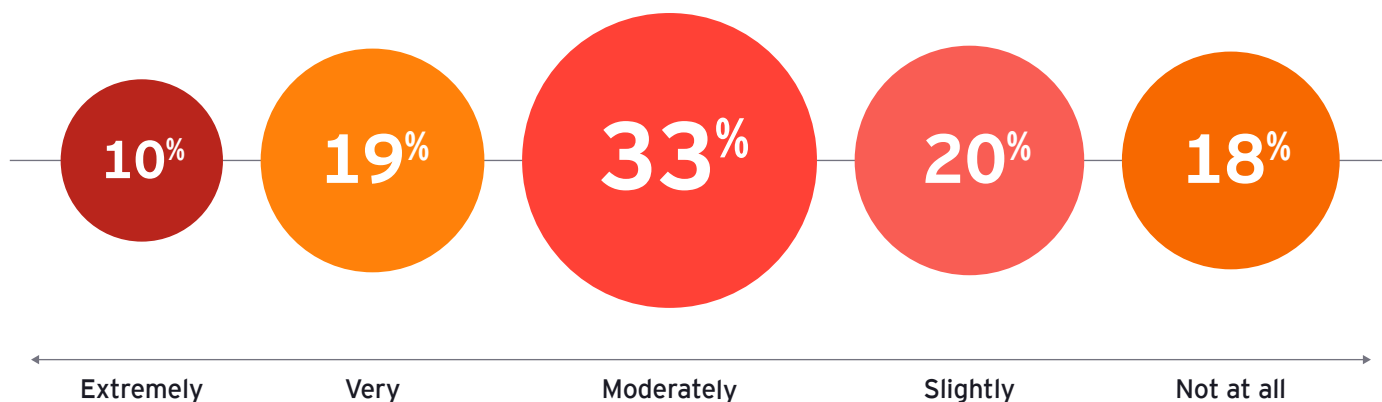
Deeper into demographics

Consumers over age 55 are the least likely to feel emotionally connected to programs, with 26% feeling not at all connected, compared with only 18% of all ages of consumers.

TAKEAWAY FOR THE LOYALTY MARKETER

Consumers under age 55 are more likely to connect deeply with your brand through a loyalty program, underscoring how younger customers are more likely to see your brand as a way to be a part of a larger community. Understanding who your target customer is will help to define what type of relationship you are looking to build – one of repeat purchases and discounts, or one of long-term advocacy and emotional loyalty.

The dichotomy of consumers enrolling in more programs, but feeling less connected to them, shows how forward-thinking companies can probe more deeply into what rewards are offered and what their customers want, to drive more personal relationships and stand out in the market.

1.3

Increase in program enrollment for rewards

When enrolling in a program, most consumers cite their primary motivation is getting rewards or discounts on a current purchase. As a result, consumers are enrolling in more programs, which leaves brands susceptible to being forgotten after the initial enrollment, making it more important than ever to sustain engagement after signup

> Consumers cite their primary motivation is getting rewards.

The psychology of accumulating rewards

The psychology of accumulating rewards highlights a behavioral science technique known as the endowment effect, which emphasizes that customers value things like rewards or benefits more than they perceive ownership of them. When customers see an offer like "Sign up for our loyalty program to instantly get 20% off" while completing a purchase, they are more likely to enroll. While this gets customers in the door of your program, the challenge then becomes sustaining that level of engagement.

Consumer motivations to enroll in a loyalty program

Specific discount for loyalty members

I like the brand and want to be associated with it

Suggested by store employee

Rewards on a current purchase

Easy and convenient signup process

Recommendation from friends/family

Access to a special event/experience

58%   **50%**   **36%**   **24%**   **13%**   **11%**   **8%**

Rewards and discounts are enticing more enrollments: Our study reveals a relatively gradual upswing across customers who are in more than five programs. But beyond enrollment, are customers continuing to engage after that first purchase?

Number of loyalty programs consumers actively participate in

1 to 5	6 to 10	11 to 15	More than 15
51% 2025	**31**% 2025	**11**% 2025	**7**% 2025
vs.	vs.	vs.	vs.
62% 2024	**29**% 2024	**7**% 2024	**2**% 2024
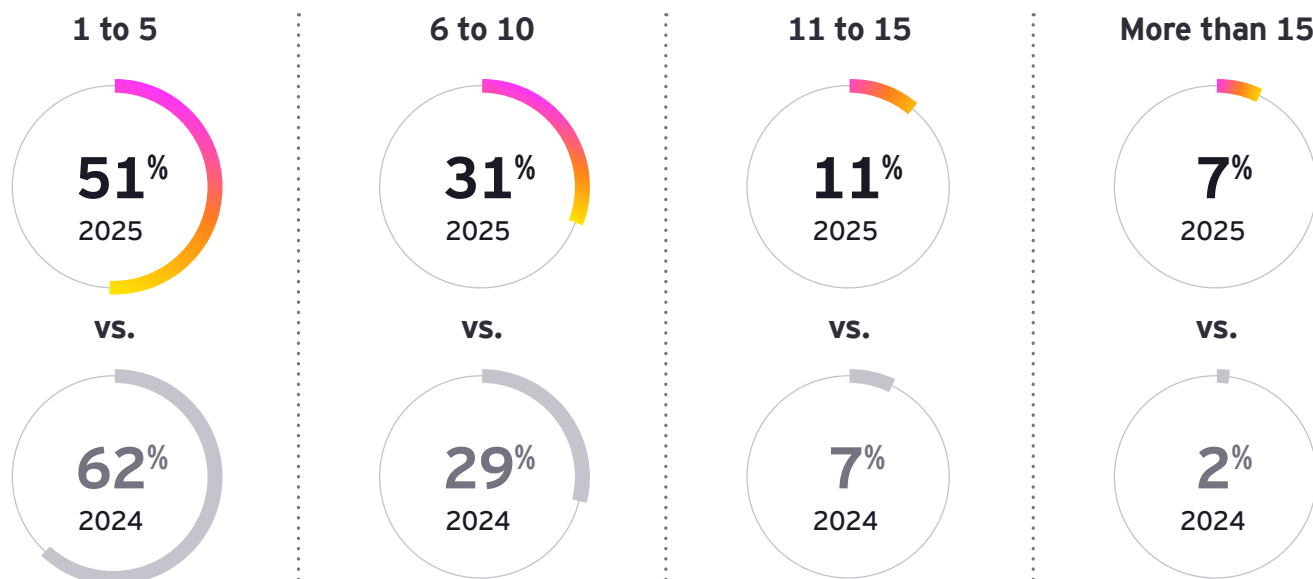
Deeper into demographics

Individuals ages 55 and older are most likely to engage with one to five loyalty programs.

By contrast, those ages 25 to 44 are more inclined to be members of 11 to 15 programs.

TAKEAWAY FOR THE LOYALTY MARKETER

Gaining the attention of younger consumers is more difficult than ever as they participate in more and more programs. Your program needs to have a clear value proposition that stands out from competitors and frequently engages this group through targeted communications to stay top of mind.

How often consumers use loyalty programs they are enrolled in
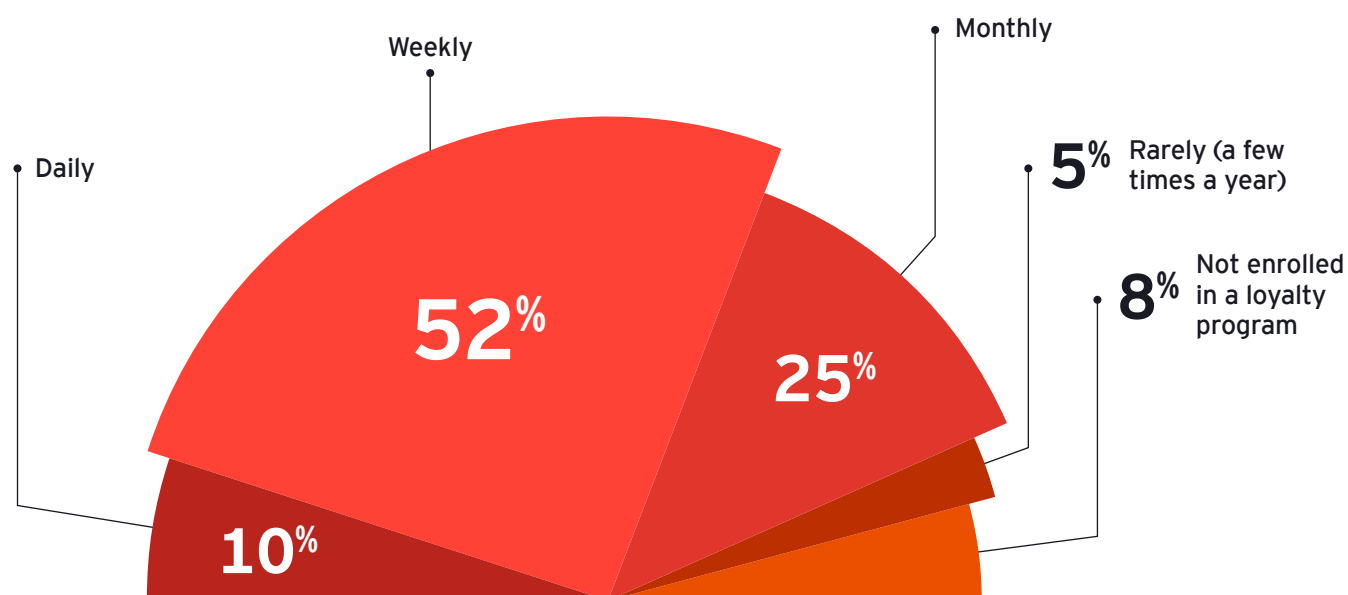
The majority of consumer respondents use loyalty programs at least weekly. This frequent usage paired with enrollment in more programs signals strong engagement across loyalty programs overall — however, that also means there is stronger competition for customers' attention and dollars.

So how do brands stand out from the crowd and create greater resonance with customers?

Companies should revisit how to "hook" their members for loyalty programs, through what they offer, seamless signup and leveraging immediate rewards to engage new members. It is again imperative to find ways to cut through the noise, sending the right message or offer to the right target segment or customer in the right channel. That way, customers keep coming back — rather than forgetting about them in a sea of impersonal emails after signup.

The majority of
consumer respondents
use loyalty programs
at least weekly.

CHAPTER 2

The importance of digital-first convenience and seamless experiences

2.1

Channels for program enrollment

While customers primarily enroll in digital programs, it's important not to overlook the value of in-store experiences. Our 2025 study revealed that customers expect consistent loyalty experiences across all platforms but are increasingly digital-forward. It is crucial that brands balance seamless and convenient digital and physical experiences. When asked about their enrollment in a loyalty program, consumers indicated a preference for an "all of the above" omnichannel approach.

Deeper into demographics

Interestingly, while consumers ages 18 to 24 primarily rely on a company website or a mobile app to sign up for a loyalty program, this age group is also more likely than the overall average (22% vs. 16%) to sign up at a store checkout counter.

TAKEAWAY FOR THE LOYALTY MARKETER

The in-store experience remains essential. Younger consumers continue to engage through traditional channels and anticipate a seamless integration with digital platforms. This trend likely arises from the lingering effects of the COVID-19 pandemic. During the uncertainty of lockdowns, younger consumers became accustomed to the convenience and speed that digital solutions provide. As the pandemic subsides, in-store experiences must align with this level of ease to foster cross-channel engagement, particularly among younger consumers.

Where consumers are signing up for loyalty programs

2024   2025

Company website
31% ——————————————— 35%

Brand's mobile app
32% ——————————————— 30%

At store checkout counter
17% ——————————————— 16%

Other in-store or in-person experience
4% ——————————————— 8%

Response to email invite
5% ——————————————— 7%

Automatically enrolled
3% ——————————————— 3%

The 2025 results reflect how brands should focus on continuing to enhance their online and mobile experiences, as well as simplify the in-store signup process and leverage personal interactions to maximize enrollments. While digital continues to be essential, the data shows that you cannot forget the importance of in-store and point of sale engagement. As brands' physical footprints continue to shrink – the US saw 7,325 store closures in 2024 alone, the highest since the pandemic, and an estimated 334% increase predicted for 2025[1] – brands must maximize their in-store offerings to cater toward this appetite for an omnichannel experience. This means brands must build truly exceptional experiences not just in their digital platforms but also in their brick-and-mortar storefronts.

As omnichannel availability of loyalty programs grows, experiences should be aligned to customer expectations, especially in the essential mobile channel. Corporations are aligned to these expectations, investing in omnichannel with a greater priority this year over last year.

Channels corporate loyalty programs are available through

In-store/POS

31% 2025 vs. **40%** 2024

Online

48% 2025 vs. **64%** 2024

Mobile app

37% 2025 vs. **46%** 2024
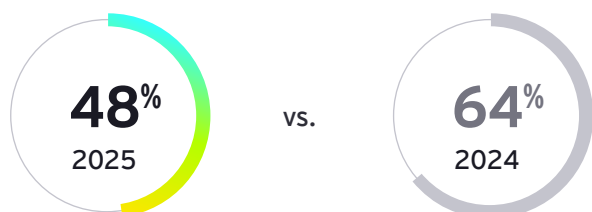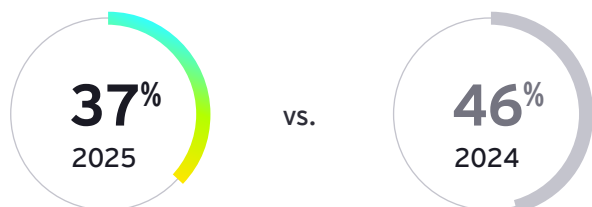
Omnichannel – All of the above

40% 2025 vs. **31%** 2024
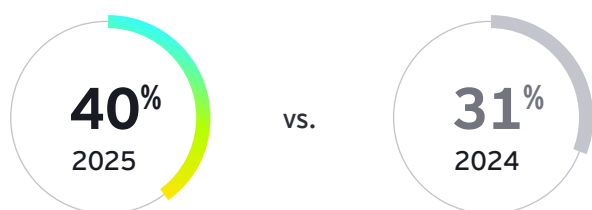
Industry insight: retail

Retailers demonstrate a strong inclination toward omnichannel availability (58%), and they are more likely to offer program enrollment at the point of sale in addition to online signups (78%).

TAKEAWAY FOR THE LOYALTY MARKETER

Fast and easy enrollment is a main draw for digital signups, but the in-store experience needs to match this level of seamlessness. In-store signage can be leveraged to match this level of convenience, such as through QR codes for signups while customers wait to check out.

[1] "15,000 Store Closures Expected In Retail As Private Equity Pulls Back," *Forbes website,* forbes.com/sites/chriswestfall/2025/03/02/15000-store-closures-expected-in-retail-as-private-equity-pulls-back, March 2, 2025.

2.2
Importance of the mobile channel

While it's simple to claim that consumers favor "digital-first" channels, understanding what that means is important. Brands must harness the power of mobile apps to boost engagement and satisfy consumer demand for deals and effortless rewards tracking. When it comes to loyalty programs, customers prioritize receiving frequent alerts about offers and updates, closely followed by the availability of mobile apps for tracking and redeeming offers (see Section 3.4). This underscores the importance of developing this channel to meet customer expectations.

Over 80% of customers express a willingness to download a mobile app for loyalty programs. And our 2025 study indicates that they aren't just downloading and then deleting them to free up storage; these consumers are using these apps weekly and sometimes even daily. It is evident that this channel is essential for regularly engaging with members, particularly younger consumers.

Deeper into demographics

Those over 65 are the least likely to download a mobile app (15% vs. 29% overall).

Likelihood of consumers downloading a mobile app to earn and track rewards

Generally likely — **31%**
Somewhat likely — **25%**
A little likely — **12%**
Not likely at all — **5%**
Very likely — **29%**
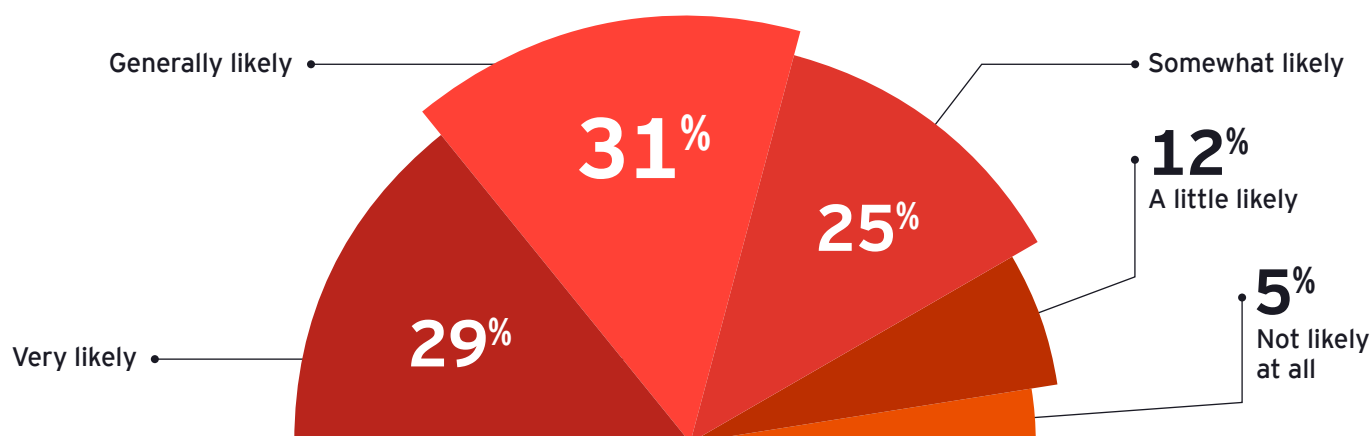
How often consumers use mobile apps for loyalty programs

12%	41%	32%	12%	4%
Daily	1-2 times a week	1-2 times a month	Rarely	Never
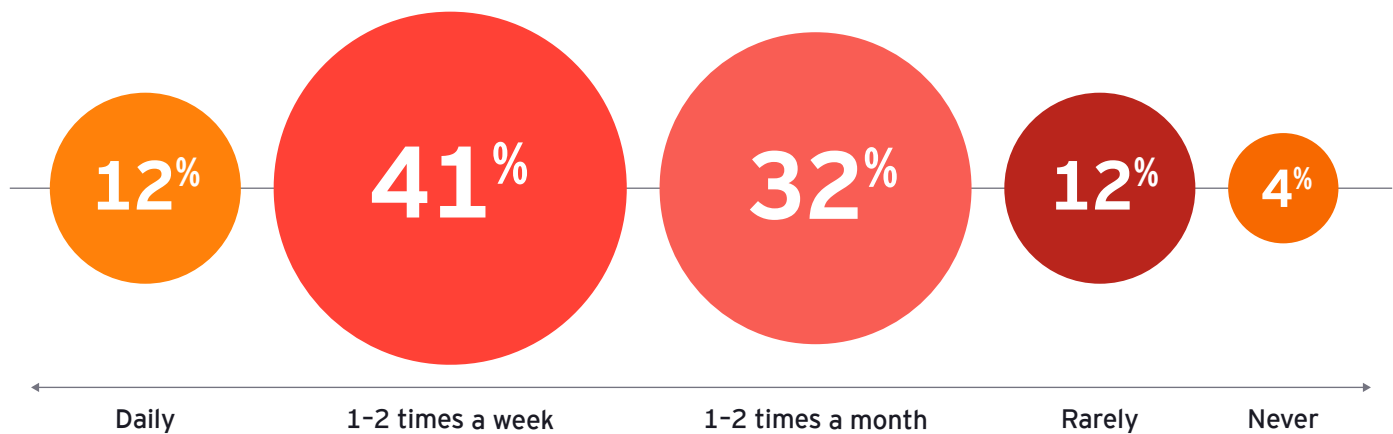
Deeper into demographics

The youngest cohort (ages 18 to 24) are the most likely to use the mobile app once or twice a week (53% vs. 41% overall).

TAKEAWAY FOR THE LOYALTY MARKETER

Mobile engagement is key to capturing the attention of young consumers. These consumers are using apps weekly to purchase items, track points and redeem rewards. Timely pushes and just-in-time offers are extremely important to stay top of mind so that apps are not deleted to free up storage for the next download.
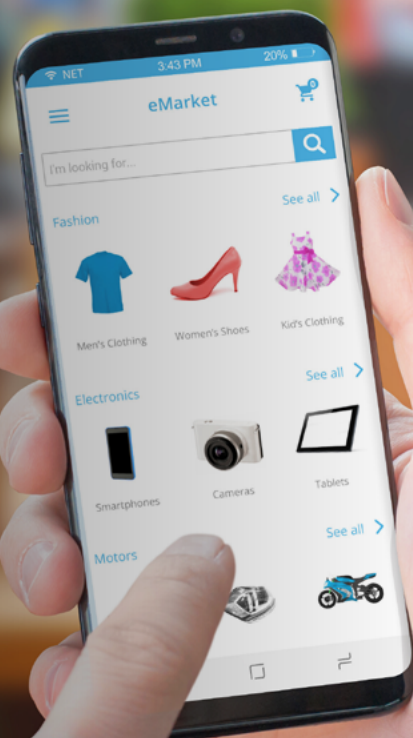
When asked what feature consumers want from loyalty apps, responses show they are primarily motivated by exclusive deals and the ability to track their loyalty points in real time. The food and beverage industry, in particular, has been leaning into tracking and gamifying the loyalty experience on mobile, with surprise daily deals and "2x point days" that go toward that next offer.

Consumers' rankings of most sought-after mobile features

Real-time tracking of loyalty points

Secure payment options

Personalized product recommendation

Exclusive deal and offers

Easy navigation and user interface

Games/challenges to gain rewards

In-app customer support

61% **52%** **49%** **31%** **15%** **12%** **11%**
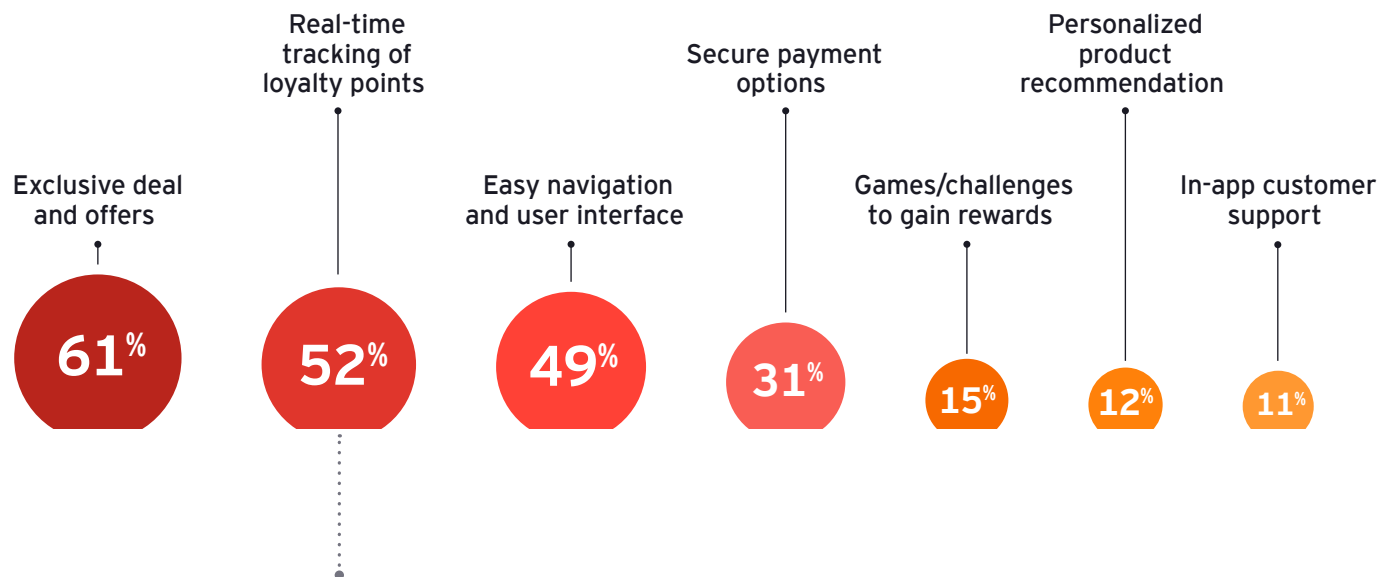
The enticement of advancement

Real-time loyalty point tracking appeals to consumers due to endowed progress and goal gradient principles. These strategies show that people are more likely to complete tasks when they feel they've made progress. Instant visibility of loyalty points gives users a sense of advancement toward rewards, boosting their motivation to engage with the brand. As they near redemption goals, their excitement and commitment grow, leading to more frequent interactions and purchases.

Adopting a digital-first approach involves more than just developing various digital capabilities; brands should prioritize enhancing the features that matter most to customers, such as exclusive offers and user-friendly interfaces. Additionally, they should explore ways to convert casual users into more frequent app users by implementing daily challenges and timely communications, which we explore further in Section 2.3.

2.3

Loyalty communications preferences

Consistent messaging across digital, mobile and in-store channels is crucial for engaging members and reinforcing the value of the program. Whether consumers prefer email, apps, print mailers or all the above, the reality is that communications come fast and furious. To stand out amid this blizzard, communications must be cohesive, consistent and relevant to the consumer's individual preferences.

Customers express a strong preference for regular alerts and updates. They want to stay informed about how to get the most value from their purchases, highlighting the importance of timely communication. Even though email is the primary communication method and is widely supported by companies, the youngest demographic (ages 18 to 24) tends to prefer mobile push notifications.

Consumers preferred communication styles

Email — **59**%

Text — **18**%

App push notifications — **13**%

Social media — **5**%

Print/direct mail — **3**%

I do not like to receive communications and offers from loyalty programs — **2**%
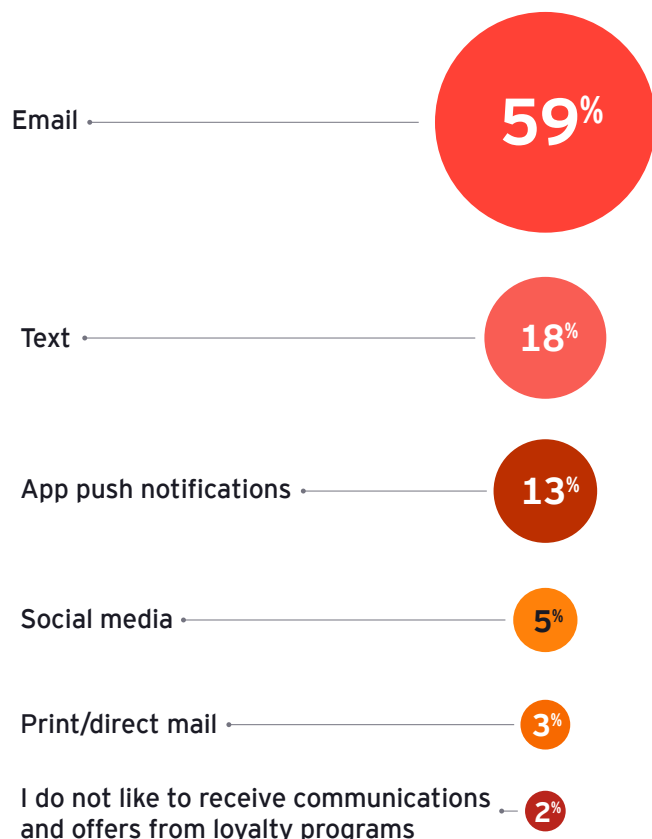
Deeper into demographics

Those ages 18 to 24 are most likely to prefer in-app notifications as a preferred communication method (23% vs. 13% of consumers overall) and less likely to prefer email (36% vs. 59% of consumers overall). This discrepancy in email preference was surprising as email was ranked as the most important method of communication among all other age groups.

TAKEAWAY FOR THE LOYALTY MARKETER

Invest time and resources in understanding your target customers' preferences. A well-crafted message may go unnoticed if it isn't delivered through the channels that customers prefer. Better yet, allow customers to select how and how often they receive communications.

Brands are communicating updates and offers to consumers in a range of channels, with email being the most utilized as 78% of corporate respondents report using it to reach loyalty members. And despite consumer sentiment leaning heavily toward digital communications, Forbes reports that consumers are becoming more interested in direct mail due to the high volume of digital messages they are receiving, driving a direct mail ROI of 43%. Print and direct mail is still leveraged by more than a third of brands, revealing a potential way to avoid getting lost in spam and to deliver a visually engaging surprise to grab the attention of consumers and get them away from their screens, briefly.[2]

How corporations communicate updates and offers

Email

78%

Mobile app

61%

Text

60%

Social media

51%

In-store/point of sale

45%

Print/direct mail

35%

We do not communicate with members on updates/ offers

2%
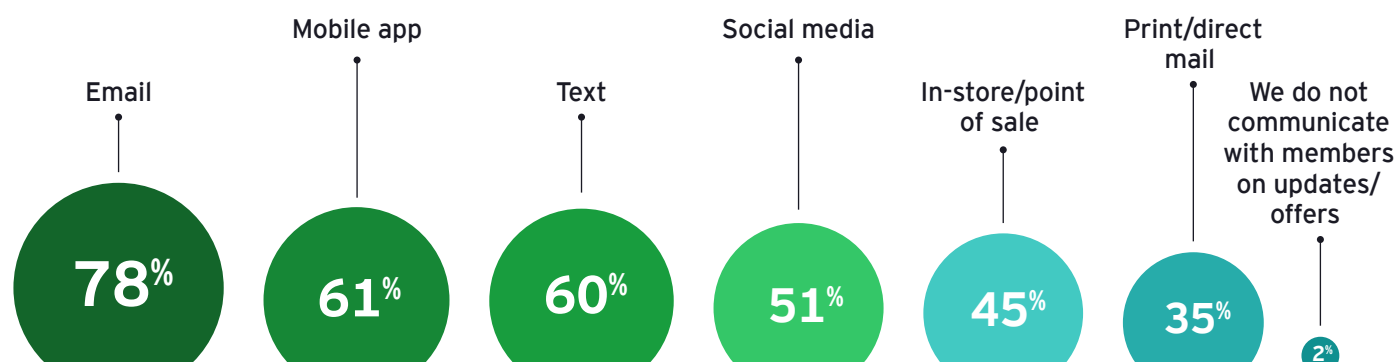
Companies need to stand out by incorporating the most sought-after features, such as timely alerts and offers that are personalized to the customer's last purchase, while also balancing effective communication across multiple channels that appeal to their target customers' preferences. Striking this balance hinges on personalization – the subject of our next chapter.

Industry insight: retail

Retailers are 42% more likely to use direct mail compared with the overall average of 35%.

TAKEAWAY FOR THE LOYALTY MARKETER

Direct mail provides a unique opportunity to stand out amid the daily flood of emails and texts that consumers encounter. To be effective, direct mail should be visually appealing, convey clear messaging about value, and encourage recipients to use digital channels for purchases.

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[2] "The Direct Mail Revival And How Marketers Can Respond," *Forbes website,* forbes.com/councils/forbesagencycouncil/2024/03/08/the-direct-mail-revival-and-how-marketers-can-respond, March 8, 2024.

CHAPTER 3

Delivering what customers want through thoughtful personalization

3.1

Brands' top loyalty challenges

When brands were surveyed about their primary challenges related to loyalty programs, a notable shift emerged from last year's leading response. Interestingly, following a time of significant inflation and economic instability, the foremost challenge is no longer measuring impact. A common concern highlighted across the board is the necessity to make the program and rewards appealing to all customer personas, although the data revealed clear variations among different industries.

Industry insight: retail

Brands are having more success tracking program impact than in 2024.

41% reported this as a top challenge in 2024 vs. 23% in 2025.

Top 10 challenges for corporate loyalty programs

36%
Making sure the program/rewards are enticing to all buyer personas

28%
Reward relevance and customer perceived value of the program

27%
Maintaining member engagement

23%
Quantifying overall program impact

20%
Differentiating the program from competitors

19%
Profitability of the program

18%
Operational challenges with partners/partner relations

15%
Technical infrastructure

15%
Data privacy and security

15%
Executive support or attention for the program

▬▬ Percentage of companies surveyed who indicated option was a top 3 challenge faced while managing a loyalty program.

Top challenges across industries

47%

Retail: Most likely to report "making sure the program is enticing to all buyer personas" as a top challenge

Focus on continuous customer insights and quick survey pulses from personas and track how their experiences match against their evolving expectations. Personalization can make sure the offer is relevant and desirable to that persona.

35%

Hospitality and tourism: Most likely to report "reward relevance" as a top challenge

Focus on communications that clearly illustrate program benefits and reinforce this value (in dollar amounts, if possible). Promote exclusive services that enhance experiences, often through coalition programs and partnerships, aligned to personas.

43%

CPG: Most likely to report "maintaining engagement" as a top challenge

Efforts such as co-branded promotions and events likely pay off more than daily communications in this industry. Focus on creating personalized and relevant experiences, offers and gamification aligned with consumer preferences and historical purchases.

34%

Food and beverage: Most likely to report "operational challenges with partners/partner relations" as a top challenge

Ensure that seamless, consistent experiences bring value for the end user across different technologies, platforms and channels. Understanding this better will help you decide which partners are delivering value aligned to what your personas desire.

These results prompt an interesting question for brands: How do you balance creating a loyalty offering that is relevant for all your customers, while emphasizing value for target customers through impactful personalization? Effective execution of this strategy will hinge on investing in customer insights and personalization, a sentiment echoed by corporate survey respondents from multiple industries.

3.2
Previous vs. planned improvements to loyalty programs

Corporate programs are focusing their investments on personalization to combat their top challenge, marking a shift in priorities from last year. Last year, brands were not prioritizing personalization in their investments, ranking it number five out of the eight available options. But this year, it ended up in the top three improvements that brands made to their loyalty programs in the past 12 months, highlighting how its importance has grown. And as consumers rapidly enroll in more loyalty programs, it now defines whether brands stay top of mind among customers or fall behind the pack.

Corporate improvements made to programs over the past 12 months

Increasing rewards value	Increasing marketing	Additional personalization	Adding experiential rewards	Capturing and building data	Updating loyalty program tech stack	Creating a rewards ecosystem	Updating UX/ digital program experience	Building CRM infrastructure	Adding blockchain technologies
49%	43%	42%	35%	33%	32%	31%	31%	24%	20%
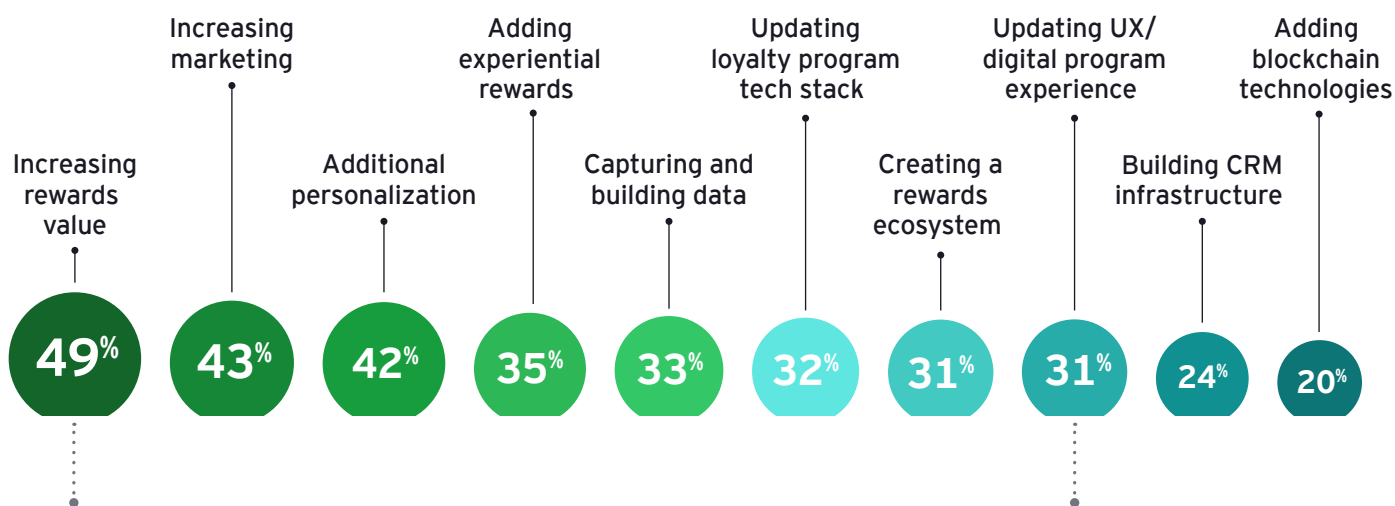
Industry insight: food and beverage

The food and beverage industry is most likely to plan on increasing rewards value (62% vs. 49% for all industries) as prices rise and consumers are tightening their wallets on unnecessary purchases.

Industry insight: hospitality

The hospitality and tourism industry is most likely to plan on updating UX/digital program experience (44% vs. 31% for all industries) as demand for travel continues to grow post-pandemic, making the booking experience as seamless for members as possible.

But companies tell us that their personalization efforts are mostly a work in progress: Few (16%) have achieved the level of hyper-personalization in which AI and ML are leveraged to anticipate customer needs and offer highly individualized rewards and recommendations in real time.

Corporate levels of personalization in loyalty programs

Targeted
personalization

Hyper-personalization

Basic
segmentation

Generic
experience

51%

22%

16%

11%
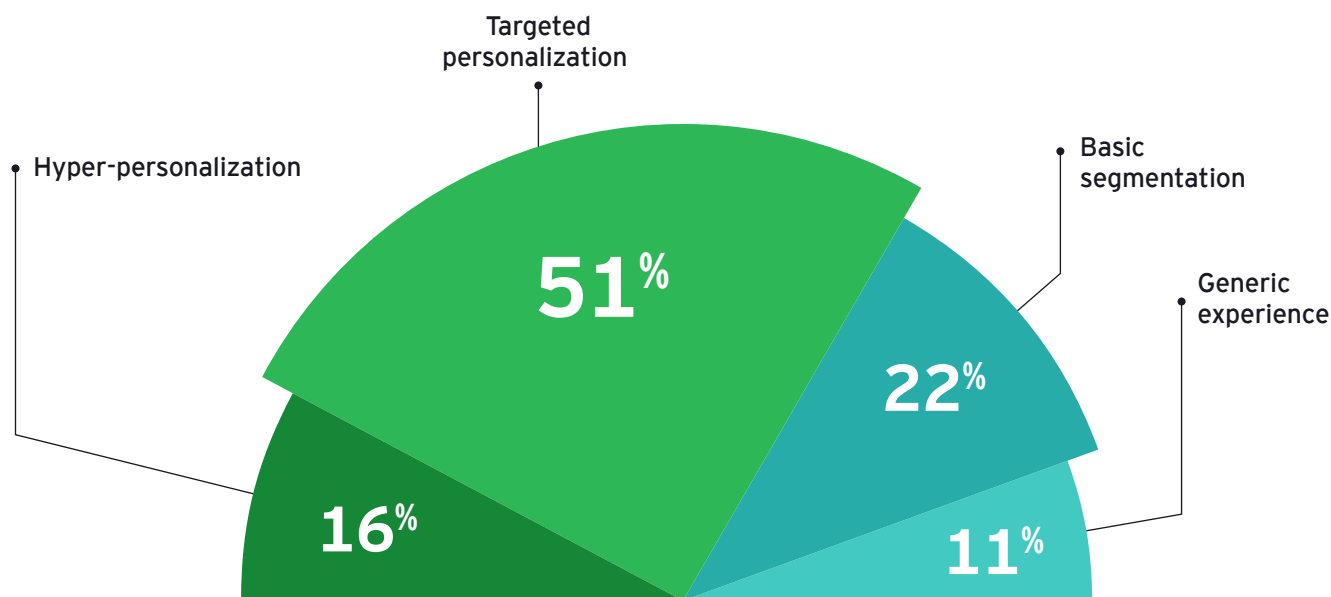
As corporations plan their investment programs, enhancing value for members and advancing personalization capabilities are becoming key priorities. In the coming year, we anticipate a significant increase in the use of advanced analytics and ML, enabling hyper-personalization at scale and creating uniquely tailored experiences and offers for each customer.

Enhancing value for members and advancing personalization capabilities are becoming key priorities.

Corporate planned investments for loyalty programs in the year ahead

40%
Expanding ways
for members to
earn rewards

38%
Enhancing
personalization
for members

38%
Enhancing
member
communications

35%
Increasing
marketing of
the program

34%
Adding
experiential
rewards

34%
Expanding
partnerships

34%
Improving data
analytics for
member insights

32%
Updating
digital user
experience

30%
Implementing
sustainability-
focused initiatives

29%
Expanding
program
structure

26%
Streamlining
the redemption
process

22%
Adding blockchain
technologies

19%
Adding gamification
and challenges for
members

As economic pressure continues and consumers cut back on spending, brands need to find new and unexpected ways to deliver and reinforce the value of their programs. We see this reflected in their top planned investment being expanding ways for members to earn rewards. Doing this will continue to rely on deep customer understanding and insights to enhance personalization, communications and marketing of programs.

Percentage of companies surveyed who indicated option was a planned improvement in the next year.

3.3

Comfort sharing data for personalization

Consumers continue to be willing to share data for increased personalization from programs, but brands need to be clear about the exchange of benefits for doing so. Customers will generally share data to unlock personalization and better experiences, with more than half generally or very comfortable sharing information and a significant percentage still neutral, a finding that echoes what we saw last year.

Consumer comfort levels with sharing personal data with loyalty programs

Very comfortable	Generally comfortable	Neutral	Somewhat uncomfortable	Highly uncomfortable
15% 2025	**37%** 2025	**30%** 2025	**13%** 2025	**4%** 2025
vs.	vs.	vs.	vs.	vs.
21% 2024	**35%** 2024	**31%** 2024	**10%** 2024	**3%** 2024
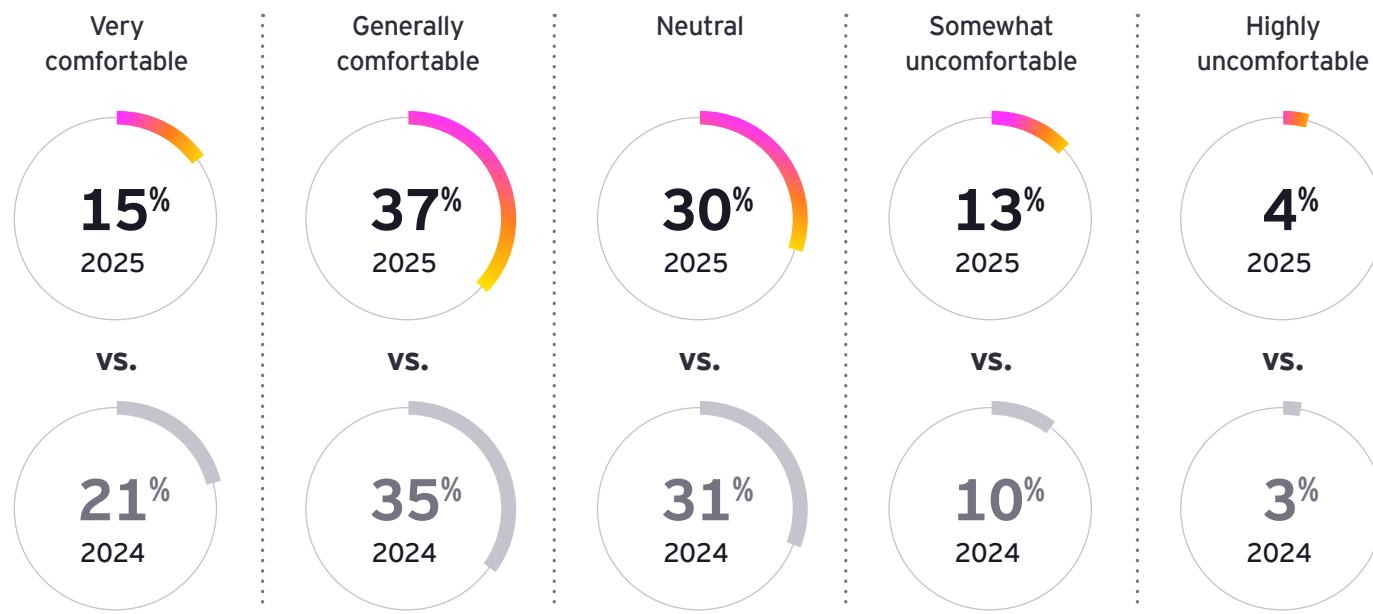
Although there are still recognized benefits like customized recommendations and improved personalization, the decrease in comfort with sharing data for personalization compared to last year indicates that brands must strengthen their value propositions. They should prioritize transparency, clearly communicate the benefits, and implement strong data protection measures.

Key benefits cited from sharing personal data for consumers

2024   2025

Customized product recommendations

58% ———————————— **50%**

Increased product personalization

54% ———————————— **47%**

Invites to personalized experiences

41% ———————————— **34%**

Connections to other loyalty program members or brand enthusiasts

32% ———————————— **25%**

None of these

11% ———————————— **16%**

Deeper into demographics

Over half (52%) of consumers ages 25 to 44 are most likely to cite increased product personalization as a key benefit from sharing personal data.

TAKEAWAY FOR THE LOYALTY MARKETER

Brands should capitalize on this age group's continued comfort and value of personalization by frequently asking for feedback to collect data transparently and evolve their programs aligned to consumer preferences.

Brands should tap into the idea of reciprocity among specific consumers to improve their personalization efforts. When a company offers a reward or delights a customer, that customer may feel a sense of obligation to reciprocate by remaining loyal or giving back through data-sharing, for example, or future purchases. By continuing to collect customer data and learning from real-time insights and behaviors, brands can enhance their core loyalty offering with offers and features that are aligned with what customers want.
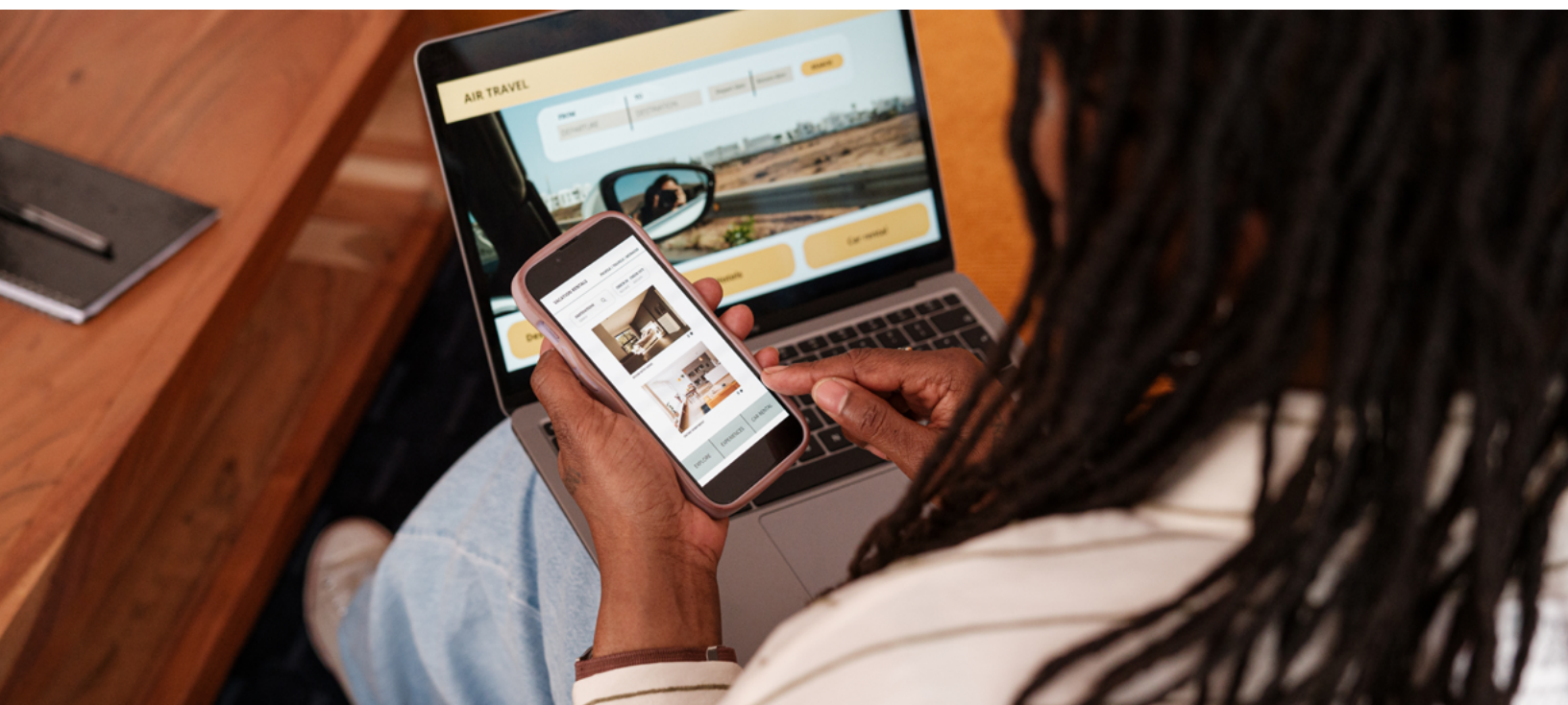
3.4

Consumers' evolving rewards preferences

We find overall alignment between what rewards customers enjoy and what corporate programs are offering: discounts/points, sales and exclusive services all rise to the top. However, customer preferences and expectations are constantly evolving, further supporting the case for frequent data-collecting. In fact, our 2025 study shows that consumers' enthusiasm decreased in almost every type of program reward asked about, indicating that they are seeking more innovative and diverse offerings as they increase participation and are exposed to more and more programs. Member-exclusive services was the only category to maintain its support, showing that customers want to feel special and valued by the brands they're loyal to.

"

As customer expectations shift, so must loyalty strategies. Our research shows waning enthusiasm for traditional programs, underscoring the need for fresh experiences, more meaningful rewards and continuous insight into what our most valuable consumers truly value.

Patricia Camden, Managing Director,
EY Americas Loyalty Leader
Ernst & Young LLP

Rewards and loyalty aspects consumers most enjoy and find valuable

2024		2025
77%	Discounts/coupons	69%
72%	Earned points	65%
52%	Exclusive and special sales	43%
28%	Member-exclusive services	29%
27%	Benefits/perks with other brands	27%
36%	Access to higher/new tiers	18%
28%	Member-exclusive content	15%
19%	Member-exclusive events or experiences	13%
19%	Early product access	12%
19%	Sweepstakes entry	9%
12%	Donations to charity	6%

What corporations are offering in programs

2024   2025

Discounts

70% ——— **73%**

Special sales

57% ——— **57%**

Reward points to spend like cash

64% ——— **56%**

Exclusive content or services

52% ——— **51%**

Coupons

47% ——— **51%**

Exclusive events or experiences

52% ——— **51%**

Early product access

47% ——— **42%**

Sweepstakes entry

36% ——— **38%**

Donations to charitable contributions

35% ——— **24%**
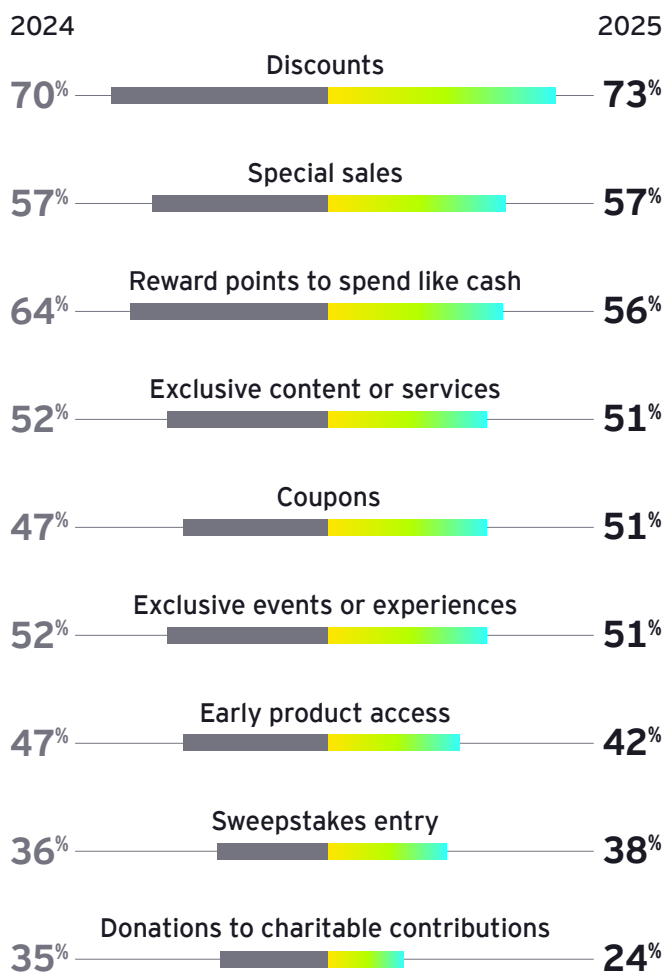
With a significant number of consumers participating in loyalty programs, it is essential for brands to set themselves apart by understanding what keeps customers engaged.
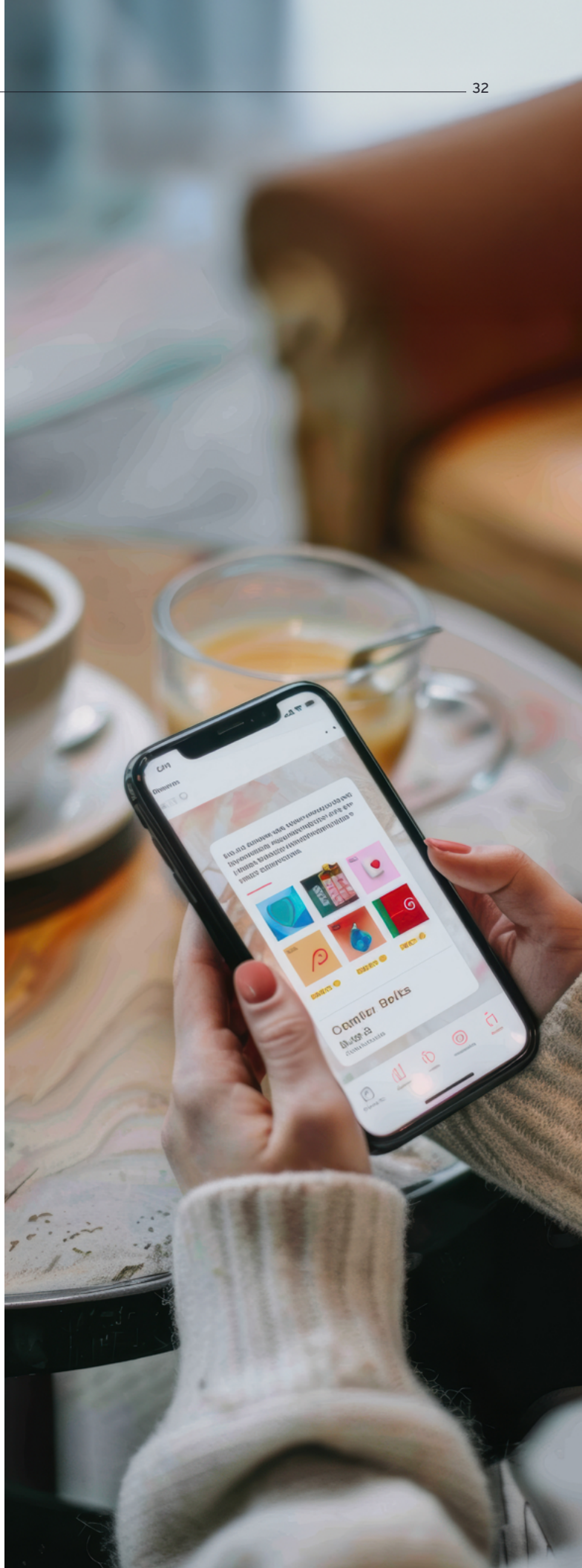
From our study, consumers told us they want timely alerts, mobile accessibility, and opportunities to earn more points and ''level up'' through various activities and partnerships. Brands should consider re-evaluating their loyalty strategies to enhance the perceived value of rewards, explore new partnerships, and introduce fresh experiences that resonate with consumers' evolving preferences, such as mobile app challenges that enable instant point accumulation.

Consumers' most-wanted loyalty features

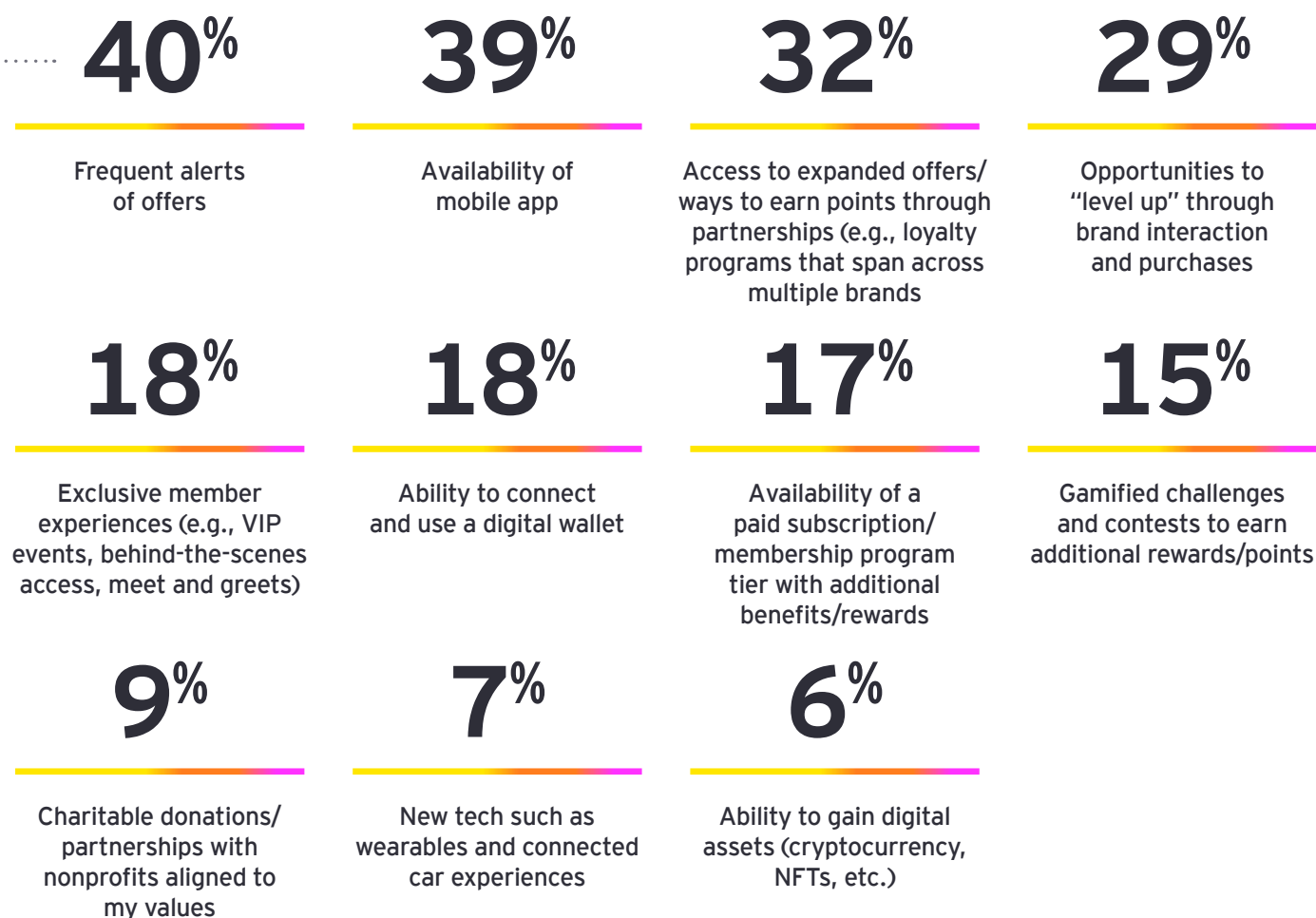| **40**%	**39**%	**32**%	**29**%
Frequent alerts of offers	Availability of mobile app	Access to expanded offers/ ways to earn points through partnerships (e.g., loyalty programs that span across multiple brands	Opportunities to "level up" through brand interaction and purchases
18%	**18**%	**17**%	**15**%
Exclusive member experiences (e.g., VIP events, behind-the-scenes access, meet and greets)	Ability to connect and use a digital wallet	Availability of a paid subscription/ membership program tier with additional benefits/rewards	Gamified challenges and contests to earn additional rewards/points
9%	**7**%	**6**%	
Charitable donations/ partnerships with nonprofits aligned to my values	New tech such as wearables and connected car experiences	Ability to gain digital assets (cryptocurrency, NFTs, etc.)	

Why "now" matters more

Our findings reveal that customers prioritize frequent alerts regarding offers. Companies can capitalize on this preference by aligning their strategy with the behavioral science technique known as present bias. Present bias suggests that individuals tend to place greater value on immediate rewards or benefits, often overlooking the potential advantages of waiting for future rewards. By sending frequent alerts of immediate (but shallower) discounts or rewards, companies can entice loyalty members to engage or make a purchase, without significantly impacting their bottom line.

■■ Percentage of consumers surveyed who indicated which features they would most like to have available in the loyalty programs they participate in.

Brands should also frequently engage members through incentivizing activities to keep their program top of mind. Consumers want special days for double points and recognition for milestones and anniversaries, and they will complete brief surveys in exchange for instant gratification and rewards.
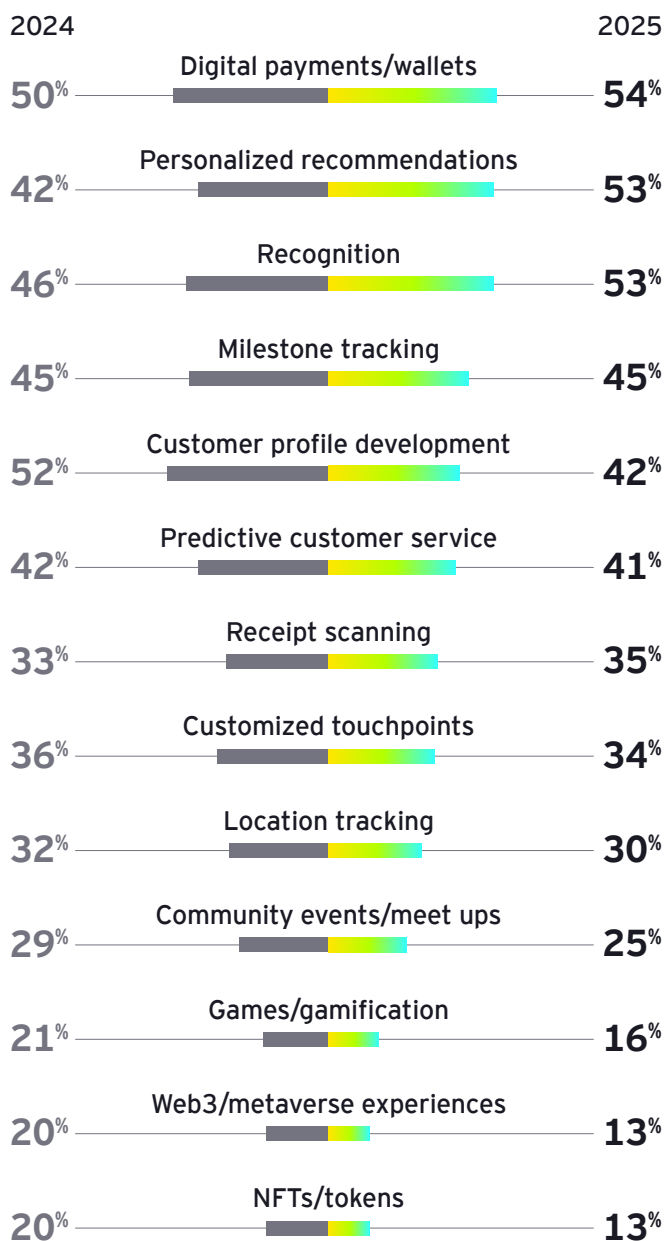
Consumers' most-wanted activities and offers

2x or 3x the points on certain days, events or products

61%

Birthday gifts and recognition

54%

Short feedback surveys to earn bonus points

38%

Bonus rewards for friend referrals

24%

Product streaks or challenges (e.g., "Buy 4 coffees this week, get your 5th free")

22%

Brand events at a location to try new products

12%

Donation of reward points to a charitable organization of choice

10%

Scoreboards and prizes for top earning members

7%

As seen in Section 3.2, brands are investing in capabilities to enable consumers' interests. They intend to keep finding new methods to increase value for members, along with improving personalization and communication to keep consumers updated on deals and recognize their loyalty to the brand.

What features corporations are offering

2024   2025

Digital payments/wallets
50%   **54%**

Personalized recommendations
42%   **53%**

Recognition
46%   **53%**

Milestone tracking
45%   **45%**

Customer profile development
52%   **42%**

Predictive customer service
42%   **41%**

Receipt scanning
33%   **35%**

Customized touchpoints
36%   **34%**

Location tracking
32%   **30%**

Community events/meet ups
29%   **25%**

Games/gamification
21%   **16%**

Web3/metaverse experiences
20%   **13%**

NFTs/tokens
20%   **13%**

Corporate features are also aligned to these interests from consumers, with digital payments and wallets for easy mobile use, personalized recommendations for relevant alerts and offers, and recognition to reward customers at special moments. That recognition is especially powerful for brands, as it's something consumers want. When EY teams help clients with customer research, the desire for recognition regularly comes up, particularly in longer-term service relationships.

It is perhaps not surprising to see brands shift their focus away from web3 and the metaverse, given the current economic state. Shifts such as these and emerging interests from consumers further illustrate the need for brands to invest in customer insights to continuously innovate their offerings and engage customers. To do this effectively, brands need to define their target customers and understand how their unique preferences change over time, which we dive into more in Section 3.5.

3.5

Tailoring loyalty offers based on generational preferences

To achieve hyper-personalization, brands need a baseline understanding of their key personas, including tracking behaviors and engagement as well as how their motivators evolve over time. While common preferences exist for baseline rewards, different personas reveal unique preferences in benefits, features and offers that forward-thinking brands will consider thoughtfully and compare against what they bring to market today.

A closer look at loyalty behaviors across generations

Last year's study found interesting differences in consumer preferences by age generation. This year, the study aimed to looked deeper into these differences and revealed not only interesting distinctions in preferences across age cohorts, but also insight into how these behaviors have evolved.

The following outline presents four generations, highlighting the differences in consumers' motivations and preferences for loyalty programs. These age groups align with the personas outlined in the 2024 report, reflecting interesting changes in their expectations and preferences as they evolve year over year.

18-24 years

CONNECTION SEEKERS

Cross-channel shoppers who want to grow
meaningful connections with brands they value

Prefers not only mobile channels, but also in-store engagement leading to a need for a seamless omnichannel experience

- Most likely to sign up for a program on a brand's mobile app (37% vs. 30% for all ages) and most likely to sign up for a program in-store (22% vs. 16% for all ages)

- More likely to report inability to use loyalty programs across channels as a top challenge (15% vs. 9%)

- Most likely to say having rewards curated for me is moderately to very important (64% vs. 49% overall)

Similar to last year, 18-24-year-olds continue to go to mobile channels first when interacting and enrolling in loyalty programs. However, in-store experiences are important to them as well. They are used to digital-level convenience and expect that seamless experience to translate in-store as well. They are also more inclined to prefer curated rewards and communications, so experiences through these channels must acknowledge them and utilize past behavior to tailor messaging and offers, making them feel personal to each individual.

Wants to be associated with brands they and their close friends/family value

- More likely to sign up for a loyalty program because they want to be associated with the brand (30% vs. 24% for all ages)

- Most likely to sign up for a program through a recommendation from a friend (22% vs. 13% for all ages)

This age group is not merely interested in programs that provide discounts and coupons; they are looking for deeper connections with brands they hold in high regard. The rise of social media influencers and brand collaborations has sparked a desire to associate with brands that resonate with their friends and family, reflect their values, or are linked to admired influencers. Brands should harness customer advocacy and referral channels to grow their membership base among this group.

Looks for value beyond discounts, through meaningful interactions and partnerships

- Compared with last year, they are less likely to increase spend with brands to some extent due to being in the loyalty program (35% vs. 45% last year)

- Most likely to be interested in access to partnership brands/products (23% vs. 17% for all age groups)

- Most likely to be interested in enhanced customer services (18% vs. 13% for all age groups)

Discounts and sales alone will not motivate this group to increase their spending or engage with a program. They are looking for meaningful connections with brands, not just promotional offers. They also tend to value partnerships that enhance their experience with other brands they admire. Their heightened interest in exceptional customer service further illustrates the need for brands to offer seamless experiences and support to drive engagement from this demographic.

25-44 years

LOYALTY ENTHUSIASTS

Highly active members who want to be recognized through personalized engagement across their many programs

Continues to be large enthusiasts of loyalty programs, increasing spend and almost always shopping for products within their programs

- Most likely to either generally or almost always shop for products within their programs (68% vs. 59% for all ages)

- Most likely to increase spending a great extent with brands they have programs with (19% vs. 13% for all ages)

- Slightly less likely to feel far more positive to a brand due to having a loyalty program, but still on the higher end across age groups (22% vs. 35% last year)

Consistent with last year, this group participates in a variety of loyalty programs and is most likely to increase their spend and consciously shop for products within those programs. But since last year, the group is slightly less likely to view a brand more positively because of a loyalty program — showing there is opportunity for brands to build that emotional connection with this highly engaged group.

Want to be recognized and motivated by tracking points to "level up"

- Majority (58%) report "birthday gifts and recognition" as an activity they most want from loyalty programs

- Majority (55%) want real-time tracking of loyalty points on mobile apps

Last year this group was more likely to be interested in access to higher tiers — but that interest has shifted slightly to be focused on recognition and real-time tracking of value. This group feels motivated by earning rewards and points, so brands should capitalize on this excitement by keeping them up to date with their status, their progress toward the next reward, and celebrating their milestones such as birthdays and anniversaries.

Highly values personalization and will share data in exchange

- Although it has decreased from last year, personalization continues to be important for this group, with 51% saying having rewards curated is moderately to very important

- Majority comfortable sharing data with loyalty programs, but down from last year (53% vs. 65% for all ages)

- Most likely to say top benefit to sharing data is increased product personalization (52% vs. 47% for all ages)

Similar to last year, the majority of this group ranks tailored rewards as largely important, and they are comfortable sharing data to receive more personalized offers, discounts and sales based on their history. They are actively involved in programs and participate regularly, allowing brands to capitalize on their enthusiasm and willingness to share data by utilizing their past history, engagement and behaviors to boost purchases through tailored offers and promotions.

45-54 years

REWARD COMMANDERS

Frequently engaged members who want to have a say and control over their rewards

---

Participates in programs frequently and will consciously shop there to maximize their value

- Most likely to be participating in programs weekly (62% vs. 52% for all ages)

- 63% generally to almost always make the conscious choice to shop for products in their loyalty programs, decreasing from 70% last year

- Majority (53%) would consider purchasing outside of a loyalty program's products for a good deal

Similar to last year, this group is looking to maximize the value of their purchases by consciously shopping for products that are a part of their loyalty programs. However, this percentage has decreased from last year, showing early signs of becoming more value-driven. Brands need to reinforce the value of their program, pushing timely discount offers and reminders to keep these customers purchasing, and not just looking for the best price elsewhere.

Mainly motivated by discounts and points, and interested in ways to get instant rewards

- Mainly interested in discounts (71%) and earned points to use like cash (67%)

- More than a third (34%) feel there are too many purchases required to redeem a reward

- More likely to participate in short feedback surveys to earn bonus points (42% vs. 38% for all ages)

Consistent with last year, discounts continue to be the main interest of this group as they look to stretch their dollars on purchases. This year, however, their primary challenge appears to be the perception that too many purchases are needed to redeem a reward. As a result, they seek instant value through options like games or challenges on a mobile app, or by completing short feedback surveys for extra points. Brands can take advantage of this by providing instant discounts on purchases to gather customer feedback and boost engagement.

Values control of their rewards above personalization

- 74% rank the ability to select their own rewards as moderately to very important

- Less likely to rank "having rewards curated for me" as important compared with last year (47% vs. 68% last year)

While last year this group ranked personalization as very important, this year we see a shift in wanting more control over their rewards vs. having rewards curated for them. By giving this group options and the ability to redeem rewards when they select to, brands can keep them engaged and reinforce the value of their programs to a frequently active age group.

55+ years
LOYALTY TRADITIONALISTS

Long-term patrons who value
discounts at their few favorite brands

Participates in fewer programs, sticking to their tried and true

- Continues to be more likely to enroll in fewer programs: 75% are in one to five programs

- Least likely to participate in multiple programs for the same product type (54% vs. 71% for all ages)

- Least likely to increase spend with a brand due to their program (30% vs. 44% for all ages)

Consistent with last year, this group continues to value their select brands that have provided them with consistent products and services over the years. They are not ones to try something new and will continue to be loyal to the few programs they are a part of. While they aren't likely to increase their spend, they may influence family members to join and so it is important for brands to recognize this group and make them feel valued for their patronage.

Mainly interested in transactional benefits like discounts/sales over building deeper connections with brands

- Most likely to value discounts on products/services (75% vs. 64% for all ages)

- Least likely to rank free products as valuable (39% vs. 48% for all ages)

- Least likely to feel emotionally connected to a brand (51% vs. 62% for all ages)

Unlike last year where we saw this group being more interested in relationship benefits like enhanced customer service, now this group is mainly motivated by discounts and sales. They don't feel connected to their loyalty programs emotionally and instead view programs as ways to save on the products they normally purchase.

Feels resistant to mobile but still want to be kept in the know of upcoming deals

- Most likely to want frequent alerts of offers and upcoming sales (47% vs. 40% for all ages)

- Least likely to download a mobile app to gain, track and redeem rewards (40% vs. 59% for all ages)

- Most likely to prefer email for communications (71% vs. 59% for all ages)

While this group is least likely to download and use a mobile app for their loyalty program rewards, they are still interested in being kept up to date with offers and upcoming sales. They prefer email communications so brands should recognize their long-term loyalty through email offers on the products they historically purchase.

CHAPTER 4

Defining metrics aligned to your goals to quantify success
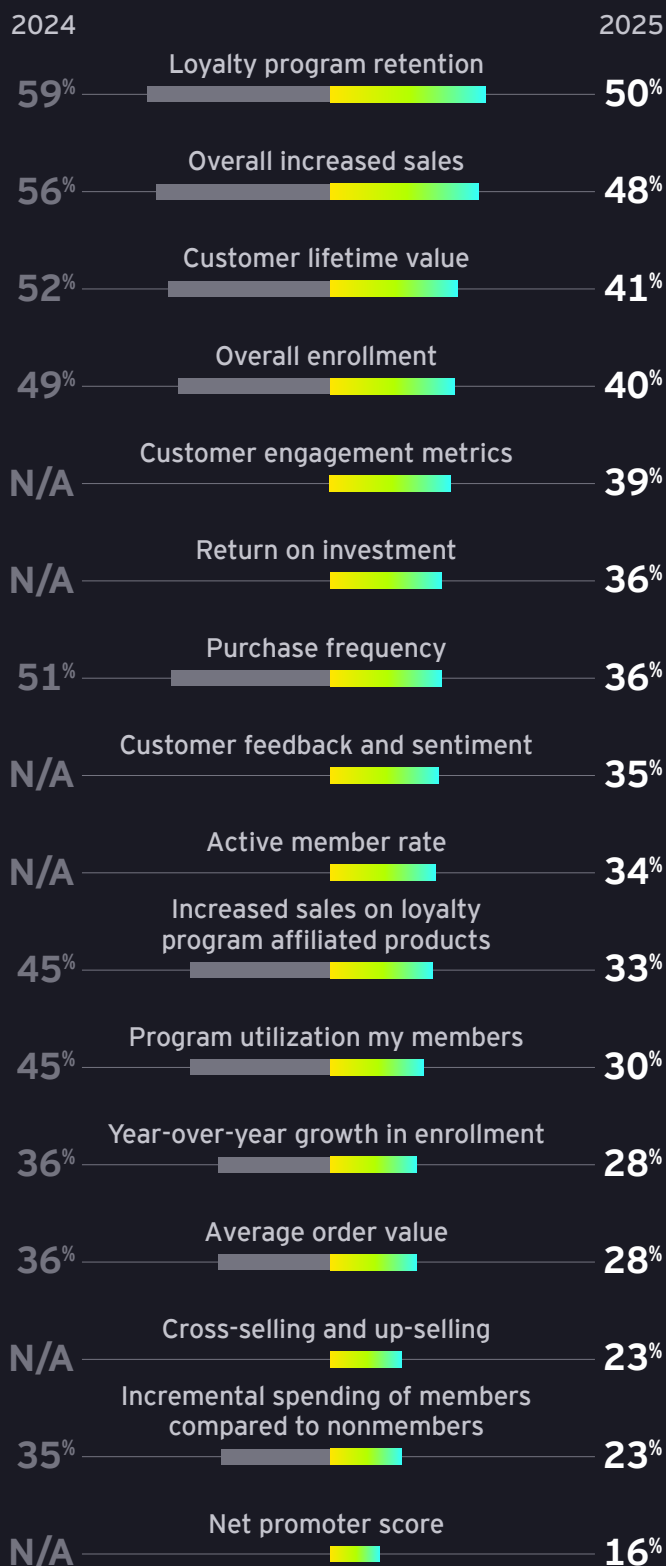
4.1

Key performance criteria for programs

By adapting their metrics frameworks to align with the unique requirements of their industry, brands are achieving greater success in measuring the impact of their programs. Last year, the primary loyalty challenge for corporate brands was quantifying the overall impact of their programs. Despite tracking a wide array of key performance metrics, they struggled to demonstrate whether their programs were making a meaningful difference for their customers. This year, companies are advancing in their ability to track and measure unique criteria for success that are often specific to their industry.

The reason? Brands are not tracking everything and anything – they are focusing on metrics that are most important to their program's goals, de-emphasizing several traditional performance metrics and increasingly recognizing the importance of engagement, customer feedback and return on investment. But there are nuances by industry.

> The key performance indicators across various industries include loyalty program retention and overall sales growth.

### Corporations' key performance criteria for loyalty programs

2024		2025
	Loyalty program retention	
59%		50%
	Overall increased sales	
56%		48%
	Customer lifetime value	
52%		41%
	Overall enrollment	
49%		40%
	Customer engagement metrics	
N/A		39%
	Return on investment	
N/A		36%
	Purchase frequency	
51%		36%
	Customer feedback and sentiment	
N/A		35%
	Active member rate	
N/A		34%
	Increased sales on loyalty program affiliated products	
45%		33%
	Program utilization my members	
45%		30%
	Year-over-year growth in enrollment	
36%		28%
	Average order value	
36%		28%
	Cross-selling and up-selling	
N/A		23%
	Incremental spending of members compared to nonmembers	
35%		23%
	Net promoter score	
N/A		16%

Top success metrics across industries

Consumer packaged goods

1. Loyalty program retention
2. Overall increased sales
3. Average order value
4. Customer Lifetime Value (CLV)
5. ROI

Most likely to track average order value (45% vs. 28% overall)

Food and beverage

1. Overall increased sales
2. Overall enrollment
3. CLV
4. Customer engagement metrics
5. Loyalty program retention

Most likely to track cross-sell/up-sell (33% vs. 23% overall) and incremental spending of members vs. nonmembers (31% vs. 23% overall)

Retail

1. Loyalty program retention
2. Overall increased sales
3. Customer engagement metrics
4. Overall enrollment
5. Purchase frequency

Most likely to track customer feedback/sentiment (49% vs. 35% overall)

Hospitality

1. Loyalty program retention
2. Overall increased sales
3. Active member rate
4. Customer engagement metrics
5. Purchase frequency

Most likely to use active member rate (46% vs. 34% overall)

> " As loyalty programs evolve and mature, brands are becoming more disciplined in how they define and measure success. We're seeing a sharper focus on metrics that align to business goals – like engagement, ROI and customer feedback – along with industry-specific nuances that reflect loyalty's growing role as a driver of real business value.

Michael Anders, Principal, Strategy and Transactions, Ernst & Young LLP
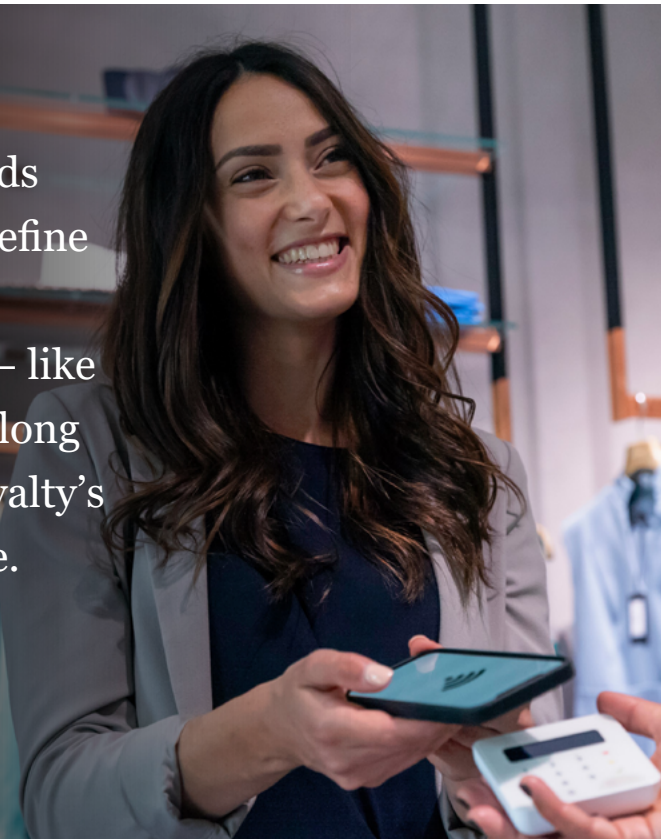
4.2
Program metric benchmarks

In today's dynamic market, metrics are becoming essential for brands aiming to accurately track the effectiveness of their customer loyalty programs. By customizing these frameworks to align with specific business goals and customer expectations, companies can gain deeper insights into key performance indicators such as engagement rates and ROI of their programs. Consequently, organizations are more capable of adjusting their strategies in real-time to align with changing consumer preferences. To further illustrate the impact of these tailored frameworks, recent survey responses reveal several success metrics benchmarks.

Corporations' known metrics about loyalty programs

51%	**50%**	**49%**	**48%**	**46%**
Reward redemption rate	Number of active members	Percentage of customer enrolled in loyalty program	Percentage of annual sales from customers enrolled	Active member engagement rate

40%	**39%**	**38%**	**38%**	**38%**
ROI from investments	Total budget dedicated toward loyalty efforts	Percentage of marketing budget dedicated toward loyalty	Annual member churn rate	Point breakage rate

▬ Percentage of companies surveyed who indicated to know the metric about their loyalty program.

Corporations' known metrics about loyalty programs

Percentage of customers enrolled –
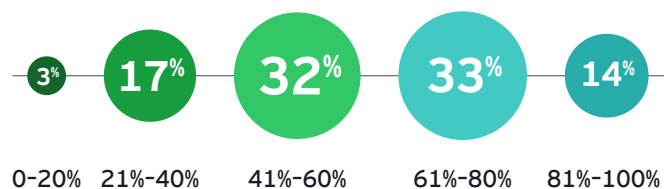**Largest % of corporations say 41%-60%**

4% | 22% | 35% | 30% | 9%

0-20% | 21%-40% | 41%-60% | 61%-80% | 81%-100%
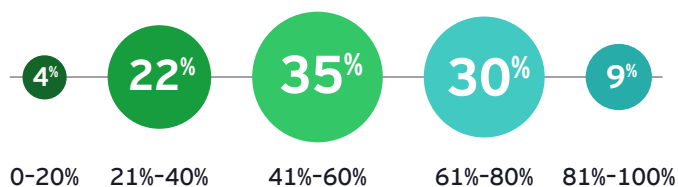
Percentage of marketing budget –
Largest % of corporations say 16%-30%

7% | 29% | 37% | 21% | 6%

0-5% | 6%-15% | 16%-30% | 31%-50% | More than 50%
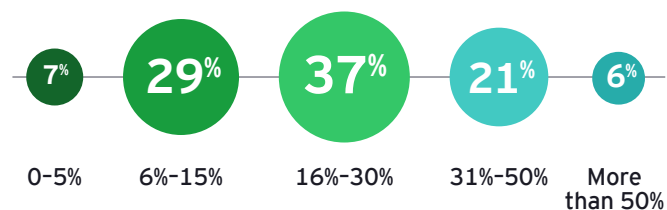
Percentage of annual sales from loyalty customers –
Largest % of corporations say 26%-50%

2% | 19% | 42% | 30% | 8%

0-10% | 11%-25% | 26%-50% | 51%-75% | 76%-100%
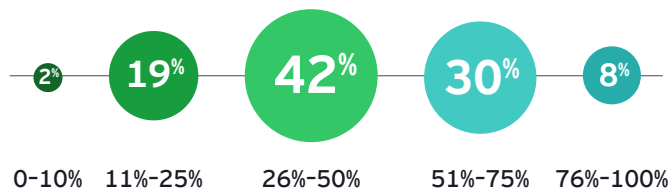
Percentage of active members –
Largest % of corporations say 61%-80%

3% | 17% | 32% | 33% | 14%

0-20% | 21%-40% | 41%-60% | 61%-80% | 81%-100%

Annual member churn rate –
Largest % of corporations say 6%-15%

23% | 35% | 23% | 12% | 6%

0-5% | 6%-15% | 16%-30% | 31%-50% | Over 50%
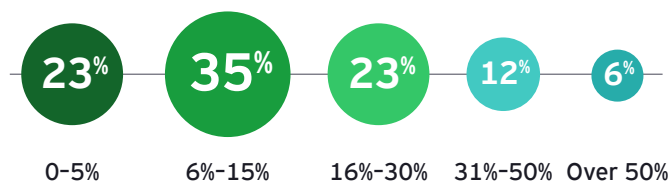
Reward redemption rate –
Largest % of corporations say 41%-60%

5% | 20% | 32% | 31% | 11%

0-20% | 21%-40% | 41%-60% | 61%-80% | 81%-100%
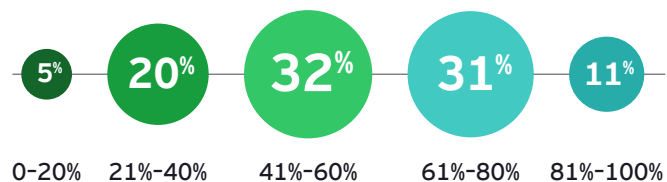
Average annual ROI –
Largest % of corporations say 10%-20%

<10%   4%

10%-20%   31%

20%-30%   22%

30%-40%   22%

40%-50%   7%

50%-60%   6%

60%-70%   2%

70%-80%   4%

80%-90%   1%

90%-100%   1%
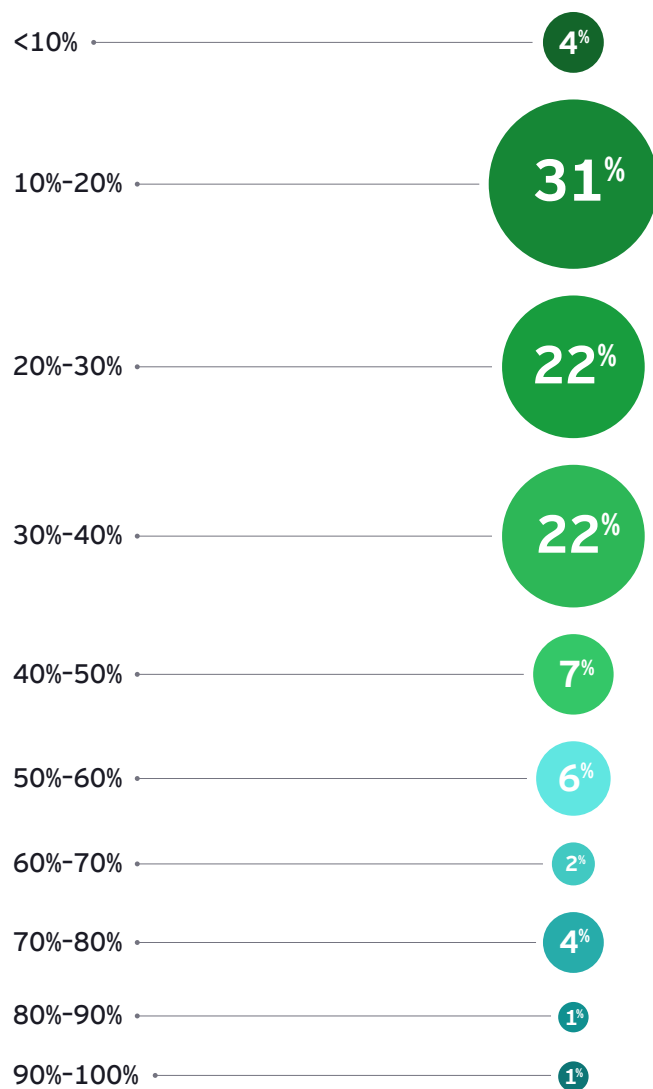
Breakage rate –
Largest % of corporations say 31%-40%

0-10%   12%

11%-20%   16%

21%-30%   20%

31%-40%   21%

41%-50%   10%

51%-60%   13%

61%-70%   5%

Above 70%   4%
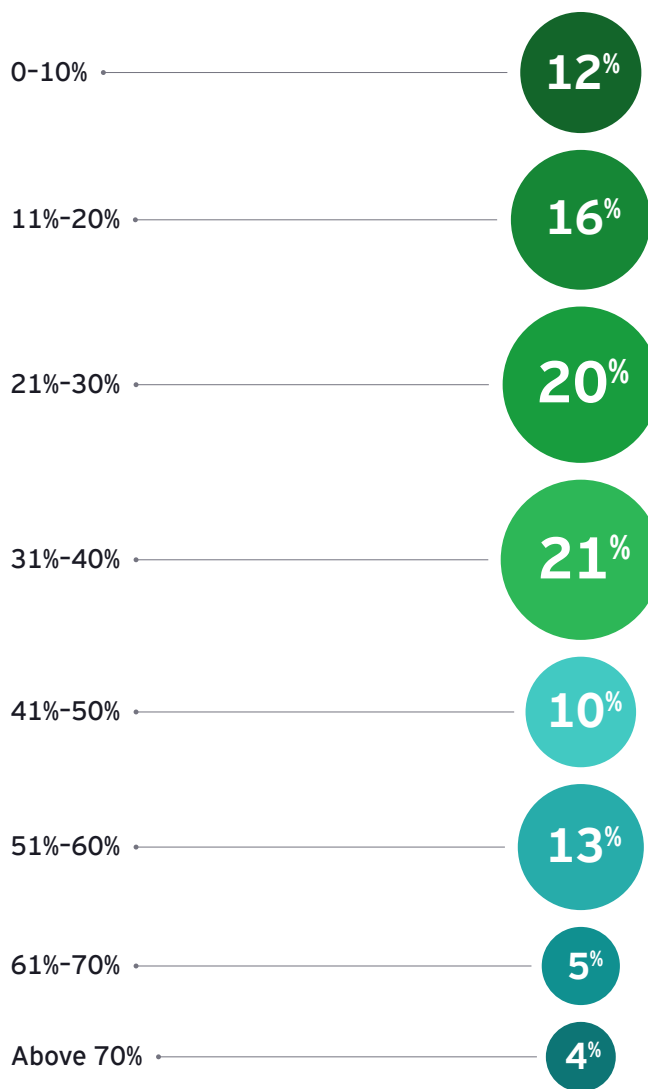
These key metrics range across industry and company size; however, by implementing a success framework tailored to program goals, brands are having success quantifying the impact of their programs for target customers.

To explore this topic more, check out our recent article How to unlock value from, measure and demonstrate loyalty program ROI.

Conclusion and marketer's checklist

We expect that loyalty programs will continue to evolve because they bring value to both sides of the value equation: customers through incentives and brands in the forms of data and understanding. But simply offering one is not enough to drive optimal value. Just like the brands themselves, loyalty programs need to stand out in the crowd; rewards in and of themselves do not equate to loyalty. To stay top of mind, businesses should go deeper into customer insights on their targeted personas and combine that awareness with personalization – placing the offers and features they desire directly into the channels they prefer.

Key takeaways for loyalty leaders and marketers:

1 | **Loyalty programs deliver results –
invest with confidence and reap the rewards.**

Over three-quarters of customers say loyalty programs compel them to spend more, whether to a general, some or great extent. And 41% generally choose to shop where they have a loyalty program. The same percentage say the primary reason they're loyal to a brand is because of a loyalty program.

2 | **Loyalty programs are everywhere –
ensure that yours grabs attention.**

Most customers (92%) are involved in at least one loyalty program. But that popularity reflects how cluttered the market has become – and the need for reinvention to differentiate. Brands should be continuously refreshing strategies, introducing new features and engaging customers through effective communications to keep up with their evolving preferences. For instance, today customers want mobile apps with timely alerts and opportunities to maximize value of their purchases through various activities.

3 | **Loyalty programs empower consumers –
verify that yours meets their expectations.**

Consumers are willing to share their data if they receive the customized loyalty program they desire. They want the program to fit for them and have control over the value they get: to select their own rewards and preferred channel preferences, as well as the types of products that lead to new release offers, upcoming offers and recommendations. Programs need to be transparent and flexible for customers to give them options, have control over their experience, and ultimately form deeper, emotional connections to their favorite brands.

Survey methodology

Consumer survey

The EY organization worked with a panel provider to field a web survey instrument to US consumers who generally participate in consumer loyalty programs for goods and services. The analysis was primarily conducted on the 92% of respondents who are a member of at least one consumer loyalty program. Fifty-seven percent of the respondents identified as female, and 43% identified as male. The survey data was collected from October 8 to October 29, 2024, and 1,606 usable responses were collected.

Corporate survey

The EY organization surveyed industry professionals who oversaw, managed or contributed to customer loyalty programs. Respondents with the title of Director/Senior Manager or Executive/Vice President/Division Head and who had about 10 years of experience were screened into the survey. These professionals worked for firms with $100 million to more than $5 billion in annual revenue. Respondents came from a variety of sectors but were primarily concentrated in retail, consumer packaged goods, food and beverage, and hospitality sectors. The survey data was collected from October 8 to October 19, 2024, and 397 usable responses were collected.

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