

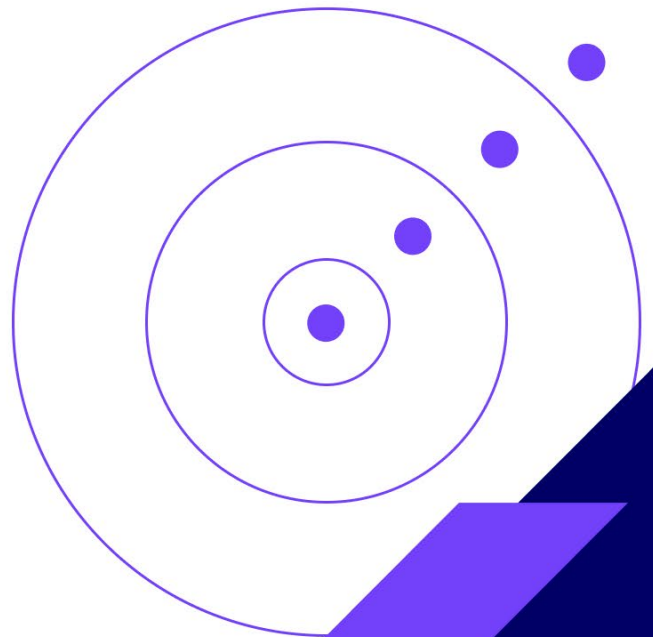


2025 Loyalty Uncovered

Expert Insights & Future Outlook

100 Enterprise Brands Reveal:

- Investment Priorities
- Key Challenges
- Competitive Strategy





Mark Camp
Co-Founder and CEO
Propello Cloud

Foreword: Mark Camp Propello Cloud

Welcome to Propello's 2025 Loyalty Uncovered Report.

As 2025's first quarter is now behind us I thought it would be beneficial to look at what's truly shaping customer loyalty in 2025 and beyond.

My aim in this report is to truly examine how brands create sustainable competitive advantages and reimagine their loyalty strategies in response to customer expectations.

Our analysis is based on conversations with 100 loyalty leaders at enterprise brands. We looked at the areas of investment they're prioritising, the key drivers behind those investments, and the loyalty challenges they are facing.

In addition, the report also draws on the expertise of industry leaders and loyalty experts in exclusive Q&As, as well as real-world case studies. Actionable insights are also included at the end of the report.

If your business is planning to launch or enhance a loyalty programme in 2025, this report is an absolute must-have.


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Executive Summary

This Report uncovers a fundamental shift in customer loyalty strategies. To stay competitive businesses are rethinking their approach to personalisation, technology investments, and brand partnerships. However, while opportunities for innovation are growing, execution remains the main challenge for many companies.

Key Statistics

84%

of businesses prioritise personalisation and strategic partnerships

83%

struggle with customer engagement

81%

face API integration complexity challenges

80%

report difficulties with churn management

Industry Investment Priorities

- ➔ **B2C SaaS & Technology:** Focussing on data-driven loyalty initiatives
- ➔ **Retail & Insurance:** Requiring partnership-based programmes
- ➔ **Leisure & Travel:** Innovating experiential rewards
- ➔ **Utilities & Telecoms:** Lagging in personalised engagement, risking market position

Strategic Evolution

Brand partnerships have become the foundation of successful loyalty programmes, improving customer engagement through added value and hyper relevant rewards.

Businesses are also focusing their technology investments towards AI-driven personalisation and mobile-first experiences. Instead of in-house development, many are opting for plug-and-play solutions that offer seamless integration.

Success Metrics

Modern programmes measure success through:

- ➔ Customer engagement rates
- ➔ Emotional loyalty indicators
- ➔ Partnership value creation
- ➔ Data Insights & Customer Behaviour

Real-world case studies from **JD Gyms**, **HelloFresh**, and **Lebara** further illustrate how businesses are leveraging technology, strategic partnerships, and deeper customer insights to build more effective loyalty programmes.

Report Methodology

Our research combines quantitative analysis and qualitative insights gathered through:

Primary Research

- ➔ Data Analysis of customer behaviour from Propello Cloud platform
- ➔ Analysis of 100 conversations with prospective clients and customers
- ➔ Interviews with industry-experts discussing:
 - ➔ Brand partnerships
 - ➔ Personalising The Loyalty Experience
 - ➔ Investment in A.I.
 - ➔ Loyalty programme technology

Data Collection Period

- ➔ Q2 2024 – Q1 2025
- ➔ Focus on UK and European markets

Quality Assurance

- ➔ Data verification through multiple sources
- ➔ Expert panel review of conclusions
- ➔ Cross-reference with industry benchmarks

Industry Coverage

Size of business between 200 – 50,000 employees in the following industries:

- ➔ Retail
- ➔ B2C SaaS & Technology
- ➔ Leisure & Travel
- ➔ Utilities & Telecoms
- ➔ Financial Services
- ➔ Insurance

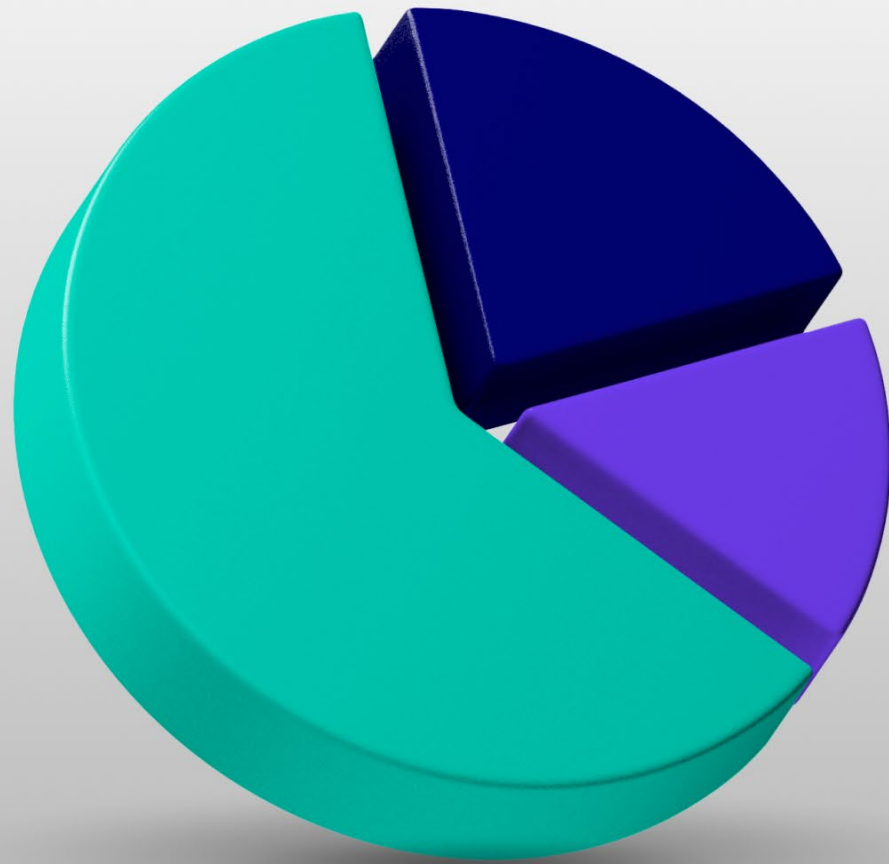
Analysis Framework

- ➔ Trend analysis from the Propello platform and conversations with enterprise brands
- ➔ Comparative assessment across industries
- ➔ Expert validation of findings
- ➔ Case study development of successful implementations

Report Findings

As loyalty programmes evolve, businesses are prioritising high-impact investments while navigating key industry challenges.

This section explores the strategies driving loyalty success, the sectors leading in innovation, and the barriers brands must overcome to stay competitive.



In this Section

Analysis of business priorities in customer loyalty investments and their key drivers.

Breakdown of customer loyalty investments by industry.

A structured matrix comparing areas of investment based on cost, implementation time, and strategic importance.

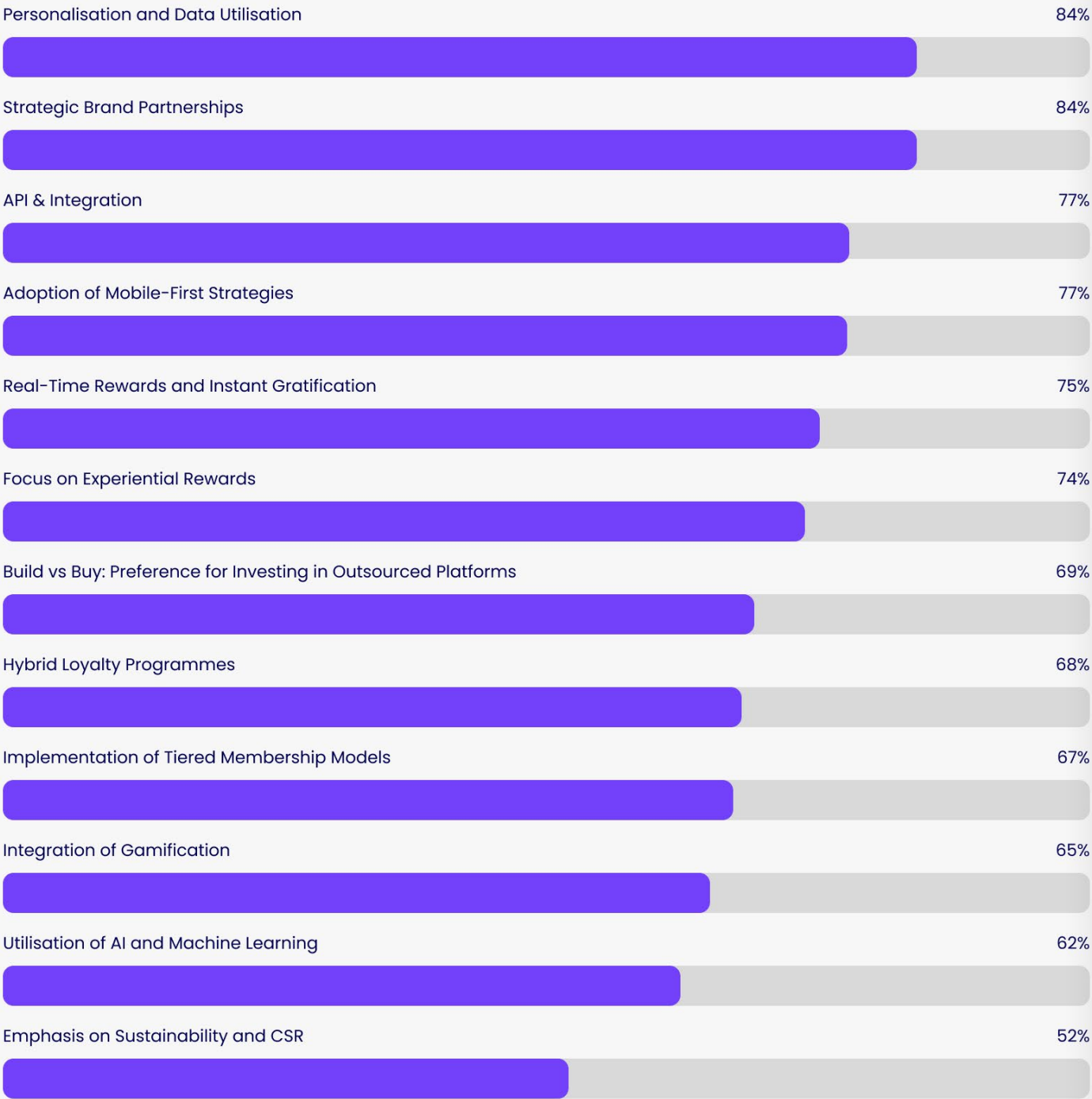
Business challenges of implementing critical customer loyalty priorities.

Breakdown of challenges implementing loyalty investments by industry.

Report Findings: The Current Customer Loyalty Landscape

Priority Areas of Investment

Based on conversations with 100 enterprise companies across several industries.



Report Findings: Areas of Investment

Areas of Investment: Quick Summary

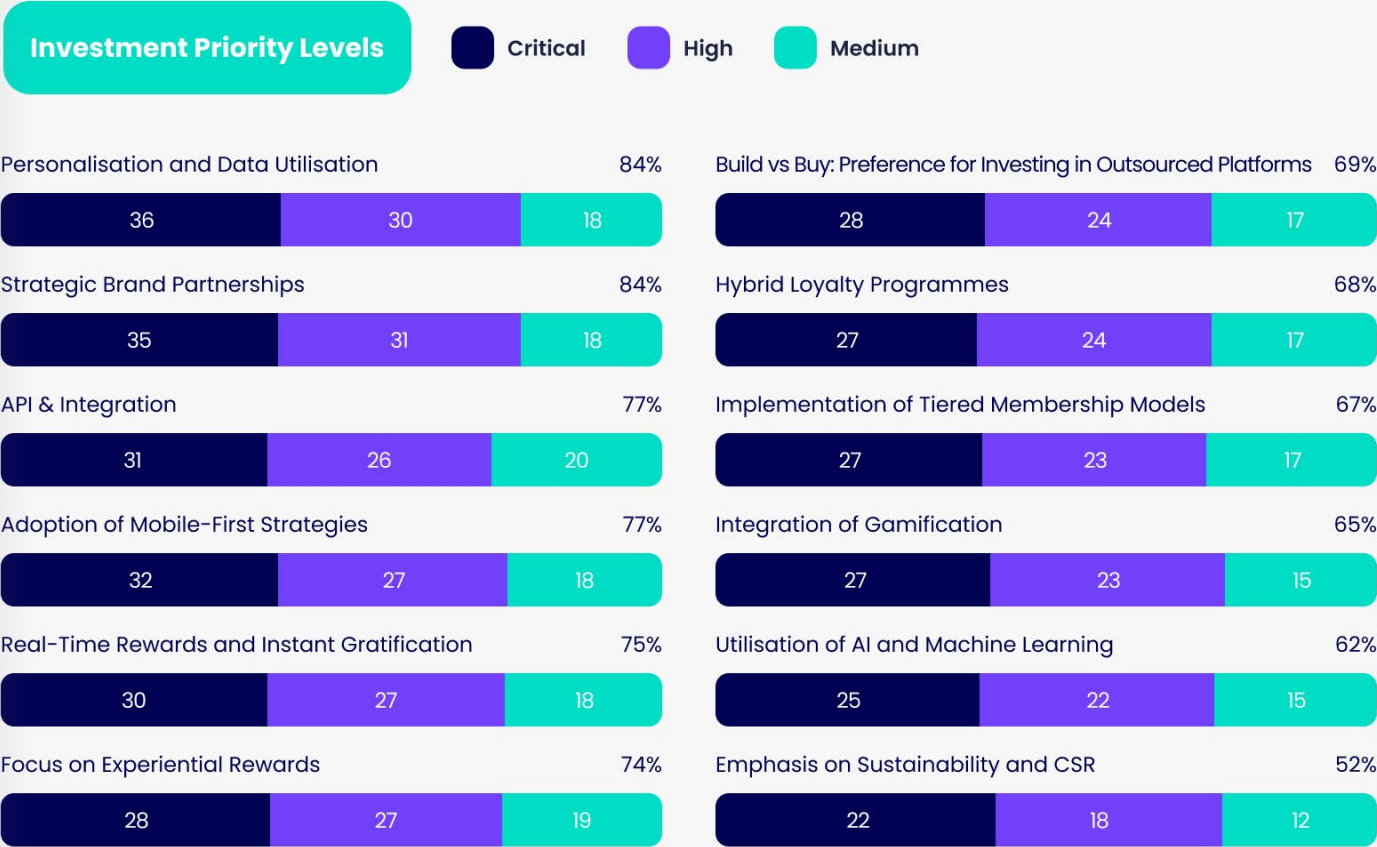
In most conversations, technology-enabled personalisation and strategic partnerships emerged as top priorities, with both key areas scoring **84%** as future investments. Evidently, the market's focus remains on unique, data-driven customer experiences.

As for the technical foundation of loyalty programmes, there's a shift towards API integration and mobile-first strategies. **77%** of businesses said they are prioritising seamless, accessible loyalty experiences that meet customers wherever they are.

Value-driven rewards also emerged as a key focus in discussions with **75%** centred on real-time rewards and instant gratification. Experiential rewards followed closely at **74%**, highlighting the need for programmes that balance transactional benefits with memorable experiences.

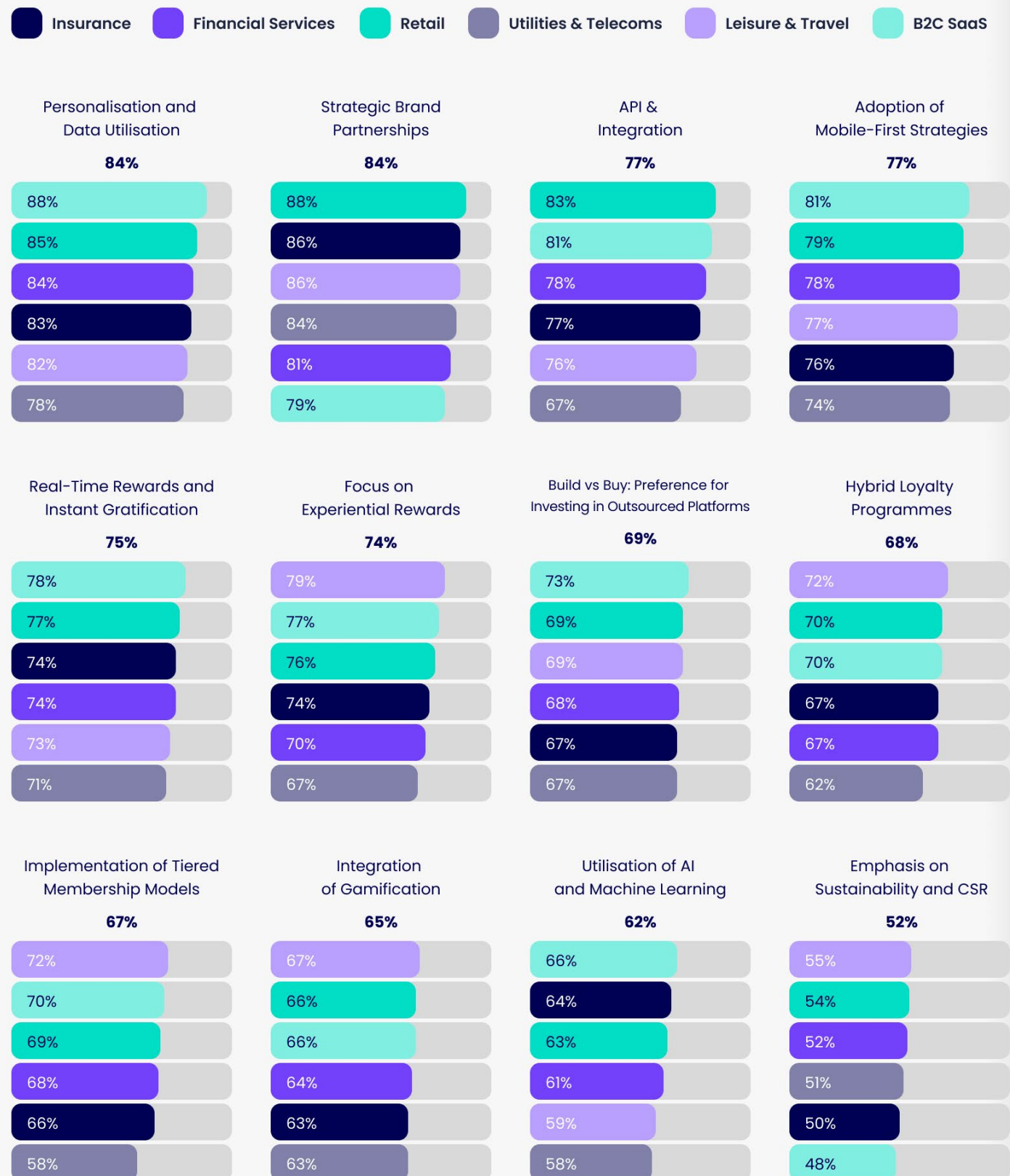
And whilst traditional programme mechanics still matter, businesses are actively reassessing their technology strategies. Notably, **69%** of companies prefer outsourced solutions, favouring proven, scalable loyalty technologies over in-house development.

Finally, interest in emerging technologies varies. Gamification scored **65%**, while AI and Machine Learning drew interest from **62%** – although adoption remains cautious. Meanwhile, sustainability initiatives (**52%**) are gaining traction, signalling potential for differentiation in this space.



Industry Investment Breakdown

Investment patterns vary across industries, revealing distinct sector priorities and approaches to loyalty.



Industry Investment Analysis

The B2C SaaS & Technology sector leads in data-driven initiatives, with the highest adoption rates in personalisation (88%) and mobile-first strategies (81%). The sector's dominance in these areas stem from native digital capabilities and data-rich environments, which naturally support advanced personalisation efforts.

Retail maintains strong investment across multiple areas, particularly in strategic partnerships (88%) and API integration (83%). This reflects a clear focus on connected, omnichannel loyalty experiences. Given this aggressive investment strategy, we expect continued momentum in 2025.

Aligning with its core business of delivering memorable customer experiences, the Leisure & Travel sector is the top investor in experiential rewards (79%) and tiered memberships (72%). Notably, despite economic uncertainties, the sector continues to invest heavily in premium loyalty features. A strategic bet perhaps, that enhanced experiences will drive customer retention, even during challenging times.

In contrast, Utilities & Telecoms tend to take a more cautious approach to loyalty investments, particularly in technical infrastructure. Lower adoption rates in API integration (67%) and tiered memberships (58%) indicate a conservative stance on programme development. However, this approach could create a widening competitive gap, as customers increasingly expect seamless, digital-first loyalty experiences similar to those offered in other sectors.

The Insurance and Financial Services sector shows consistent investment across most areas, with personalisation (83-84%) and mobile strategies (76-78%) ranking as key priorities. Insurance companies, in particular, want to use personalisation to track and reward responsible behaviours, such as careful driving and improved home security.

KEY CONSIDERATION

Utilities, Telecoms, and Insurance businesses often limit value-added rewards to contract renewal periods. A "last-minute loyalty" approach misses opportunities for year-round engagement, potentially compromising customer lifetime value in increasingly competitive markets.

Investment Priority Insights: Key Drivers

While our analysis identified 12 distinct areas of investment, we've focused on the key drivers behind those with the most compelling insights. This section summarises why organisations, across industries, are motivated to invest in loyalty.

Personalisation & Partnerships

Personalisation (36%) and strategic partnerships (35%) not only share the highest adoption rates but also rank closely in critical priority, highlighting their deep connection. This should be expected as brand partnerships play a crucial role in personalisation, enabling brands to co-create unique, highly relevant rewards that enhance tailored offerings.

Technical Infrastructure

Mobile-first strategies and API integration also show distinct priority patterns. While 77% of businesses are investing in these areas, around one-third (32% and 31%) consider them critical to their roadmap. What were once considered "nice-to-have" features have now evolved into essential infrastructure components.

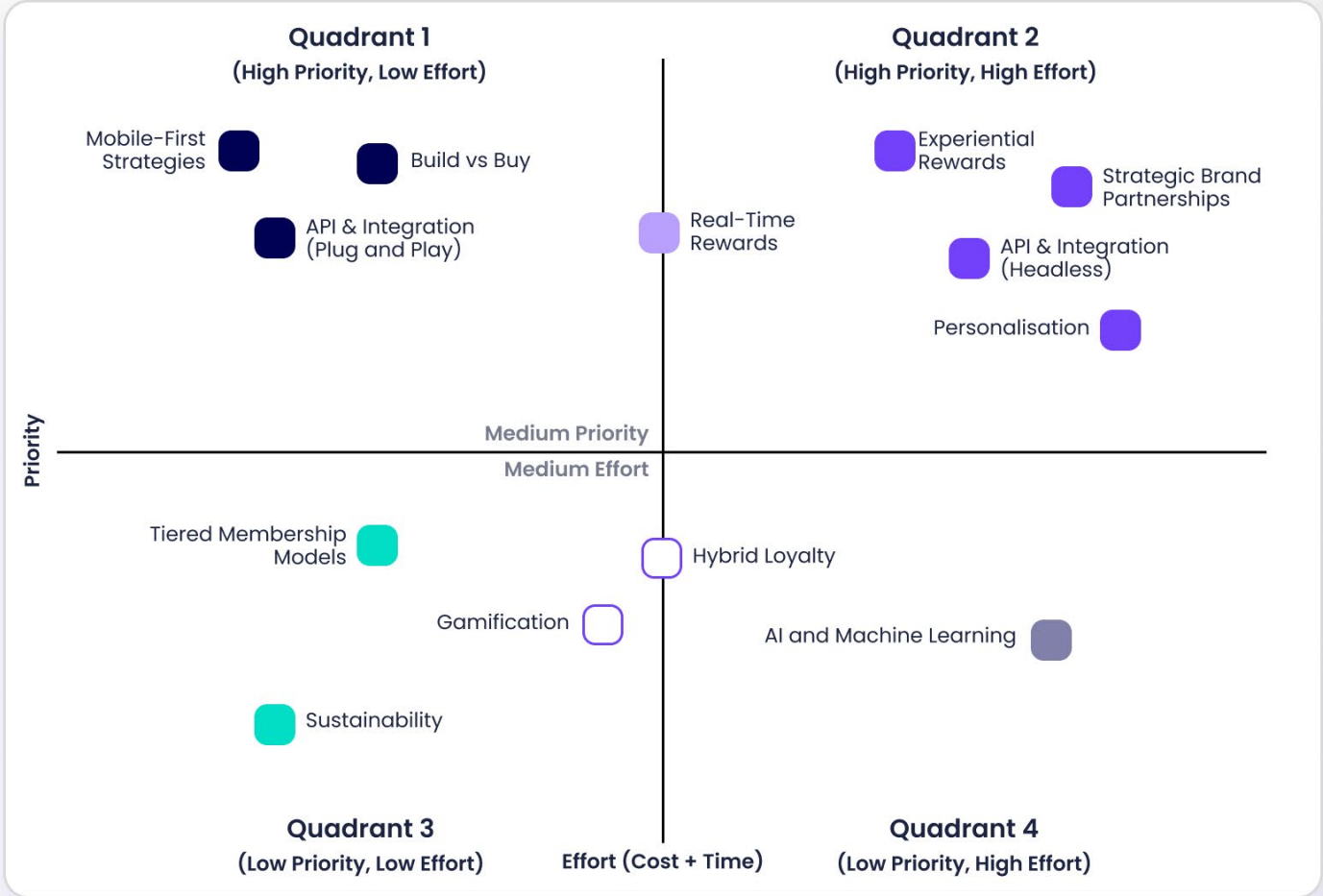
Value Delivery Models

Instant gratification and experiential rewards hold equal critical priority levels (30% - 28%), showing a shared commitment to immediate value delivery and long-term engagement. Enterprises increasingly recognise that modern loyalty programmes require a balanced approach, one that provides both short-term rewards and lasting customer connections.

Build vs Buy: Speed-to-Market

69% of businesses prefer outsourced solutions, with 28% considering them critical and 24% marking them a high priority. Speed-to-market was the decisive factor in most cases. Companies seek faster ways to launch new loyalty programmes or improve existing reward systems or even test them in new regions.

Comparison Quadrant Matrix



Visual is typical rather than exact

Key Takeaways from the Analysis:

- Quick Wins (High Priority, Low Effort)**
API & Integration (Plug and Play), Mobile-First Strategies, and Outsourcing Loyalty Solutions require minimal time investment, enabling businesses to implement them almost instantly while simultaneously developing longer-term initiatives.
- Balanced Opportunities (Medium Priority, Medium Effort)**
Real-Time Rewards, Hybrid Loyalty, and Gamification provide a pragmatic investment path with manageable implementation timelines, offering a well-balanced approach to loyalty innovation.
- Strategic Investments (High Priority, High Effort)**
Personalisation, Strategic Brand Partnerships, and API & Integration (Headless) demand significant time and resources but drive differentiation and create long-term competitive advantages. More importantly, they are now baseline expectations in modern loyalty and rewards programmes.
- Value Opportunities (High Priority, Medium-High Effort)**
Experiential Rewards deliver distinctive value and help brands stand out. While implementation can be complex, the moderate timelines make them a worthwhile strategic investment.

Loyalty Investment Analysis High Priority Investments

Personalisation

Priority: High Cost: Medium Time: High

Personalisation remains a cornerstone of modern loyalty programmes, with a growing emphasis on data-driven engagement and targeted rewards. It requires ongoing financial investment and dedicated resources.

The real challenge lies in the time required to implement the necessary technology, infrastructure, and analytics. Timelines extend further when brands invest in AI-powered predictive personalisation, which demands advanced segmentation models.

Strategic Brand Partnerships

Priority: High Cost: High Time: High

Brand partnerships are now a critical component of loyalty programme success, offering differentiation and value that are often difficult for competitors to replicate. This is why they consistently rank as a top priority across sectors.

By expanding the rewards ecosystem, partnerships increase perceived value through highly relevant rewards while providing access to new customer segments. However, they require significant resources, from legal considerations to ongoing management, leading to lengthy implementation timelines.

API & Integration (Headless Solution)

Priority: High Cost: High Time: High

API-driven loyalty solutions continue to evolve, with two distinct approaches emerging:

Headless API solutions rank highly because they offer maximum flexibility for brands looking to build a custom, future-proof loyalty ecosystem. They allow for seamless integration with future partners, extending a programme's long-term scope.

Because of these advantages, many businesses are willing to absorb the high upfront costs associated with headless APIs. However, implementation requires specialist technical expertise and longer deployment timelines.

API & Integration (Plug and Play)

Priority: High Cost: Low Time: Low

Plug-and-play APIs provide pre-built loyalty functionality, allowing businesses to integrate with existing systems quickly and cost-effectively.

These solutions significantly reduce time-to-market, enabling brands to connect loyalty programmes to third-party platforms without the technical and financial demands of headless API solutions.

Adoption of Mobile-First Strategies

Priority: High Cost: Low Time: Low

A mobile-first approach to loyalty is a high-value, quick-win strategy that aligns with consumer behaviour and delivers immediate results.

With most loyalty interactions now happening on mobile devices, businesses must provide seamless, app-like experiences across reward programmes, mobile websites, and digital wallets. It's a shift that's no longer optional. Customers expect convenience, speed, and frictionless interactions, and failure to meet these expectations risks disengagement.

The cost and implementation time for a mobile-first strategy can be relatively low, particularly with plug-and-play solutions that come with built-in mobile capabilities.

Many businesses already have responsive digital infrastructures in place, reducing the need for extensive redevelopment. Although for those with legacy systems, transitioning to a mobile-first approach may require a greater investment.

Real-Time Rewards & Instant Gratification

Priority: High Cost: Medium Time: Medium

The ability to deliver immediate, frictionless rewards has become a critical driver of engagement, with businesses increasingly investing in automated transaction processing and instant reward redemption. Consumers expect on-the-spot incentives, making real-time rewards essential for driving participation and positive behaviours.

From an investment perspective, real-time reward systems fall into the medium-cost, medium-time category due to the technical complexity of integration. Businesses that opt for in-house development face longer implementation timelines and higher costs due to the need for complex integrations with existing systems.

While third-party solutions can shorten timelines, companies lacking strong loyalty infrastructure may still face extended deployment times.

Experiential Rewards

Priority: High Cost: High Time: Medium

Experiential rewards are becoming a key differentiator, offering higher perceived value than traditional discounts or points. VIP events, exclusive access, and luxury perks strengthen emotional connections, enhancing brand loyalty in ways transactional rewards cannot.

However, high costs and operational complexity remain barriers. Managing non-tangible rewards requires careful curation, strong partnerships, and specialised fulfilment. While turnkey experiential reward platforms can streamline deployment, moderate implementation timelines are necessary to ensure seamless execution.

Build vs Buy: Preference for Outsourcing Loyalty Solutions

Priority: High Cost: Low Time: Low

The shift toward outsourced loyalty solutions reflects growing demand for speed-to-market, cost efficiency, and scalability. SaaS-based platforms provide pre-built functionalities, allowing brands to launch or enhance loyalty programmes quickly without the resource strain of in-house development.

With lower upfront costs and shorter implementation timelines, outsourcing has become a high-priority, low-cost, and low-time investment for businesses looking to reduce complexity and scale efficiently.

Medium Priority Investments

Hybrid Loyalty

Priority: Medium Cost: Medium Time: Medium

Hybrid loyalty models combine transactional and engagement-driven mechanics, striking a balance between immediate value and long-term engagement.

With moderate investment and implementation timelines, businesses must develop multiple reward pathways and ensure seamless integration. The flexibility and engagement potential make hybrid loyalty a medium-priority investment with strong long-term benefits.

Tiered Membership Models

Priority: Medium Cost: Low Time: Medium

Tiered loyalty programmes are a proven strategy for increasing customer lifetime value, particularly in industries like financial services, fitness, and subscriptions.

While low in implementation costs, their medium complexity stems from the need for careful segmentation. Businesses must ensure tier progression is both motivating and achievable to sustain long-term customer commitment and retention.

Gamification

Priority: Medium Cost: Medium Time: Medium

Gamification is a high-potential tool for customer loyalty, yet is not widely used despite its ability to drive engagement and retention.

Sustained user interest requires well-structured mechanics, behavioural triggers, and ongoing content updates. Each of these demand moderate financial investment and continuous management. The need for careful integration and periodic refreshes places gamification as a medium-priority investment, best suited for brands seeking long-term participation growth.

AI and Machine Learning

Priority: Medium Cost: High Time: High

AI-driven personalisation is shaping the future of loyalty, delivering predictive engagement and hyper-personalised experiences. However, its high cost and complexity make it a long-term investment rather than an immediate priority.

With significant infrastructure, data processing, and talent requirements, implementation timelines are lengthy, requiring structured data collection and model training. Many businesses are phasing in AI gradually, starting with predictive modelling before scaling to full automation.

Low Priority Investments

Sustainability

Priority: Low Cost: Low Time: Low

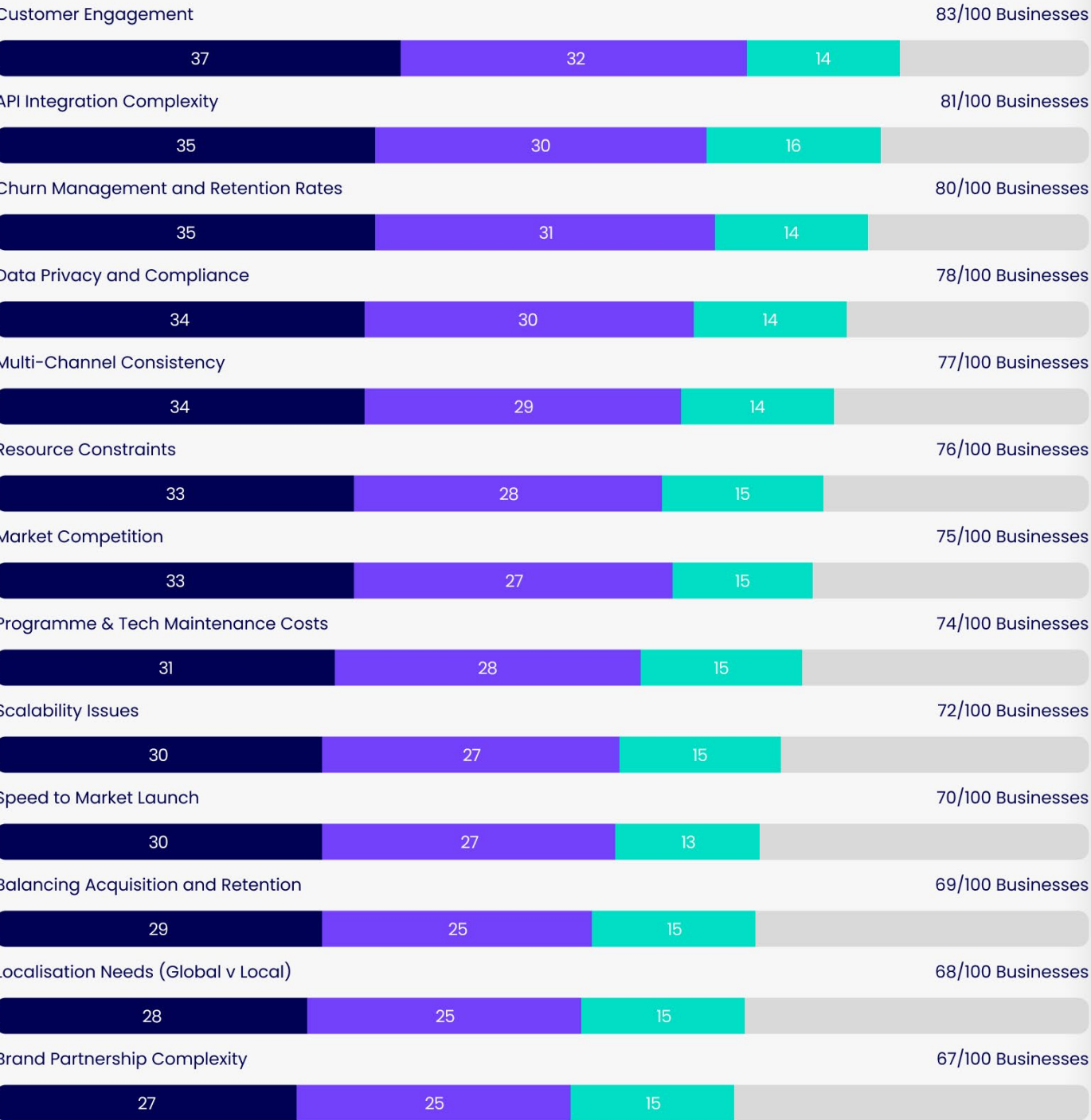
Sustainability-driven loyalty initiatives are gaining traction as brands seek to align with eco-conscious consumer preferences. While not yet a top priority, they offer differentiation, especially in sectors where environmental impact influences purchasing decisions.

With low costs and short implementation timelines, sustainability-focused rewards—such as carbon offset incentives, charitable donations, or eco-friendly product perks—are relatively easy to integrate. However, adoption remains limited, as most businesses prioritise revenue-driven loyalty mechanics over sustainability efforts.

Key Business Challenges in Achieving Customer Loyalty and Programme Concerns

Our analysis highlights the most pressing challenges businesses face in managing loyalty programmes today.

Critical Challenge High Challenge Medium Challenge



KEY CONSIDERATION
While customer engagement leads as the top challenge (83%), the next three—API integration (81%), retention (80%), and data privacy (78%)—all hold similar critical ratings (34–35%). This suggests that businesses are struggling with multiple high-priority challenges rather than a single dominant issue.

Business Challenges: Understanding Critical Priorities

We deepened our analysis on the challenges of achieving loyalty and programme concerns.

Customer Engagement

Customer engagement emerged as the top concern, with 83% of businesses citing it as a challenge and 37% marking it critical. Keeping customers actively engaged appears to remain the core challenge in loyalty.

API Complexity & Technical Infrastructure

API integration and technical infrastructure present equally pressing challenges. 81% of businesses struggle with integrating loyalty programmes into their existing tech stack (e.g., CRM systems), with 35% rating it critical. These technical hurdles directly impact the ability to deliver seamless experiences, likely contributing to the 77% of businesses struggling with multi-channel consistency.

Churn Management & Increasing Retention Rates

Customer retention and churn management rank as the third most critical challenge, with 80% of businesses citing it as a concern and 35% considering it critical. Rising churn is driven by intensified competition, giving customers more choices and easier price comparisons. Additionally, inconsistent customer experiences and poorly aligned rewards further contribute to retention struggles.

Data Privacy & Compliance

Ensuring data privacy and compliance ranks as the fourth biggest challenge, affecting 78% of businesses, with 34% considering it critical. This likely reflects tightening regulations and increasing consumer awareness of data protection.

Multi-Channel Consistency

Managing loyalty programmes across multiple touchpoints is a growing challenge, with 77% of businesses citing it as a concern and 34% marking it critical. Businesses must now deliver seamless customer experiences across mobile apps, websites, and in-store interactions, requiring greater alignment and consistency.

Resource Management

Resource constraints including the capacity to build, maintain, and support loyalty platforms affect 76% of enterprises. This challenge often has ripple effects, particularly on programme maintenance costs (74%) and scalability (72%), making it harder for businesses to expand or enhance their loyalty offerings using in-house solutions.

Market Competition

The challenge of market competition concerns 75% of businesses, with 33% considering it critical. As loyalty offerings become increasingly crowded, organisations struggle to differentiate their programmes.

Programme & Tech Maintenance

Ongoing programme and technology maintenance challenges 74% of businesses, with 31% seeing it as critical. Many struggle with the continuous investment needed to keep loyalty programmes both competitive and technically robust.

Scalability

72% of businesses cite scalability as a major challenge, with 30% rating it critical, reflecting the difficulty of expanding loyalty programmes, adding new features, and handling increased customer demand without compromising performance.

Speed-to-Market & Customer Balance

70% of businesses struggle with speed-to-market, and 30% rate it critical. This challenge ties closely to balancing acquisition and retention strategies (69% overall, 29% critical). Many businesses struggle to launch programmes quickly while maintaining focus on existing customer relationships, contributing to the 69% preference for outsourced solutions.

Balancing Acquisition and Retention

Balancing efforts between acquiring new customers and retaining existing ones is a challenge for 69% of businesses, with 29% rating it as critical. Industries like B2C SaaS (73%), leisure (70%), and financial services (70%) report some of the highest concern levels. The need to drive short-term growth while sustaining long-term loyalty creates a constant tension in loyalty strategy and resource allocation.

Localisation

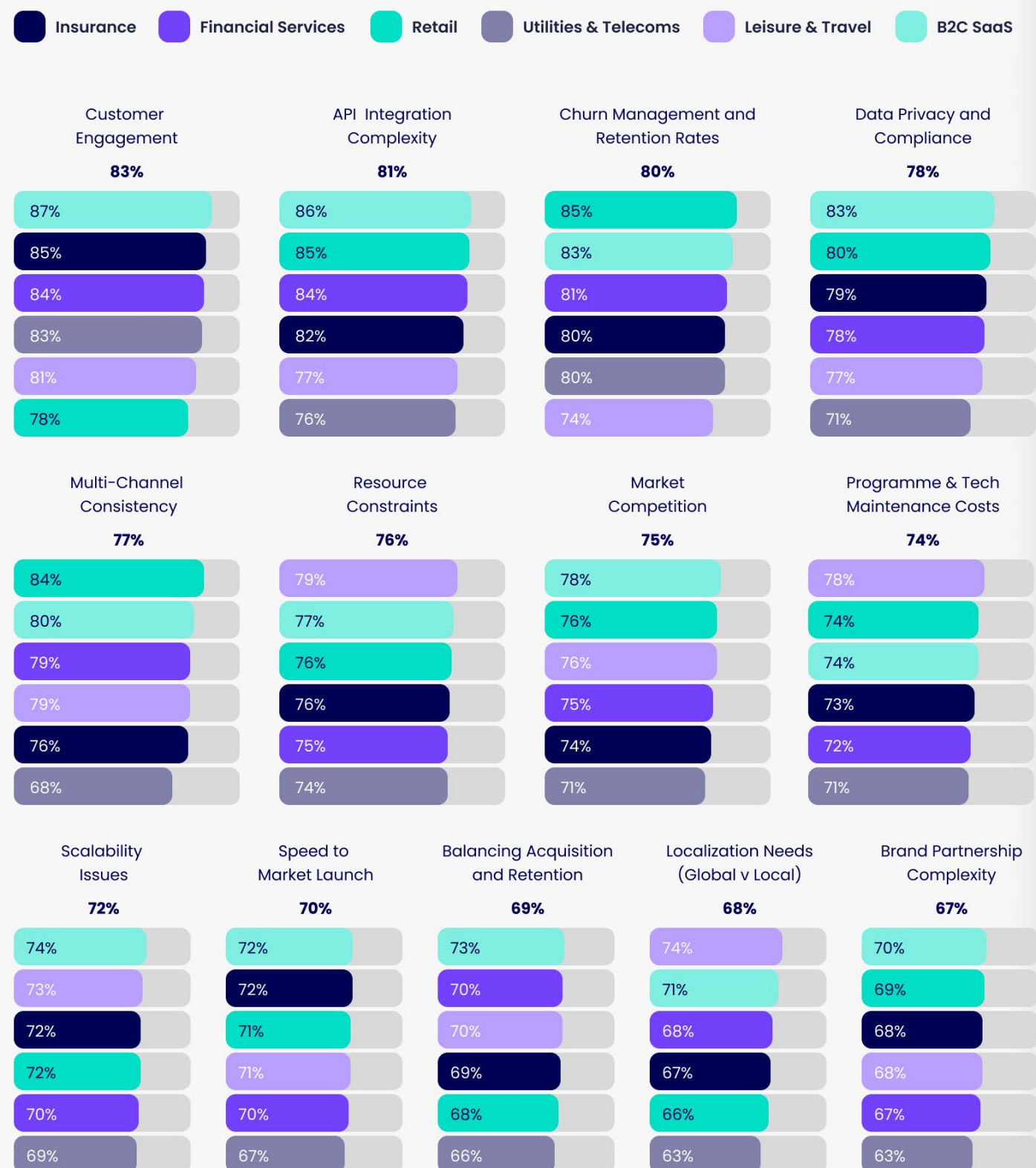
68% of businesses face challenges with localisation, with 28% rating it critical. Striking the right balance between global consistency and local market relevance remains a significant hurdle for expanding enterprises.

Partnership Management

Managing brand partnerships presents challenges for 67% of businesses, with 27% marking it critical. While partnerships enhance loyalty programmes, aligning goals and maintaining successful collaboration requires ongoing effort and coordination.

Breakdown of Challenges by Industry

Examining challenge patterns across industries reveals sector-specific pain points and distinct approaches to loyalty.



Challenges by Industry Analysis

B2C SaaS & Technology

The B2C SaaS and Technology sector reports the highest intensity of challenges, particularly in customer engagement (87%), API integration (86%), and churn management (85%). This is likely due to sophisticated customer bases with high digital expectations and complex technical requirements.

Retail

In Retail, churn management (85%) and API integration (85%) are the top concerns. As an omnichannel industry, seamless integration and consistency are fundamental to retention, yet these challenges persist despite significant investment.

Insurance

The Insurance sector follows a similar pattern. API integration (82%) and customer engagement (85%) rank as its biggest challenges, reflecting the struggle to modernise technical infrastructure while maintaining strong customer relationships. This challenge has intensified, as insurance interactions are infrequent, making each customer touchpoint critical.

Leisure & Travel

Leisure & Travel experiences moderate challenge levels, except in customer engagement (81%) and multi-channel consistency (79%). These challenges align with the sector's core focus on customer experience, suggesting that despite high investments in experiential features, persistent engagement difficulties remain.

Financial Services

Financial Services faces a high intensity of challenges across the board, with API integration (84%), customer engagement (84%), and churn management (81%) topping the list. The sector also reports significant concerns around multi-channel consistency (79%) and data privacy (78%), reflecting the pressure to modernise infrastructure while meeting regulatory requirements and customer expectations. These broad challenge levels suggest financial services organisations are navigating both digital transformation and heightened competition simultaneously.

Utilities & Telecoms

Utilities & Telecoms report lower challenge scores across most areas. Customer engagement (83%) and churn management (80%) ranks as the top concern, though at a lower intensity compared to other industries. However, lower challenge scores may not indicate better performance, but rather the sector's lower investments in loyalty programmes (as noted earlier in the Industry Investment Analysis).

KEY CONSIDERATION

While challenge intensity varies by sector, all industries report their highest concern levels in customer engagement, API integration, and churn management (78–87%). These fundamental challenges transcend industry boundaries and will remain critical priorities in 2025, regardless of sector-specific nuances.

Ask The Expert

Industry leaders are at the forefront of innovating loyalty strategies.

With insights from leading experts, we delve into the latest thought around strategic brand partnerships, the future implications of AI-led loyalty programmes, and the growing debate around build vs buy.



In this Section



Lee Metters
Brand Partnerships & Retail Media, Awin

Affiliates and Brand Partnerships in Customer Loyalty.



Dominic Emery
Commercial Product Manager, Lebara

Should you Build or Buy Your Loyalty Programme?



Mark Camp
CEO, Propello

Investing in AI: The Competitive Edge for Loyalty Leaders.



Nathan Armstrong
Head of Commercial Partnerships, Propello

Personalising the Loyalty & Rewards Experience.

Ask the Expert Q&A

Affiliates & Brand Partnerships

Brand partnerships and affiliates



Lee Metters

Senior Client Partner – Brand Partnerships & Retail Media
Awin

What role does affiliate marketing play in driving customer loyalty for both advertisers and publishers? How does this work with loyalty programmes?

It used to be a simple transaction-driven model. But now it's turned into a dynamic ecosystem that's reshaping how brands build lasting relationships with customers. We can look at this from two perspectives.

For Publishers

It's an exciting time. Instead of being limited to their own rewards and a limited range of 3rd party offers, strategic affiliate partnerships serve as a powerful tool that diversifies and enriches the rewards experience. I'm seeing positive results for programmes that use brand to brand partnerships as a way to keep members engaged between traditional purchase cycles or as added value for subscription memberships. For example, telecom businesses partnering with tech brands to offer targeted discounts. Or health and fitness businesses teaming up with food nutrition partners to offer complementary rewards and incentives.

For Advertisers

Times are also interesting as they're tapping into these incredibly engaged, premium audiences through trusted platforms. Leveraging established relationships is integral for this model to succeed and I've seen conversion rates soar for advertisers that create exclusive offers specifically for loyalty programme members.

Strategic Alignment

Another crucial aspect of affiliate marketing is strategic alignment. It has become a major focus for partnering brands. The most successful partnerships are the ones where there's a natural fit between what the advertisers offer, what the members want, and how the loyalty programme positions itself. So when these elements align, you see a powerful ecosystem emerge which drives genuine long-term engagement.

Technology and Data

Technology integrations between our affiliate network platform and loyalty programme providers give us useful insights into member behaviour and preferences. With this information, publishers can fine-tune their offerings in real-time so that members get exactly what they want when they want it. It's basically responding to customer expectations the moment they emerge.

Future

Currently, to better understand and anticipate customer needs, we're seeing a massive shift toward AI-led, real-time personalisation. For 2025 and beyond, I expect to see even more sophisticated partnership ecosystems emerge, where loyalty programmes can dynamically adjust offers, based on real-time member behaviour.

How are brands leveraging partnerships through affiliate networks to enhance the value of their loyalty programmes?

I've seen some exciting ways publishers are getting the most out of their affiliate partnerships in their loyalty programmes. First off, hyper-relevant partner offers. Brands go beyond basic cashback offers, aiming to provide incentives and experiences that are much more likely to resonate with customers and develop an emotional connection with them. Rewards such as exclusive VIP access and personalised discounts on items they're actually interested in make loyalty programme members feel they're experiencing brands in truly special ways.

But perhaps most exciting for me is the monetisation potential. A well-structured affiliate partnership is a significant revenue driver. Negotiating competitive commission rates or a revenue share model from sales on partner sites originating from offers on a loyalty programme has a two-fold benefit. Driving revenue from advertisers and keeping your customers engaged through value added rewards.

What are the main challenges brands face when using affiliate marketing to support loyalty initiatives? How can an affiliate marketing network help them overcome this?

Working with countless partnerships across pretty much every sector, I've seen time and again the same pain points hindering programme success. There's quite a few and they vary. So, I'll break them down. These challenges are important to understand for brands that are considering partnerships in their loyalty initiatives.

Attribution Challenges

One of the biggest challenges in the partnership space is attribution tracking. Knowing how loyalty initiatives spread across various channels impact your partnerships is nothing short of complex. Luckily, affiliate networks have improved attribution models, helping brands to clearly track customer journeys from initial engagement through to repeat purchases.

Partnership Alignment & Quality

Finding partners whose values and audience genuinely match your brand isn't straightforward either. I've seen fantastic loyalty initiatives fall flat because partners were simply not aligned. Networks play a crucial role of providing rich data insights about potential partner performance and their audience demographics, making it easier for brands to identify ideal matches.

Customer Experience & Consistency

Delivering a consistent and seamless experience across multiple partner touchpoints also calls for greater integration. The good news is modern affiliate platforms provide standardised tools which help maintain consistency and reduce technical overhead. Members benefit too from smoother journeys as they engaged with partners via touchpoints that feel natural and relevant to the brand experience.

Awin's global affiliate marketing platform empowers advertisers and publishers of all sizes to grow their businesses online.

ROI Optimisation

Creating attractive rewards sounds easy in principle. But maintaining sustainable returns is a delicate balance. Data-driven insights and flexible commission structures in networks help brands optimise their reward structures without compromising profitability. I've seen particularly strong results with brands using predictive analytics to adjust their offerings in real-time.

The Network Solution

What fascinates me about affiliate networks is their ability to address challenges holistically. Advanced technology and extensive partner ecosystems often seen in networks provide the necessary infrastructure, data insights, and expertise that brands need to overcome these hurdles. They're unified tracking solutions, quality partner matching, capabilities of streamlining integration, and their powerful optimisation tools, pave the way towards successful loyalty-driven partnerships. The key is having this comprehensive ecosystem that can adapt and scale as your loyalty initiatives evolve.

How critical is audience alignment between publishers and advertisers in ensuring that affiliate marketing drives loyalty?

It's absolutely critical. Otherwise it's difficult to build genuine loyalty through partnerships. Again, I'll break this down.

Building Trust and Relevance

Simply put; magic happens when publishers and advertisers are well-aligned. If they want authentic engagement, publishers should promote products and services that naturally resonate with their audience, rather than force irrelevant promotions. I've seen firsthand how customers are more likely to engage with, and remain loyal to brands that understand and meet their needs and values.

Driving Consistent Engagement

Engagement patterns are perhaps the most exciting part about well-aligned partnerships. Rather than seeing one-off interactions, we see customers repeatedly engaging with both the publisher's content and the promoted brand. It's seeing meaningful touchpoints strengthening the loyalty relationship in real-time.

Increasing Lifetime Value

Data also shows that partnerships with strong audience alignment attract higher-quality customers too. Customers that aren't just making one-time purchases but more often than not are repeatedly buying, and demonstrating long-term retention potential to the brand by becoming loyalty programme members.

Avoiding Transactional Relationships

On the other hand, when there's a mismatch between publisher and advertiser audiences – you end up with short-term transactions rather than lasting relationships. Misaligned partnerships might drive initial sales, but they rarely convert into meaningful loyalty.

Creating Brand Advocates

In my experience, what sets successful brand partnerships apart from unsuccessful ones are the influx of brand advocacy. Organic advocacy creates a powerful compounding effect, driving both loyalty and sustainable growth. So the impact of audience alignment on loyalty cannot be overstated. It's the foundation that enables authentic engagement, drives higher customer lifetime value, and creates genuine brand advocacy.

Looking at the year ahead, what innovations or developments do you anticipate in the affiliate-loyalty space?

From a network perspective, there's several directions for improving the synergy between loyalty programmes and affiliate partnerships.

Dynamic Personalisation Through AI

Currently, to better understand and anticipate customer needs, we're seeing a massive shift toward AI-led, real-time personalisation. For 2025 and beyond, I think we'll see the emergence of even more sophisticated partnership ecosystems, where loyalty programmes can dynamically adjust offers, based on real-time member behaviour. Networks need personalised offers in real-time, based on customer behaviour patterns I mentioned earlier. We're actually seeing a growing demand for systems that instantly adjust rewards and incentives based on member engagement data, so that brands make their loyalty programmes more responsive.

Cross-Industry Partnership Integration

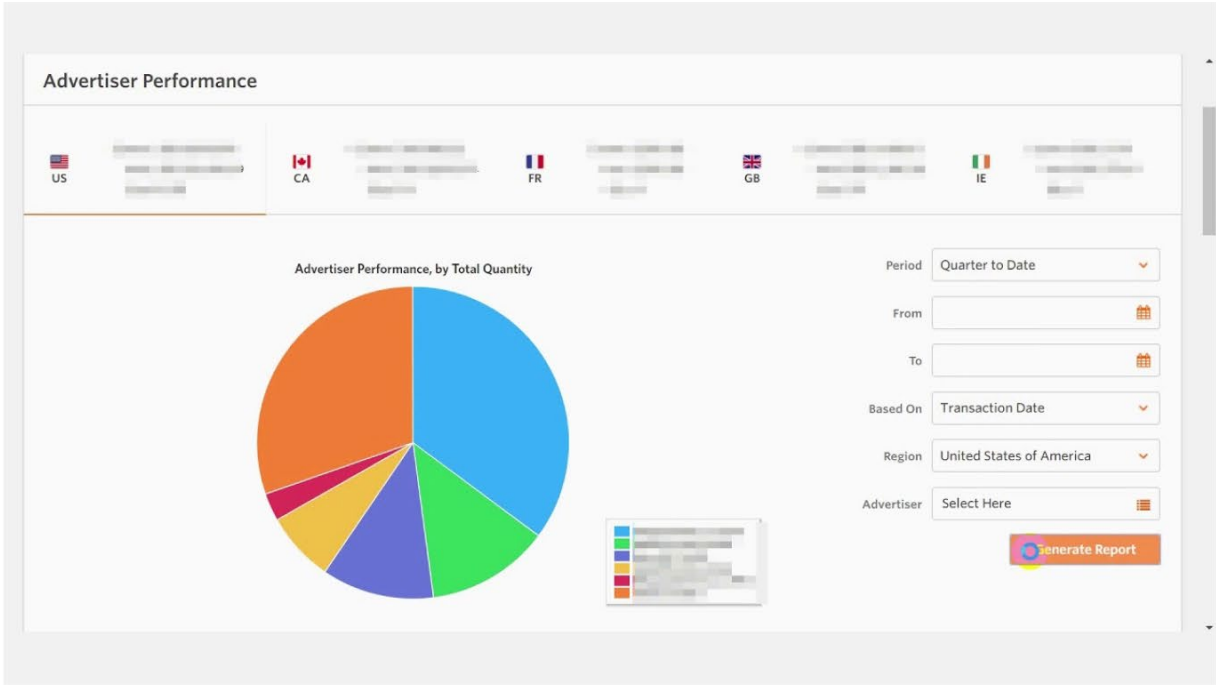
The ability to seamlessly connect partners across different sectors is also essential. Networks need to provide the technical infrastructure for brands that want to create bundled rewards and unified experiences. We're seeing increasing demand for API solutions that can handle complex, multi-partner loyalty initiatives while maintaining consistent user experiences.

Experiential Rewards Evolution

Traditional cashback and points systems are evolving into more sophisticated experiential offerings. In the future, networks need to develop more robust tracking and attribution models that handle complex reward structures. It could include better ways to measure the impact of exclusive events, early access, and VIP perks on long-term loyalty.

Sustainability and Values-Alignment

Supporting value-based partnerships needs to evolve. Networks must develop better ways to verify and showcase partners' sustainability credentials and provide transparent reporting on the impact of these initiatives. This is a surefire way for brands to demonstrate authentic commitment to the values they share with their customers.



Awin's Advertiser Performance Dashboard allows publishers, such as loyalty programme operators, to track success and earned commission from their advertisers or brand partners. This gives clear indicators on how well advertisers are aligned with your audience.

Partnership management made easy

Seamless partner management

With a native Awin integration we take the hassle out of managing and publishing your partner offers. Simply select your desired partner offers from a ready enabled catalogue and choose where and how you'd like to promote them within your programme.

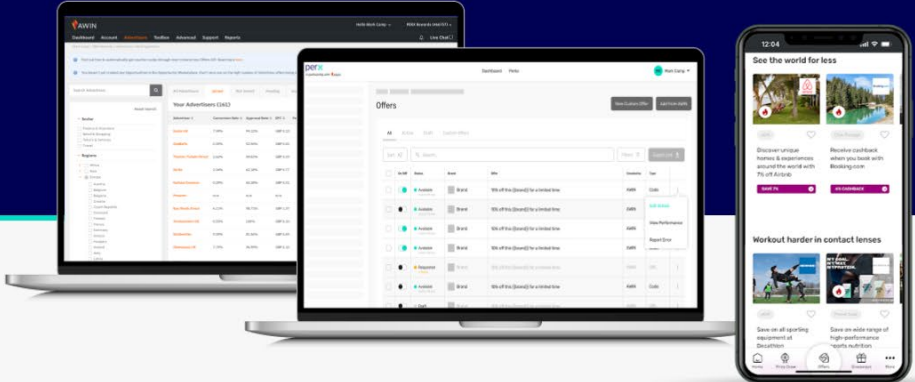
Direct access to thousands of brands

Through the Propello and Awin network you'll get direct access to thousands more partners within a few clicks. Apply to join programmes within Awin, then once approved, your offers will automatically port over into the Propello programme to be published without any further admin burden.

Rotate partners and create engaging campaigns

Drive audience engagement by rotating partners or promoting key strategic alliances across a multitude of touchpoints within just a few clicks – or fully outsource everything to our experienced customer success team.

- 1. Select Your Partners
- 2. Publish
- 3. Activate & Promote
- 4. Optimise & Grow



Lebara: Build v Buy

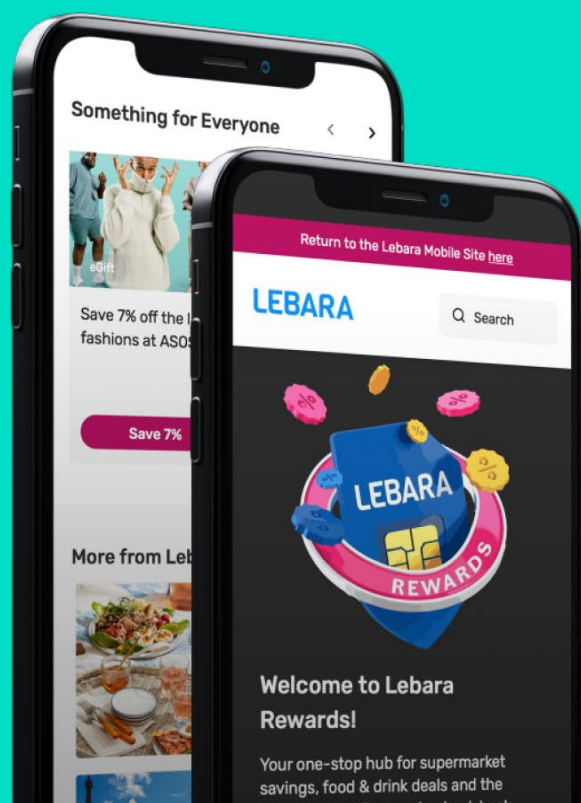


The technology landscape for customer loyalty programmes continues to evolve rapidly. Our report findings show that **69%** of enterprise brands are in favour of outsourcing their loyalty programme and support to a specialist provider.

Here we speak with Dominic Emery, Commercial Product Manager at Lebara to discuss the Build v Buy debate for loyalty programmes.

Who is Lebara Mobile?

Lebara Mobile is a UK Mobile phone network. We offer great value to our customers, whilst delivering reliable customer service 365 days a year. We wanted to go beyond offering fantastic value on minutes, texts and data, so we created a rewards platform that allows our customers to enjoy additional benefits and savings on other purchases.



What was your motivation to move to an outsourced loyalty and rewards platform provider?

Our previous in-house solution, while functional, had limitations that were affecting both our customer experience and operational efficiency. We had a basic rewards page that was visually uninspiring and operationally challenging to update with new promotions. We recognised that to truly deliver value to our customers, we needed a more robust and engaging platform that could scale with our ambitions.

The decision ultimately came down to focusing on what we do best – providing excellent mobile services – while leveraging specialist expertise for our rewards programme. An outsourced platform provider with experience in customer engagement and retention strategies, along with proven technology.

How has the shift affected your speed to market with new features and promotions?

The improvement has been remarkable. Previously, we faced numerous hurdles that slowed down our ability to expand our offering. Now, we can implement new partner deals significantly faster and more efficiently. We've expanded from around 15 deals to over 100, giving our customers substantially more choice. The platform's ability to quickly integrate new partnerships has allowed us to maintain a diverse and dynamic selection of brand partners.

The enhanced speed and flexibility has transformed how we approach promotional campaigns and seasonal offers. Where once we needed weeks of preparation, we now respond to market opportunities in days. We can quickly test new concepts, measure their performance, and adjust our strategy accordingly. This agility has been particularly valuable in helping us stay competitive and relevant in a fast-moving market.

How has the change affected your ability to personalise the rewards experience?

For our personalisation capabilities, the enhanced data insights have been game-changing. We can now track our most engaged offers and use these insights to build unique member experiences. The platform's smart categorisation feature helps customers easily navigate to relevant deals. The data-driven approach allows us to make informed decisions about incentives that helps us maintain high customer retention level.

The granular level of data we now access enables us to identify trends and patterns we couldn't see before. We can segment our customer base more effectively, target specific demographics with relevant offers, and create more meaningful engagement strategies.

How does your rewards platform fit into your loyalty marketing strategy for 2025 and beyond?

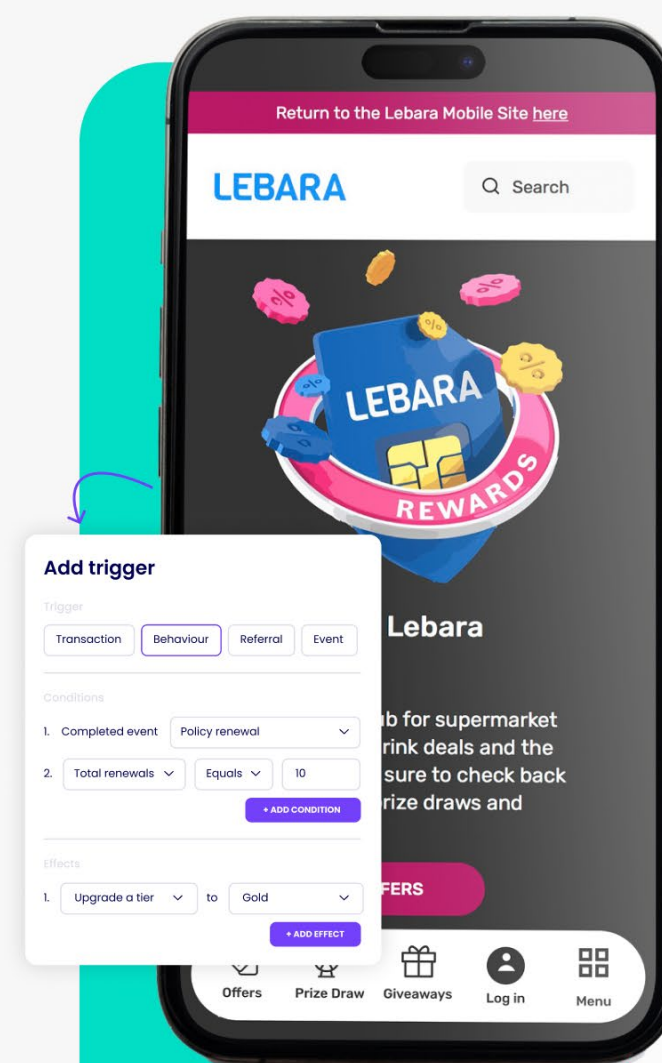
Looking ahead, our strategy remains focused on keeping our customers happy and engaged while growing our customer base. The rewards platform plays a vital role in complementing our core mobile service offering. We're committed to continuously improving the user experience and making it as seamless as possible. The platform's flexibility and scalability allow us to adapt quickly to changing customer needs and market dynamics. Allowing us to keep delivering added value to our customers well into the future.

We see the rewards platform becoming increasingly integral to our customer relationship management strategy. As digital engagement continues to evolve, we're exploring new ways to integrate our rewards programme across multiple touchpoints in the customer journey. This includes enhanced mobile app integration, more sophisticated personalisation capabilities, and potentially expanding into new reward categories that align with our customers' changing lifestyles.

What advice would you give to other brands looking to invest in a new or reshape their loyalty programme?

Customer acquisition costs are significant, so investing in keeping your existing customers happy and engaged is crucial. A well-designed rewards platform is another compelling reason for customers to stay with your business. In our case, it perfectly complements our great value philosophy. The investment in customer loyalty versus the cost of acquiring new customers makes it a straightforward business decision.

But beyond the financial aspects, I'd strongly emphasise the importance of choosing a platform that aligns with your long-term business goals. Take time to understand your customers' needs and behaviours, and ensure your chosen solution can grow and adapt with your business. Don't underestimate the value of having expert support and guidance throughout the implementation process. The right partner will bring not just technology, but also strategic insights and best practices that can significantly impact your programme's success.



Investing in AI: The Competitive Advantage for Loyalty Leaders



Mark Camp
Co-Founder and CEO
Propello Cloud

Our report findings conclude that enterprise brands are making AI a top priority, with 62% investing in smarter loyalty programmes. AI and Machine Learning (ML) are transforming the way brands understand and engage customers, making loyalty programmes more predictive, personalised, and proactive than ever before. From anticipating customer churn to delivering hyper-personalised rewards and engagement strategies, AI is unlocking new possibilities for brands to build deeper, more meaningful customer relationships.

Here, we speak with Mark Camp, CEO at Propello, to explore the key use cases of AI in loyalty programmes and discuss how this technology is reshaping customer engagement.

What role does AI play in predicting customer churn and taking preventive action?

AI, particularly its subset Machine Learning (ML), is a game-changer in predicting customer churn. It can process vast amounts of data to detect patterns such as declining shopping frequency, fewer reward redemptions, or reduced engagement—all indicators of customer drop-off. The beauty of AI lies in its ability to identify the issue at hand and help brands act on it. For example, if someone's at risk of leaving, the system can suggest a personalised offer like a discount or an exclusive reward. And since AI keeps learning as it goes, over time it gets better at spotting who's likely to churn and what works to keep them engaged. Meaning brands can stay ahead of the curve, building stronger relationships and keeping more customers engaged before they even think of churning.

How does AI enable deeper personalisation in loyalty programmes?

AI & ML assisted loyalty programmes take personalisation up to a whole other level. It uses data to understand each customer as an individual, things like their shopping preferences, browsing behaviour, when and how they engage with the brand. Effectively creating a detailed picture of what each person values.

With these insights AI can deliver hyper-personalised experiences—hyper-relevant recommendations, offering rewards tailored to the customer's interests, sending the right messaging and incentive prompts at times when customers are most likely to act. I'd even go as far as to say AI's focus will switch from past customers' behaviours to predicting what they will do next.

Scalability makes the implications even more exciting. For example, instead of relying on broad customer segments, AI can create millions of unique journeys at once. Every customer will feel like the rewards experience was designed just for them. This level of personalisation was perhaps considered merely in the realm of imagination a few years ago. Now, it's the next vehicle for driving customer loyalty like we've never seen before.

What innovations in AI-driven gamification or engagement have emerged recently?

AI & ML personalises gamified experiences in real time. So instead of fixed challenges or rewards, engagement mechanics are tailored specifically to the individual. Adjusted difficulty levels, recommending challenges based on past behaviour, and of course, predicting what type of rewards will be most compelling to the individual. We're also seeing AI enhance dynamic achievement-based incentives, where customers can unlock personalised milestones based on their specific interests or shopping patterns. Brands are using AI-driven engagement loops—like streak-based rewards, AI-powered treasure hunts that also factor in personal preferences to keep customers actively participating.

What fundamental shifts has AI brought to loyalty programmes compared to traditional models?

AI has transformed loyalty programmes from static, transactional systems into dynamic, intelligent ecosystems that evolve in response to customer behaviour. Where traditional programmes relied on fixed point structures and broad segmentation, AI enhances real-time personalisation, leads unmatched predictive engagement, and has the ability to automate at scale.

How do you see AI reshaping loyalty programmes in the next five years? What trends are you observing?

AI & ML is set to completely redefine how brands approach customer loyalty over the next five years. Referring back to how AI will anticipate what customers will do next instead of reacting to past actions.

We'll see tailored rewards delivered at optimal times and engagement nudges at the right moment. It can also learn to reward loyalty beyond the purchase cycle, rewarding advocacy and sustainability efforts. Instead of static points systems, as a result of ML, we'll see more fluid and adaptive models where customers are rewarded for a broader range of desirable actions.

With hyper-personalised offers, dynamically adjusted rewards, and engagement strategies, AI will be front and centre when it comes to deeper, more emotional connections. It's a brain like our own that never stops learning. The only difference is AI works 24/7. Constantly learning to understand customer sentiment, predict moments of disengagement, and respond in a way that feels genuinely thoughtful. Inasmuch that they'll be the face providing instant, personalised recommendations, resolving queries, and even gamifying interactions in the not-so-distant future.

Personalising the Loyalty & Rewards Experience

Our report findings reveal that 84% of enterprise brands will continue to invest in personalising the loyalty experience as a critical priority. Here, we speak with Nathan Armstrong, Loyalty & Brand Partnerships Consultant, at Propello.

What are the key components that make a loyalty programme truly personalised, and how do they differ from traditional approaches?

The days of simply offering one size fits all loyalty solutions are long gone. Personalised rewards actually mean something to customers because they are a direct response to customer preferences and buying patterns. To put it simply, personalised rewards make sense to the individual, and are relevant to their customer journey with the business.

Predictive analytics are also another break away from traditional approaches to rewarding customer loyalty. What makes AI and machine learning so exciting is their ability to anticipate what customers need before they even know they need it. I feel we are still in the initial phases of understanding truly how AI can be implemented to drive loyalty programme personalisation.

Dynamic segmentation allows us to look at real-time behavioural data instead of relying on static demographic data, which, let's be honest, doesn't tell us much. Meaning we can adapt our approach based on how customers are actually interacting with the programme and personalised rewards on offer.

Traditionally, loyalty programmes have relied on generic milestone-based rewards, but true personalisation shifts the focus to individual actions and behavioural changes. Instead of rewarding customers at fixed intervals, modern programmes recognise and respond to meaningful actions in real time. For example, if a customer makes a behaviour shift that positively impacts revenue—whether it's trying a new product, increasing frequency, or engaging with a new feature—they receive an immediate and relevant reward or message. This approach is timely, meaningful, and far more effective in driving engagement.



Nathan Armstrong
Head of Commercial Partnerships
Propello Cloud

How can brands use behavioural insights to inform their loyalty strategies?

Again, I'd say personalised content. Couple with the right effective multi-channel communication tactics, they provide a foundation which drives engagement in loyalty programmes. We've covered this but it bears repeating because it's absolutely fundamental. When you understand individual patterns, you can create journeys that feel tailor-made.

We've also seen great success for brands that tap into customers' competitive instincts with gamification. Create the right challenges and milestones, and suddenly you've got customers actively engaging with your programme because they want to, not because they have to. In a similar vein, emotional triggers have allowed brands to build programmes around experiences or causes that customers genuinely care about. That's when loyalty becomes something more than just transactions. It becomes a relationship.

One of the most important (and powerful) tools in our arsenal is leveraging client data to indicate churn prediction. Spot signs of disengagement early and we can step in with targeted interventions before it's too late. It's always easier to keep a customer than win them back.

Lastly – but certainly not least – brand advocates. When you know who these people are – your frequent buyers, high spenders, and regular offer redeemers, you're onto your golden customers. Brands should treat them accordingly. They're the ones most likely to promote your business to others. By behaving that way, they essentially become a part of your business so it's best to bring all the stops out in your strategies. I'm talking exclusive early access to new features, VIP events, premium support channels, double points periods, surprise-and-delight rewards, and first dibs on limited-time partner offers.

How can brand to brand partnerships deliver more personalised loyalty experiences?

The key isn't about offering more choices but the right choices. When brands work together strategically, they gain a deeper understanding of their customers' behaviours, preferences, and needs. This allows them to craft rewards and experiences that feel tailored, relevant, and naturally integrated into a customer's lifestyle.

For example, if a brand knows its customers are prioritising sustainability, partnering with an eco-friendly retailer can make rewards feel highly personal and value-driven. But these partnerships can go beyond just offering aligned rewards—they can create richer experiences. An example might be a fitness brand teaming up with a meal subscription service, not just to cross-promote products but to offer an integrated wellness journey where workouts and nutrition rewards are seamlessly linked.

Done right, brand partnerships don't just enhance personalisation—they amplify loyalty itself, making every interaction feel more considered, more relevant, and more rewarding.



Why do some brands struggle to achieve meaningful personalisation despite having access to customer data?

The biggest issue for most businesses we speak to is actually inconsistent data integration. They've got their loyalty programme data sitting in one place, customer data in another, and they're not talking to each other. It's like having all the puzzle pieces but not putting them together.

Then there's the misalignment of rewards. Some brands get so caught up in what they think customers want, they forget to check what customers actually value. You need to let the data guide your decisions here.

What innovations in personalised loyalty are we likely to see in 2025

AI-driven hyper-personalisation is going to continue to be a hot topic. The advanced AI models we're developing now can deliver truly tailored offers in real time. Predictive loyalty programmes pave the way for proactive rewards, culminating into a perpetual engagement cycle. However, with the privilege of accessing such deep customer insights comes the responsibility to use them ethically and transparently. Loyalty should feel enhancing, not intrusive, and brands must ensure that personalisation serves the customer's best interests.

Loyalty Partnerships are also going to evolve in fascinating ways. We're seeing brands get much more sophisticated about how they use partnerships to deliver value and drive engagement for retention.

Here's a fun one, further exploration and implementation of gamification through AR. Creating immersive experiences that will drive a genuine engagement never seen before. I'd love to see more brands use AR-based challenges and games that make earning loyalty rewards more interactive and fun.

Case Studies

Loyalty programmes come in many forms, each tailored to different industries and customer needs.

We explore real-world success stories from leading brands across telecoms, fitness, subscription services, insurance, and finance, and look at how they are implementing these loyalty trends.

These case studies reveal how different loyalty models drive engagement, retention, and revenue growth.



In this Section

Lebara Always On Rewards

How a specialist-managed loyalty platform cut costs by 3x and scaled to 100+ brand partnerships.

JD Gyms Paid/Premium Loyalty

How a 5700% increase in premium subscriptions proved the power of paid loyalty programmes in the fitness industry.

HelloFresh Always On Loyalty

How instant rewards and personalised engagement helped reduce churn in the subscription economy.

Vitality Tiered Loyalty

How behaviour-driven incentives and tier progression motivate customer engagement in the insurance sector.

American Express Points-Based Loyalty

How a flexible, multi-channel points ecosystem enhances customer spending and long-term engagement.

Case Studies: Successful Customer Loyalty Initiatives

Lebara (Always on)

Brief Introduction:

Lebara Mobile, the UK's fastest-growing mobile network, exemplifies the industry-wide shift toward specialist-managed loyalty solutions. By partnering with Propello, Lebara has transformed its loyalty programme from a basic in-house solution into a sophisticated, expert-managed platform that prioritises customer engagement and operational efficiency through Always On Rewards.

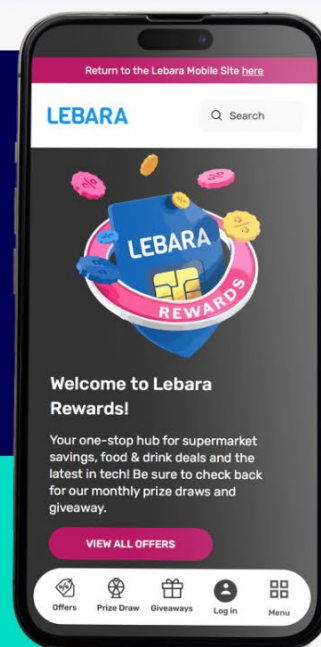
This transition aligns with a broader industry trend uncovered in this report. 69% of enterprise brands now favour outsourcing loyalty programmes to specialist providers for greater scalability and efficiency.

Key Takeaways

- **Industry expertise drives efficiency**
Lebara's transition to a specialist-managed platform cut operational costs by 3x while expanding its rewards offering, reinforcing industry predictions about the cost-effectiveness of outsourced solutions.
- **Speed is a competitive advantage**
Launching within 12 weeks and rapidly deploying new features highlights why leading brands are moving away from resource-heavy in-house development.
- **Data insights power personalisation**
Advanced analytics enable sophisticated customer segmentation and targeted engagement, aligning with the shift toward hyper-personalised experiences.
- **Scalability supports growth**
Acquiring 100,000 members in two months demonstrates how specialist platforms can handle rapid scaling without compromising performance.
- **Partnership networks matter**
Expanding from 15 to 100+ brand partnerships illustrates the value of established provider networks in delivering immediate customer value.
- **Customer-first design works**
Smart categorisation and intuitive navigation reinforce the importance of user experience in modern loyalty programmes.

Feature Summary

- **24/7 reward access** – Customers enjoy continuous benefits with no earning thresholds
- **Instant gratification** – Immediate reward redemption capabilities
- **Expanded rewards catalogue** – Grew from 15 to 100+ brand partnerships
- **Data-driven personalisation** – Ability to deliver targeted rewards based on customer insights
- **Mobile-first white-label solution** – Enhanced app integration for a seamless user experience
- **Operational efficiency** – 3x reduction in running costs



JD Gyms (PAID/PREMIUM)

Brief Introduction:

JD Gyms, a leading innovator in the fitness industry, is setting a new standard for paid loyalty programmes, where members actively choose to invest in premium benefits.

Their Plus Membership programme is a prime example of how fitness brands can successfully introduce value-driven paid loyalty initiatives. Our research shows that 60% of consumers now spend more with brands that offer premium loyalty options. In the fitness sector, this shift is reshaping customer engagement, proving that paid memberships drive retention and revenue growth.

The Plus Membership programme moves beyond traditional gym models by combining multi-tiered engagement with gamification to keep members motivated. This strategy has delivered exceptional results, with JD Gyms reporting a 5700% increase in premium subscription uptake, reinforcing the impact of well-designed paid loyalty programmes.

Add trigger

Trigger: Transaction Behaviour Referral Event

Conditions:

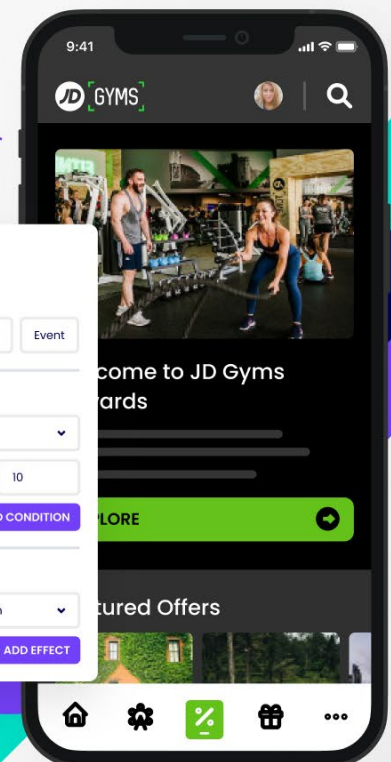
- Completed event: Renew contract
- Total renewals: equals 10

+ ADD CONDITION

Effects:

- Upgrade a tier to Platinum

+ ADD EFFECT

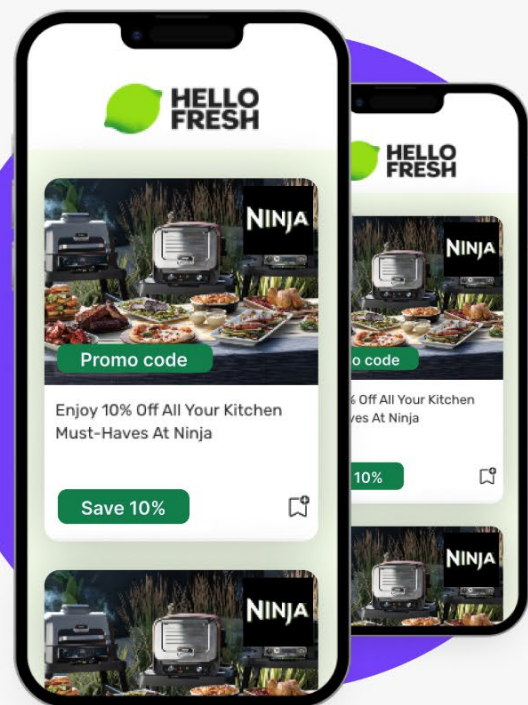


Feature Summary

- **Premium tier structure:** Enhanced benefits through Plus Membership
- **Gamification elements:** Interactive mechanics to boost engagement
- **Value-added benefits:** Premium features that justify paid membership investment
- **Exclusive perks & privileges:** Enhanced member experience
- **Flexible subscriptions:** Easy upgrade paths for premium membership
- **ROI tracking:** Comprehensive analytics on premium membership performance

Key Takeaways

- **Premium loyalty drives revenue:**
JD Gyms' 5700% increase in premium subscriptions highlights how well-structured paid programmes transform engagement and revenue streams.
- **Value proposition is crucial:**
The programme's success shows that customers willingly invest in premium loyalty when the benefits clearly enhance their fitness journey.
- **Premium features justify investment:**
Members upgrade more readily when premium benefits align with their fitness goals and lifestyle needs.
- **Data drives premium success**
Advanced analytics and tracking ensure premium offerings stay aligned with member expectations and business goals.
- **Winback campaigns**
JD Gyms re-engages lapsed customers by offering personalised rewards through targeted winback campaigns.
- **Revenue driver**
JD Gyms' loyalty platform functions as a highly targeted ecosystem, rewarding members with personalised incentives. This improves the success of cross-sell and upsell strategies across JD Group brands.



HelloFresh (ALWAYS ON)

Brief Introduction:

HelloFresh, a global leader in meal-kit delivery, is redefining customer loyalty in the subscription economy by focusing on instant gratification.

Rather than relying on traditional points-based systems, their "Always On" rewards programme delivers immediate value, reflecting the shift towards seamless, real-time customer engagement. Yet another example of how enterprise brands are rethinking loyalty strategies to meet evolving consumer expectations.

HelloFresh has moved away from delayed-reward models, instead offering instant-access benefits that complement their personalised meal delivery service. This strategic shift not only aligns with growing consumer demand for immediacy but also supports a diverse customer base with varied dietary preferences and lifestyle needs.

Feature Summary

- ❖ **24/7 reward access** – Always-on availability of unique offers
- ❖ **Instant gratification** – No waiting periods or complex earning criteria
- ❖ **Personalised rewards** – Tailored benefits based on dietary preferences
- ❖ **Friction-free engagement** – Simplified access to programme benefits
- ❖ **Continuous value delivery** – Ongoing rewards throughout the subscription lifecycle
- ❖ **Multi-dietary support** – Customised offerings for various nutritional needs
- ❖ **Churn reduction** – Higher retention through consistent engagement

Key Takeaways

- ❖ **Instant rewards drive retention**
HelloFresh's "Always On" approach proves that immediate value delivery is a powerful tool for reducing subscription churn.
- ❖ **Simplicity enhances engagement**
Removing complex earning criteria and point systems demonstrates that straightforward access to benefits drives long-term participation.
- ❖ **Personalisation matters**
Success in catering to diverse dietary preferences reinforces the importance of tailoring rewards to individual customer needs.
- ❖ **Continuous value strengthens relationships**
By keeping rewards accessible at all times, HelloFresh ensures consistent engagement, maintaining customer loyalty throughout the subscription lifecycle.
- ❖ **Friction reduction improves satisfaction**
Eliminating barriers to loyalty participation shows that simplified access leads to higher customer satisfaction.
- ❖ **Subscription loyalty is evolving**
HelloFresh proves that subscription-based businesses can go beyond core service delivery, offering engaging, value-driven loyalty experiences.

Vitality (Tiered)

Brief Introduction:

Vitality is reshaping insurance loyalty programmes by using data-driven engagement to encourage positive customer behaviours. Unlike traditional models, its tiered structure rewards members for ongoing participation, creating a more interactive and rewarding experience.

With 72% of businesses investing in scalable loyalty frameworks, tier-based models like Vitality's offer a clear progression path, motivating long-term engagement. By linking rewards to healthy behaviours, the programme not only strengthens customer retention but also supports better risk management.

Feature Summary

- ❖ **Connected ecosystem** – Integrated with wearables and fitness tracking devices
- ❖ **Progressive tier structure** – Members unlock higher-value rewards at each level
- ❖ **Tier-based rewards** – Exclusive benefits that increase with engagement
- ❖ **Achievement tracking** – Real-time progress monitoring
- ❖ **Tier-specific partnerships** – Access to exclusive partner benefits
- ❖ **Status recognition** – Clear visibility of membership tiers
- ❖ **Behavioural incentives** – Activities that accelerate tier progression

Key Takeaways

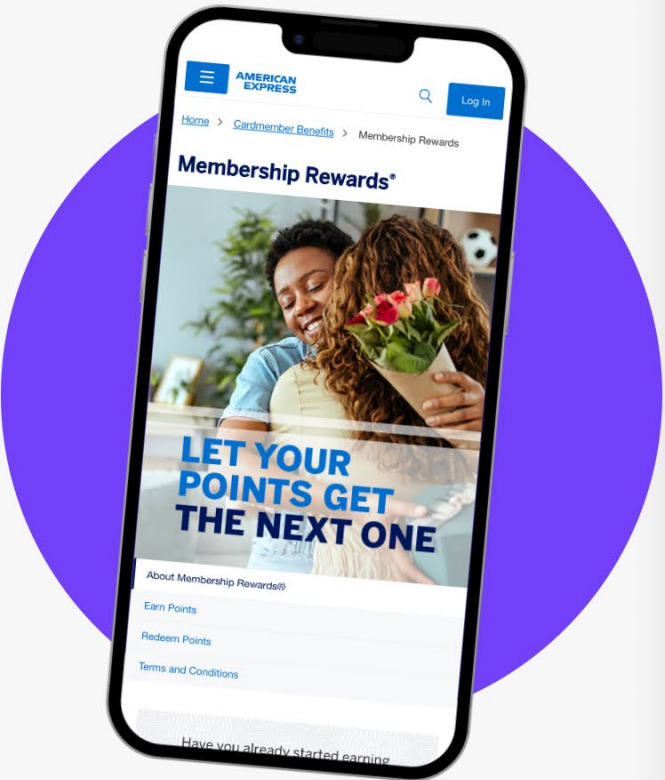
- ❖ **Technical integration strengthens engagement:**
Vitality's API connectivity with wearables and fitness devices highlights why 81% of businesses prioritise seamless technical infrastructure. These integrations create ongoing touchpoints that deepen customer interaction.
- ❖ **Tier progression encourages participation:**
A structured advancement system gives members clear incentives to stay engaged. Offering scaled partner benefits at higher tiers adds further motivation, reinforcing the value of long-term participation.
- ❖ **Strategic partnerships increase appeal:**
Collaborations with premium brands like Apple and Expedia show how partnership networks enhance programme value. Among businesses, 84% see partnerships as a key factor in differentiation.
- ❖ **Real-time rewards reinforce positive habits:**
Providing instant benefits for healthy actions supports long-term behaviour change. With 75% of businesses moving toward real-time rewards, this approach is proving essential for sustained engagement.
- ❖ **Data fuels personalisation:**
Vitality's use of behavioural data allows for tailored incentives, aligning rewards with individual habits and preferences. Among insurance providers, 84% are adopting personalisation strategies to strengthen customer connections.
- ❖ **Mobile-first experiences enhance accessibility:**
A digital-first approach ensures seamless engagement, aligning with 77% of businesses that consider mobile platforms essential for customer interaction.
- ❖ **Loyalty and risk management go hand in hand:**
By rewarding healthy lifestyle choices, Vitality improves customer retention while simultaneously enhancing risk profiles. Among businesses, 80% cite retention as a top focus, making engagement-based loyalty models even more relevant.

American Express Membership Rewards (POINTS)

Brief Introduction:

American Express Membership Rewards is redefining points-based loyalty programmes by offering unparalleled earning and redemption flexibility. Rather than relying on simple points collection, their dynamic rewards ecosystem provides customers with real-time tracking, flexible redemption options, and seamless integration across spending categories.

With 75% of businesses prioritising real-time reward delivery, point-based systems continue to evolve. The American Express model proves that traditional loyalty currencies remain relevant when supported by modern infrastructure and strategic partnerships. Their approach serves as a blueprint for enhancing legacy loyalty mechanics through digital innovation.



Feature Summary

- ❶ **Multi-channel earning:** Accelerated points accumulation across various spending categories
- ❷ **Flexible redemption:** Multiple options for converting and using points
- ❸ **Real-time tracking:** Instant visibility of earned and redeemed points
- ❹ **Points transfer network:** Strategic partner collaborations for seamless point movement
- ❺ **Digital rewards platform:** Mobile-first management of points and redemptions
- ❻ **Premium point multipliers:** Enhanced earning rates for premium cardholders
- ❼ **Points + Pay functionality:** Ability to combine points and currency for purchases

Key Takeaways

- ❶ **Flexible points systems boost engagement:** The programme’s diverse earning and redemption options reinforce why 75% of businesses are prioritising more adaptable reward structures.
- ❷ **Technical infrastructure enables innovation:** Seamless real-time points management across multiple channels reflects how 77% of businesses use technology to enhance loyalty mechanics.
- ❸ **Point transfers create additional value:** The ability to move points between programmes highlights why 84% of businesses view strategic partnerships as fundamental to loyalty success.
- ❹ **Digital accessibility increases participation:** A mobile-first approach to point management and redemption aligns with 77% of businesses that prioritise digital engagement platforms.
- ❺ **Premium tiers strengthen customer value:** Enhanced earning rates for premium cardholders demonstrate how tiered benefits encourage higher customer spend and engagement.



Programme Type	Always On (Telco)	Always On (Food)	Tiered (Insurance)	Premium (Fitness)	Points (Finance)
Sector Context	High-churn sector	Subscription model	Risk-based sector	Competitive market	Transaction heavy
Core Mechanics	24/7 reward No thresholds 100+ partnerships	Instant access No waiting periods Dietary personalisation	Progressive benefits Health tracking Behaviour rewards	Paid benefits Enhanced features	Multi-channel earning Flexible redemption Points transfers
Business Value	3x cost reduction 12-week launch 100k members/2 months	Reduced churn Higher retention Simplified operations	Better risk profiles Behavioural insights Predictable engagement	5700% premium uptake New revenue	Higher spend Partner revenue Enhanced engagement
Engagement Strategy	Instant gratification Simplified access Continuous value	Tailored rewards Friction-free access Continuous engagement	Achievement paths Status recognition Health outcomes	Premium perks Gamification Enhanced	Earning acceleration Redemption choices Premium multipliers
Integration Focus	Mobile-first White-label solution API integration	Digital platform Preference tracking Subscription integration	Wearable tech Health monitoring Partner ecosystem	Booking systems Usage tracking	Real-time tracking Partner network Payment systems

Conclusion

As we conclude our report, we reflect on the key trends, challenges, and opportunities shaping customer loyalty in 2025.

Summarises the most crucial takeaways from our findings, provides actionable insight, and predict what to expect for customer loyalty in the near future.



In this Section

Summary of Key Findings

A recap of the most important insights uncovered in this report, highlighting major trends and challenges in customer loyalty.

Key Takeaways from the 2025 Loyalty Landscape

A concise, at-a-glance summary of the most essential findings—perfect if you're short on time but need the key insights.

Actionable Insights for Business Leaders

Practical steps you can take to apply these findings: where to invest, how to overcome challenges, and ways to optimise your loyalty strategies.

Future Outlook: Where is Customer Loyalty Headed?

Predictions on the role of AI, sustainability, and experiential rewards in shaping the next wave of loyalty innovation.

Closing Statement from Mark Camp, CEO of Propello

Final thoughts on how businesses can stay ahead in the evolving loyalty landscape.

Summary of Key Findings

The loyalty landscape in 2025 reveals a fundamental shift from transactional programmes to integrated experiences. Strategic partnerships have emerged as the cornerstone of modern loyalty initiatives, enabling brands to deliver enhanced value propositions while managing resource constraints.

Technical infrastructure remains critical, with successful programmes leveraging robust APIs and mobile-first approaches to create seamless customer experiences. However, the complexity of implementation has driven a clear preference for outsourced solutions that accelerate speed-to-market.

Industry performance varies significantly. B2C SaaS and Technology sectors lead in data-driven initiatives, while Retail demonstrates strong investment across multiple areas. The Leisure & Travel sector maintains high investment in premium features despite economic pressures. In contrast, Utilities & Telecoms show more measured investment levels, potentially risking their competitive position.

Customer engagement persists as the fundamental challenge across sectors, closely followed by technical integration complexity and churn management. These challenges highlight the ongoing tension between delivering immediate value and building long-term engagement.



Key Takeaways

Here, we've outlined the key takeaways that are essential for you to know. These insights are critical for navigating the 2025 loyalty landscape. Each one has been carefully selected to provide a clear, at-a-glance summary of the most important trends, challenges, and opportunities shaping customer loyalty today.

Following this, we present actionable recommendations to help organisations apply these insights effectively, ensuring they can turn knowledge into tangible strategies that drive engagement, retention, and long-term loyalty success.

Strategic partnerships and personalisation dominate loyalty investment.

84% of businesses are prioritising technology-driven personalisation and strategic brand partnerships, making these the most significant focus areas in loyalty programmes.

Mobile-first strategies are now a critical standard.

77% of businesses are actively investing in mobile-first loyalty solutions, ensuring seamless customer experiences across apps, digital wallets, and omnichannel interfaces.

Outsourcing loyalty technology is accelerating speed-to-market.

69% of businesses prefer outsourced loyalty solutions over in-house development, citing cost-effectiveness, scalability, and faster deployment as key factors.

Consumers demand real-time rewards and instant gratification.

75% of businesses are prioritising real-time rewards, recognising that immediate value delivery enhances engagement and reduces churn.

Experiential rewards are rising as a key differentiator.

74% of businesses are investing in experience-driven loyalty, recognising that VIP access, exclusive events, and personalised perks create deeper brand affinity.

Experience-led loyalty strategies are particularly strong in the Leisure & Travel sector (79%), where emotional engagement drives retention.

Gamification and AI-driven loyalty strategies are evolving.

65% of businesses are implementing gamification features to boost engagement, while 62% are exploring AI-driven personalisation models.

Customer engagement remains the top challenge across industries.

83% of businesses cite customer engagement as a major challenge, showing that even with sophisticated loyalty programmes, sustaining long-term participation is difficult.

Other significant barriers include technical integration complexity (81%), customer retention struggles (80%), and data privacy concerns (78%).

Loyalty investment priorities vary by industry.

Retail leads in strategic partnerships (88%) and API integration (85%), showing a commitment to omnichannel connectivity.

Insurance and Financial Services are driving innovation in tiered membership models (72%), leveraging behavioural tracking for personalised rewards.

Utilities & Telecoms remain conservative, with lower adoption rates in API integration (69%) and tiered models (58%), potentially risking long-term competitiveness.

Build vs Buy: The market is shifting towards scalable, outsourced loyalty solutions.

69% of companies now prefer outsourced loyalty technology, a shift driven by the need for faster market entry and reduced operational overhead.

Actionable Insights

Below are practical, data-driven recommendations aligned with emerging trends and priority areas in loyalty.

Actionable Insight 1:

Scale Faster by Leveraging Outsourced Loyalty Solutions

Implementation Steps

- **Use a White-Label Solution for Fast Go-To-Market:** deploy pre-built, scalable and customisable technology to avoid lengthy development cycles. Automation for enrolment and reward fulfilment will help streamline operations.
- **Leverage Pre-Configured Reward Partnerships:** use an existing partner network to offer rewards without the need to build your own. Consider using advertiser brands within affiliate marketing networks to source new partners to add value for your audience.
- **Ensure Seamless API Integration:** choose a platform that easily integrates with existing systems for improved data flow and analysis of customer behaviour to optimise your loyalty programme.
- **Prioritise Programme Support:** ensure your outsourced partner offers the required level of technical and marketing support to keep your programme aligned with customer needs and drive engagement.
- **Prioritise Agile Launch & Optimisation:** especially when testing specific geographical locations before a full rollout. Launch your programme in partnership with an outsourced tech and reward partner as a minimum viable product (MVP). Begin with core elements of the programme such as reward partners, and introduce more advanced AI and gamification features as your programme scales and gains engagement.

Actionable Insight 2:

Leverage Strategic Brand Partnerships for Greater Customer Value

Implementation Steps

- **Identify Strategic Partners:** find complementary brands that align with your audience and offer mutual value between partners.
- **Leverage Existing Networks:** use your loyalty tech provider's pre-configured partner reward network to configure a hyper-relevant rewards experience for your customers.
- **Monetise Through Advertisers in Affiliate Networks:** integrate closely-aligned affiliate advertiser brands into your loyalty programme without additional resource burden, while generating additional revenue for your business.
- **Drive Engagement with Co-Branded Offers:** collaborate on exclusive promotions, bundled incentives, or tiered rewards to maximise cross-brand participation and appeal.
- **Measure & Optimise Performance:** track key metrics such as redemption rates, affiliate revenue and partner-driven customer acquisition to refine and improve partnership effectiveness over time.

Actionable Insight 3:

Ensure Mobile-First Loyalty Experiences to Meet Customer Expectations

Implementation Steps

- **Optimise for Mobile UX:** ensure the entire loyalty experience—sign-ups, reward tracking, and redemption—is seamless on mobile devices.
- **Leverage Mobile Wallets & Notifications:** incorporate mobile wallets and use push notifications to drive engagement at key moments, such as reward availability or expiring offers.
- **Personalise Mobile Interactions:** use data-driven insights to send personalised offers, reminders, and gamified experiences via SMS, in-programme messages, and AI-driven recommendations.
- **Simplify Reward Redemption:** provide quick-access digital vouchers, QR codes, or one-click links for reward claims to remove friction from the process.
- **Integrate with Mobile Payment:** enable customers to earn and redeem rewards effortlessly through digital payment methods, ensuring a seamless and convenient loyalty experience.

Actionable Insight 4:

Accelerate Engagement with Instant, Real-Time Rewards

Implementation Steps

- **Offer Seamless, Frictionless Redemption:** provide instant-access digital vouchers, promo codes, or cashback that can be redeemed with minimal steps to enhance the user experience.
- **Use Real-Time Triggers:** set up automated triggers to reward customers instantly based on specific behaviours, such as renewing a contract or membership, hitting a spending milestone, or moving up through a tiered programme.
- **Leverage AI for Reward Relevance:** use AI-driven insights to serve personalised rewards in real-time, ensuring customers receive offers that match their preferences and behaviours.
- **Incorporate Gamified Rewards:** introduce surprise bonuses, spin-to-win mechanics incentives to keep users actively engaged.
- **Communicate Reward Availability & New Rewards:** notify customers of new rewards and campaigns, time-based rewards and incentives and communications upon redemption of a reward to sustain engagement.

Actionable Insight 5:

Prioritise Personalisation by Phasing in AI & Behavioural Insights

Implementation Steps

- **Analyse Customer Data in Real-Time:** analyse behavioural data to understand individual preferences and predict future actions.
- **Segment Customers Intelligently:** use AI to create dynamic customer segments based on behaviour, preferences, and lifetime value, ensuring rewards are tailored to different audience groups.
- **Deliver Dynamic Reward Recommendations:** leverage AI-driven insights to serve—in real time—the most relevant rewards based on past interactions, demographics, and real-time behaviour.
- **Continuously Optimise with AI Learning:** apply machine learning to track reward redemption patterns and engagement levels, refining personalisation strategies over time for greater effectiveness.

Actionable Insight 6:

Implement Tiered & Hybrid Loyalty Models for Long-Term Engagement

Implementation Steps

- **Define Tier Structures & Progression:** establish clear membership levels with meaningful progression criteria, such as spend thresholds, engagement frequency, or referral activity.
- **Combine Transactional & Experiential Rewards:** blend traditional point-based rewards with exclusive perks, such as VIP access, early product releases, or personalised services, to enhance emotional loyalty.
- **Incorporate Subscription or Paid Elements:** offer premium tiers with exclusive benefits, allowing customers to opt into enhanced perks through a paid membership or annual commitment.
- **Encourage Multi-Action Engagement:** reward a mix of behaviours beyond purchases, such as referrals, social sharing, reviews, or sustainability-driven actions, to deepen customer participation.
- **Continuously Optimise with Data Insights:** use analytics to track tier progression, engagement levels, and reward redemptions, refining the programme structure and incentives based on real customer behaviour.

Actionable Insight 7:

Use Gamification to Sustain Customer Participation & Brand Interaction

Implementation Steps

- **Design Engaging Challenges & Missions:** create interactive tasks such as streaks, milestone achievements, or activity-based challenges to encourage consistent participation.
- **Incorporate Progression & Leaderboards:** use point systems, progress bars, and ranking leaderboards to motivate customers with visible progress and friendly competition.
- **Offer Instant & Surprise Rewards:** introduce mystery prizes, spin-to-win mechanics, or random bonus points to keep engagement fresh and exciting.
- **Personalise Gamified Experiences:** use AI-driven insights to tailor challenges, rewards, and difficulty levels based on individual customer behaviour and preferences.
- **Continuously Refresh & Evolve Gamification Elements:** regularly introduce new challenges, seasonal events, and limited-time competitions to maintain long-term interest and prevent engagement fatigue.

Actionable Insight 8:

Address Customer Engagement Challenges with Proactive Retention Strategies

Implementation Steps

- **Streamline Onboarding for Immediate Value:** reduce friction in loyalty onboarding, ensuring customers immediately see the value of signing up.
- **Implement Proactive Win-Back Campaigns:** proactively re-engage inactive members through win-back campaigns, hyper-relevant exclusive offers, and personalised outreach.
- **Detect & Address Early Disengagement Signals:** monitor disengagement signals (e.g., reduced logins, fewer purchases), test behavioural triggers based on prior engagement history, and offer automated incentives that retain interest.
- **Create Tiered & Progression-Based Loyalty Incentives:** encourage long-term participation by offering tier-based rewards where customers unlock better perks as they engage more, reinforcing continued activity and reducing churn.

Future Outlook

The Future of Customer Loyalty (2-3 Year Outlook)

As we look ahead to the coming years, our research suggests the core pillars of loyalty—including personalisation, strategic partnerships, seamless integration and mobile-first loyalty tech—will evolve into increasingly sophisticated models.

A.I. will drive a significant increase in the proactive, immersive, and connected nature of the loyalty landscape, expanding on the themes covered in this report. Here's what this will look like.

⚡ Hyper-Predictive Engagement

The personalisation capabilities we've explored will evolve beyond responding to past purchases. AI and machine learning will increasingly serve rewards based on nuanced behavioural patterns, delivering hyper-relevant offers at precisely the right moment.

You'll see systems that can identify subtle shifts in engagement levels and respond with perfectly timed interventions before customers even realise their interest is waning.

Beyond loyalty tech, AI tools work around the clock to support your customers in ways that feel personal, not robotic. They'll analyse behaviour patterns in real time to anticipate needs and provide recommendations that hit the mark.

Your team benefits too. When AI handles routine questions and processes, your support staff can focus on complex conversations that truly need a human touch.

But brands must proceed with caution here.

The AI experience needs to genuinely enhance the customer journey rather than creating frustration or appearing as a cost-cutting measure. Successful implementations will blend AI efficiency with human touch, using technology to augment rather than replace the personal connections that drive true loyalty.

🌳 Ecosystem-Based Loyalty

Brand partnerships are expected to transform into fully integrated ecosystems. Successful alliances will operate as centralised hubs connecting multiple brands across complementary lifestyle areas. This will create robust loyalty networks rather than isolated programmes.

These ecosystems will enable "recognition mobility," where status and benefits transfer across partner brands, significantly enhancing perceived value.

🕹 Immersive Loyalty Experiences

The gamification trends discussed earlier are anticipated to mature into fully immersive experiences. User penetration in the global augmented reality (AR) market is projected to reach 54.1% this year and increase to 56.5% by 2029.

This growth suggests that physical and digital loyalty touchpoints will blend seamlessly, allowing customers to earn, track, and redeem benefits through mixed reality environments tied to everyday activities. Membership in loyalty programmes will become more integrated into consumers' day-to-day.

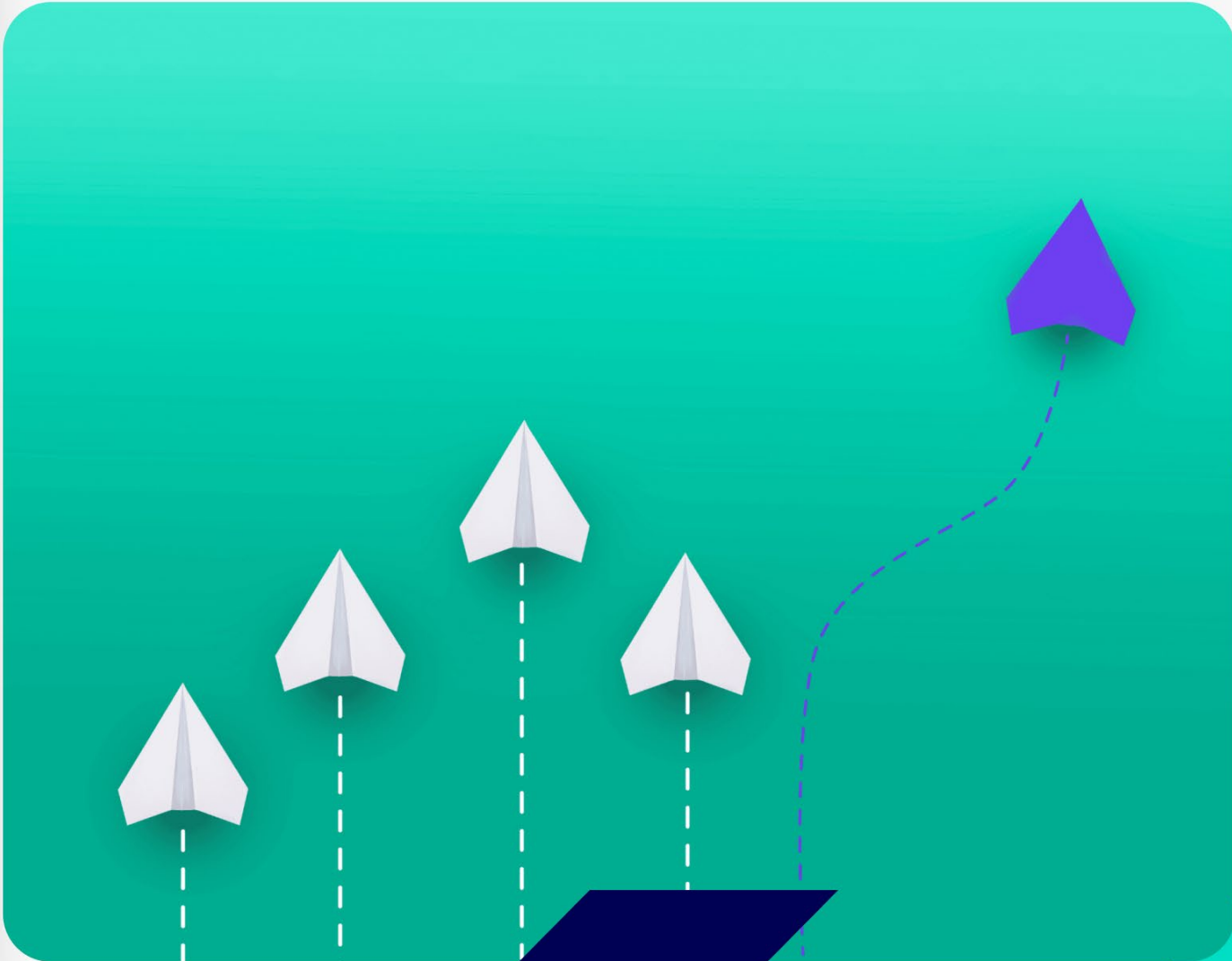
🔒 Ethical Value Exchange

While we've noted the growing importance of sustainability in loyalty, this is expected to evolve into transparent value exchanges. Customers are paying closer attention to how companies use their personal information, which underscores the need for clear data-for-value propositions.

Successful loyalty models will offer explicit choices about how personal data translates to personalised benefits, with ethical AI governance becoming a competitive differentiator.

🚩 What This Means for Your Brand

In the next two to three years, customer loyalty will evolve from static rewards to a dynamic ecosystem where technology anticipates and responds to needs in real time. Adopting this proactive, immersive strategy now will help you turn loyalty from a transactional tool into a powerful asset that propels growth.





Trusted By:



- White-label loyalty platform for rapid implementation
- Extensive brand partner network offering diverse reward options
- AI-driven personalisation to enhance customer engagement
- Seamless API integration with your existing tech stack
- Full support with ongoing marketing and programme management

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