

# Reducing friction, increasing personalization, and encouraging loyalty program use

Article

Here's the bad news: Over half (56%) of consumers say they're more likely to buy from a brand with a loyalty program even though only 36% redeem their rewards more than once a month, according to a study by Salesforce. But when asked **what would encourage more frequent use**, customers reported they were interested in features that reduced friction along the customer journey and offered personalization.

Here are three features brands can focus on to improve the performance of their loyalty programs:

### 1. Automatically applied rewards

Loyalty programs that let customers “set it and forget it” are at the top of the wish list. Not only do they save customers money, but they also save them time, a resource just as precious and hard to come by.

**Best in class:** Amazon Prime

- Over 60% of US adults have an Amazon Prime membership as of August 2022, per Bizrate Insights.
- Year-round, Amazon Prime members get special discounts and free delivery on online orders, as well as access to Amazon's streaming services.
- **Special Prime Day events** throughout the year provide additional discounts and offerings.
- Members also get exclusive discounts and deals at **Whole Foods Markets** across the US.

### 2. Rewards applied to multiple brands

Incorporating one or more brands provides value for customers looking for an all-in-one solution. Why settle for one when you can get two (or more)?

**Best in class:** Starbucks and Delta Air Lines

- **The two brands linked their programs** earlier this year. Now, US customers can earn double Starbucks rewards on days they fly on a Delta flight, providing more stickiness to an already successful program. (The program has 27.4 million US members and counting.)
- Though the benefits are less clear for Delta, it's still an opportunity for the airline to build brand loyalty.

### 3. Personalized rewards

Not every product is for every customer. But offering personalized rewards increases the chances of a purchase while also helping retailers build out their first-party data.

**Best in class: Kroger**

- For Kroger, personalized rewards have a third benefit: protecting the bottom line.
- By using **targeted discounts**, Kroger is able to keep margins high for certain product lines while helping shoppers save money on the products they want or need.
- “We've been very effective in using our personalization and promotional activities to really sort of target the offers to the customer to make sure that they're seeing the value,” said CEO Rodney McMullen in an earnings call.

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