

Chick-fil-A joins Starbucks, Dunkin' in raising threshold for free rewards

Article

This article was written with the assistance of ChatGPT.

The news: Chick-fil-A is overhauling its loyalty program to make it more difficult for customers to earn free perks, **per Insider**, following in the footsteps of other major chains like **Starbucks, Chipotle, and Dunkin'**.

- Beginning April 4, the point values needed to redeem select menu items will increase.

The rationale: Chick-fil-A blamed “current market conditions” for its decision to devalue its loyalty program. But the move could also drive more loyalty members to pony up for the chain’s paid membership tiers, which allow diners to earn more points per dollar.

- Under Chick-fil-A’s revamped rewards program, basic members (who earn 10 points per dollar) would have to spend \$50 to redeem a free order of waffle fries; \$120 for a bowl of chicken noodle soup; and \$250 for a meal consisting of an entree, side, and drink.

What other chains are doing: Chick-fil-A isn’t the only chain to make significant changes to its rewards program.

- **Dunkin’** and **Starbucks** increased the number of points required to redeem free products, prompting customer backlash.
- On the other hand, **Subway** is offering deeper discounts to its most loyal members with the return of its popular Footlong Pass, which gives holders a daily 50% discount on footlong sandwiches. The company will offer 250,000 passes exclusively to its MyWay Rewards members, after a successful trial in August that saw the chain sell out of all 10,000 passes in six hours.

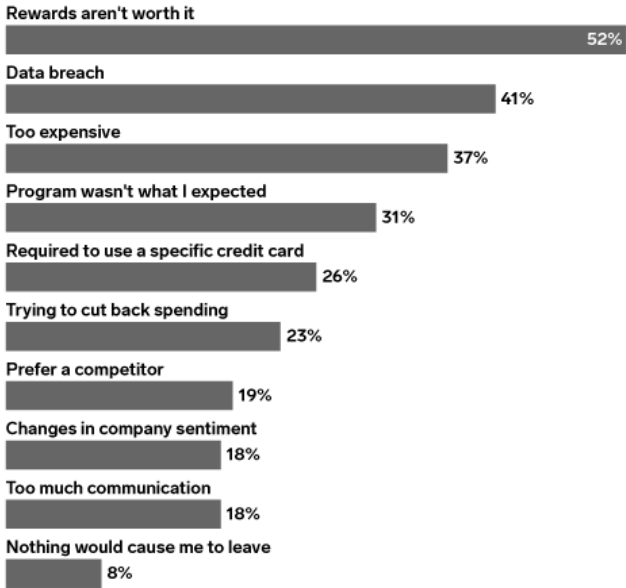
The big takeaway: While restaurant chains certainly need to balance their costs amid rampant food inflation, devaluing loyalty programs is a risky move as consumers look for ways to stretch their budgets further.

- Instead of taking a “one size fits all” approach, restaurants and retailers should look for ways to personalize rewards based on how customers interact with the brand to drive long-term loyalty. That could keep customers from jumping ship to competitors that offer better rewards terms, as well as minimize outrage over loyalty program changes.

Go further: *Read our report on [Retail Loyalty Programs](#) for more strategies to retain loyalty amid economic uncertainty.*

Reasons That Would Cause US Adults to Leave Loyalty Programs, June 2022

% of respondents



Note: n=1,667
Source: LendingTree, July 11, 2022

278897

eMarketer | InsiderIntelligence.com