


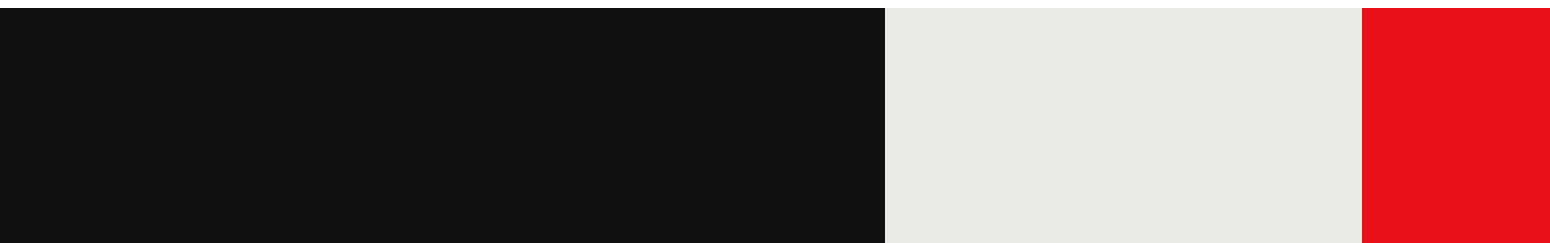
# Beyond transactions: Why M&M's launched a loyalty program

## Article



Last month, M&M's launched its first [loyalty](#) program, Fun Club, allowing consumers to earn points by completing activities and redeem them for sweepstakes entries or M&M's merchandise.

While loyalty programs are typically associated with high-frequency purchases—like [groceries](#), travel, or restaurants—even low-frequency brands are using loyalty to increase



engagement, gather data, and drive sales amid rising competition.

Here's why M&M's is investing in loyalty and what other brands can learn.

## 1. Loyalty programs can increase purchase frequency

M&M's and other candies are often impulse purchases, bought while consumers are in line or making a quick trip to the convenience store. But by offering perks like merch and extra contest entries, the Fun Club incentivizes repeat purchases and provides value to fans.

- This approach has worked well for another candy brand, Jelly Belly, which launched its Sweet Rewards program in partnership with Zinrelo.
- The program drove a 77% increase in customer retention and nearly doubled the growth in repeat-purchase revenue.

**Key takeaway:** Even if your category doesn't rely on frequent purchases, loyalty incentives can move the needle on purchase cadence and customer lifetime value.

## 2. Engagement between purchases matters

Loyalty programs can incentivize consumers to engage with brands beyond making a purchase.

- M&M's Fun Club awards points for online activities—quizzes, polls, and [social media](#) interaction—creating more customer touchpoints for the brand.
- Dr Pepper's Pepper Perks program uses exclusive, limited-edition flavors to keep loyalty members engaged outside of the store.

This can help maintain brand visibility between purchases and boost customer spend over time.

- 49.4% of US agencies and brand professionals say monitoring spend over time is the best indicator of a loyal ecommerce customer, per January 2025 data from BloomReach.

**Key takeaway:** Sustained engagement is just as important as purchase behavior. Loyalty programs can keep your brand relevant—even when it's not in the cart.

### 3. First-party data is a strategic advantage

Most consumer packaged goods (CPG) brands sell through third parties like big box [retailers](#) or grocery stores, limiting access to customer data. But loyalty programs create a direct line to first-party data, which 40% of US advertisers cite as their primary strategy to maintain [targeting](#) effectiveness in 2025, according to November 2024 data from Proximic.

- M&M's loyalty program uses customer receipts to track points, giving insights into purchasing behavior, frequency, location, and product preferences.
- This data can inform targeted [marketing](#), product development, and promotional strategy.

**Key takeaway:** In a privacy-first environment, loyalty programs offer a compliant and high-value way to gather first-party insights at scale.

### 4. The program builds brand equity

M&M's designed its loyalty rewards to reflect the brand's playful personality, offering scented candles, puzzles, branded merchandise, and even a sweepstakes for a sleepover at M&M's World in Times Square.

- Boosting customer loyalty isn't just about transactional rewards—these experiences differentiate the brand and drive emotional affinity.
- In the future, experiences may play a larger role in loyalty programs as 80% of US retail executives expect consumers to prefer spending on experiences over goods in 2025, according to November 2024 data from Deloitte.

**Key takeaway:** A well-designed loyalty program can reinforce brand values and identity—not just incentivize transactions.

*This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).*