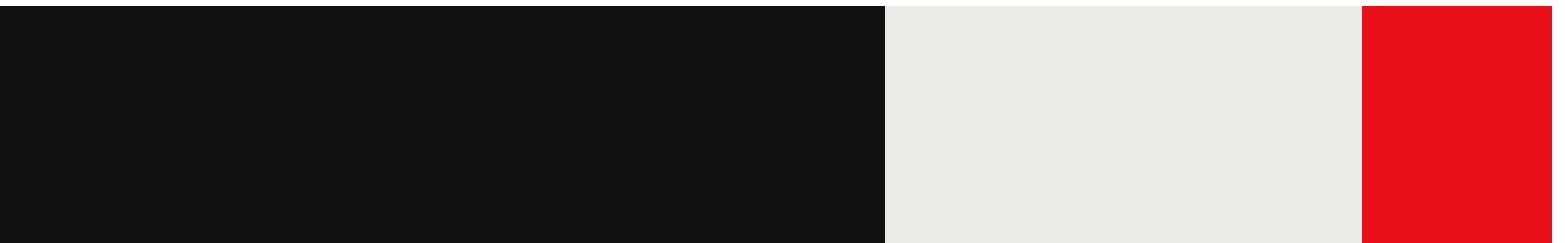# 5 key stats on loyalty programs and how data-driven insights can elevate UX

Article

Consumers today are mindful about when, where, and how often they spend due to continued economic uncertainty. For price-conscious consumers, loyalty programs provide

opportunities to spend more comfortably thanks to discounts and deals.

Loyalty programs are widely embraced, with 57% of restaurants and 66% of convenience stores offering them, according to Paytronix's Annual Loyalty Report 2024. Consumers are eager to join for membership perks, too. On average, consumers participate in 17 loyalty programs across industries, per 2021 McKinsey & Co. data.

Integrating first-party data with personalized and efficient communication, targeted campaigns, and more can greatly strengthen a brand's customer loyalty program.

Here are five key stats to improve your loyalty strategy.

1. First-party data is the foundation of effective and personalized loyalty programs

Key stat: Brands can boost YoY loyalty member spend by 16.5% by incorporating 1-to1 targeting based on first-party data, according to Paytronix.

What it means: First-party data is essential for creating personalized and effective loyalty programs. Only 44% of consumers say the brand offers they get are personally relevant, per PYMTS Intelligence.

Using data-driven insights to personalize marketing campaigns and offers can boost customer satisfaction and loyalty, and as a result drive higher revenues and deeper customer connections.

2. Email and push notifications can deliver effective communications to loyalty members

Key stat: Over 80% of quick-service restaurants (QSRs) and convenience store loyalty program campaigns use email, while over 20% incorporate mobile app push notifications, according to Paytronix.

What it means: Effective communication is vital for the success of any loyalty program. Using both email and push notifications ensures that messages reach members through their preferred channels, enhancing engagement and driving action.

Marketers will spend $638.8 million on email campaigns in the US this year, according to our forecast. Email is an effective channel to share discounts and promotional offers. Some 77%

of US adults prefer to receive coupons from online stores by email, according to an October 2023 ActiveCampaign and Ascend2 survey.

3. Campaign segmentation ensures the right message reaches the right loyalty user

Key stat: 70.6% of brands segment their campaigns rather than sending them to the entire loyalty database, according to Paytronix.

What it means: Tailored campaigns with relevant and impactful messages are more effective at engaging members and prompting desired actions, resulting in better business outcomes.

Adobe found that 31% of US and European consumers value personalized email or text reminders about a product or service they might be interested in.

[Generative AI](#) can be used to tailor communications and offers for individual members based on purchase history, frequency, and customer lifetime value. For example, generative AI can identify segments based on recurring behaviors, such as placing orders at the same time each week.

4. Mobile apps deliver an integrated loyalty experience

Key stat: 60% of loyalty program members prefer using a mobile app to access their programs, while 22% don't have a preference and will use either an app or a physical card, according to the National Restaurant Association.

What it means: Consumers are making more purchases from mobile devices. This year, we forecast that US retail mcommerce sales will reach $542.73 billion, up 11.7% YoY. Developing a branded mobile app can provide a seamless and engaging loyalty [experience](#). Mobile apps can enhance loyalty by offering convenient access to loyalty accounts to track and redeem rewards, manage points, and stay updated on the latest promotions. A mobile app can also help brands capture more mcommerce spend.

5. Gamification can increase loyal consumers' visits and spending

Key stat: Brands using gamification strategies have seen engagement increases—such as a 35% rise in store visits, per Paytronix—through rewards earned from challenges or games like a digital treasure hunt.

What it means: Adding fun gamification elements into your loyalty program can create a more enjoyable and engaging experience. Gamification can motivate loyalty members to visit and spend more.

Nearly half (49%) of consumers are interested in gamification features in retail and consumer packaged goods (CPG) loyalty programs, as long as there is a chance to win prizes, Merkle's October 2023 research found.

Ulta Beauty, for example, recently introduced GlamXplorer, an activity platform featuring beauty-themed games and puzzles. Currently in the pilot stage, players can earn prizes like discounts, free products, and exclusive offers.

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