

Loyalty in Retail

BARRIERS & BREAKPOINTS



This guide at a glance

Who: Retail loyalty professionals

What: A guide to how loyalty solves common retail pain points

Read: 5 minutes

Here's how some common retailer pain points can be resolved by loyalty programmes...

1

Personalisation & customer experience pain points

- Low maturity of AI-driven personalisation
- Deficient, out-dated loyalty measures
- Inconsistent omnichannel journeys

How loyalty can resolve these

- Behavioural data from loyalty interactions enriches personalisation
- Gamification, tiers and rewards increase emotional loyalty and habitual engagement
- Loyalty mechanics help nurture post-purchase relationships and increase frequency
- A well-integrated loyalty programme acts as the glue across channels



2

Data infrastructure & activation pain points

- Lack of unified customer view
- Under-utilisation of customer data assets

How loyalty can resolve these

- By providing a structured mechanism to collect first-party data across touchpoints
- Rich loyalty interactions create usable insights for segmentation and modelling
- Loyalty data feeds personalisation, CRM and performance marketing more effectively



3

Digital transformation pain points

- Technology limitations
- Internal misalignment

How loyalty can resolve these

- Loyalty platforms can act as a modular layer uniting legacy systems and new tools
- A loyalty programme gives marketing, product, digital & operations a common goal
- And serves as a low-risk pilot environment for cross-functional collaboration & ideas



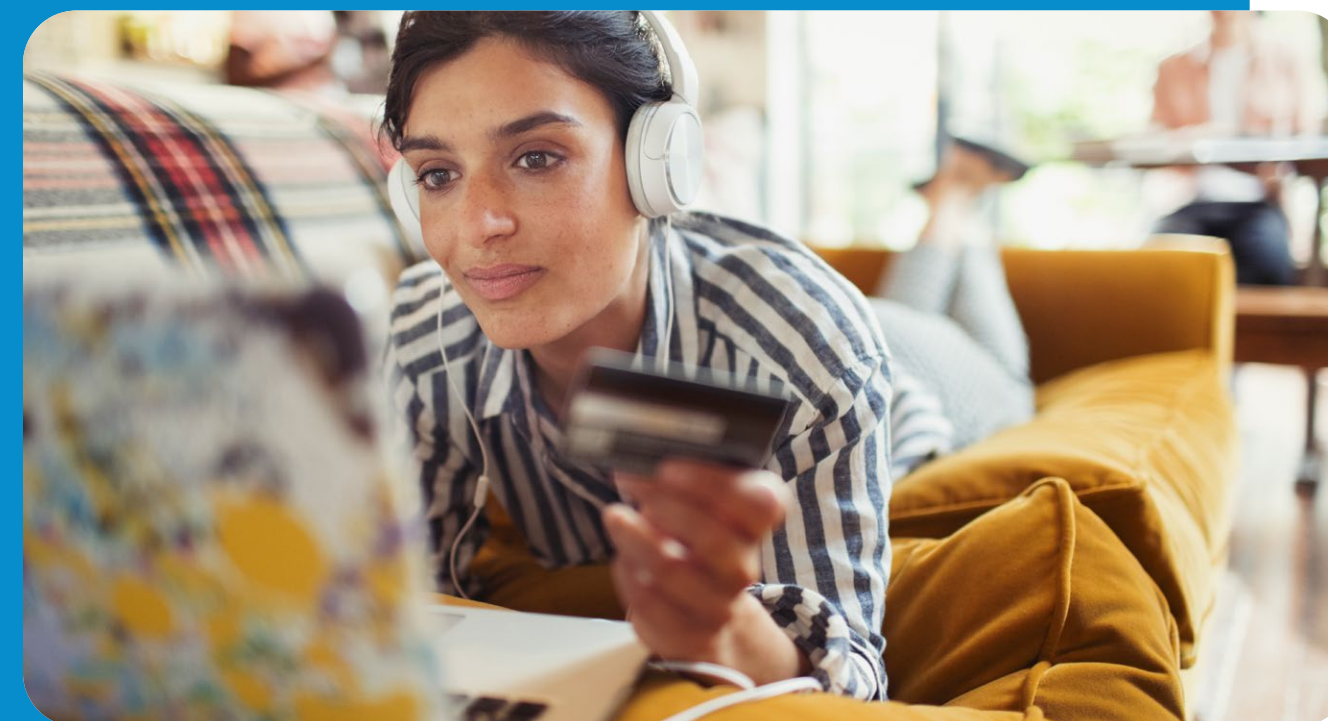
4

Customer acquisition, retention & CLV pain points

- Low purchase frequency & retention
- Difficulty retaining younger segments
- Price sensitivity vs. brand loyalty

How loyalty can resolve these

- Loyalty programmes incentivise repeat purchases and increase retention
- Emotional loyalty mechanics (e.g. community, social) engage younger consumers
- Smart loyalty schemes build perceived value beyond price
- Referral and advocacy elements support acquisition and engagement loops



5

Loyalty & competitive differentiation pain points

- Absence of any loyalty programme or principles
- Inadequate use of loyalty to build CLV

How loyalty can resolve these

- A distinctive loyalty programme can be a clear differentiator
- Gamified elements and experiential rewards increase emotional connection
- International growth is enabled via local level offers and a cohesive brand experience



6

Operational efficiency & profitability pain points

- Margin pressure & promotional dependence
- Need for loyalty to reduce promotional load

How loyalty can resolve these

- Loyalty offers a value exchange without relying on deep discounting
- Brands can target promotions more precisely, reducing blanket discounting
- Reward structures can steer customers towards higher-margin products
- Programmes enable cost-efficient engagement rather than discounts



7

Brand & market positioning pain point

- Brand identity misalignment

How loyalty can resolve these

- Loyalty programmes can signal modernity and digital fluency
- Community and experiential features rebuild relevance and brand love
- Reward mechanics and UX can reposition the brand
- And the programme can act as a brand storytelling platform

