The **A-Z** of **Customer Loyalty**

Your Guide to Improving Customer Loyalty in 2026

A

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C

D

E

F

G

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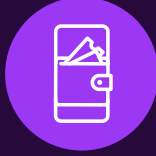
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Your Guide to Improving Customer Loyalty in 2026

Customer loyalty may seem like a straightforward concept (spend amount X, earn Y points, redeem for Z reward), but the strategies, tactics and technologies needed to generate and reward repeat business, and create meaningful engagement in today's retail environment are anything but the ABCs. In fact, the loyalty landscape has become so sophisticated and complex that you almost need an expert to help you navigate it.

That's why we created this guide.

The A-Z of Customer Loyalty reflects what we have learned working with leading retailers across grocery, convenience, apparel, food and beverage, and specialty retail for over a decade. Like any trusty guidebook, none of the entries are conceptual or coincidental; they are working principles drawn from proven programs that reach tens of millions of customers and generate billions of data points each year.

What do you need to know about customer loyalty going into 2026?

3 Three capabilities have emerged as differentiators:

▶ The ability to connect customer data across every touchpoint

▶ The intelligence to act on that data in real time

▶ The acuity to measure what really matters

Retailers with these capabilities are experiencing stronger basket economics, higher retention, growing retail media revenue and loyalty programs that earn their investment many times over. Transaction made. Ping!

Whether you're rebuilding an existing program or launching something new, the principles in our A-Z provide a practical roadmap. From AI-powered personalization to zero-party insights, each entry addresses a specific challenge that retailers across all categories face today. **And together, they form a complete picture of what loyalty leadership looks like.**

A is for AI-Powered Personalization

AI is everywhere, but the one area of customer loyalty where it is already delivering significant results is its ability to scale personalization to provide value to millions of customers. Put simply, AI helps retailers get the most from the customer data they already have and accelerates the decision-making process for deploying an offer or communication to an individual customer.

The results of this kind of AI-powered personalization become clear quickly when the proper data foundation is in place. Take Tesco's Clubcard Challenges, for example. Using predictive AI to assign individualized goals and rewards, **Clubcard Challenges reached 10 million customers, with 76% of visitors converting into participants during the** 2024 Christmas campaign.

The difference AI makes in scaling and improving personalization is immense. It automates what retailers cannot execute manually: timely reminders, context-aware offers, replenishment predictions and behavioral nudges based on real patterns. It also helps their teams reallocate spend where customers genuinely respond. In this way, AI-powered personalization is improving conversion rates, protecting margins and delivering tailored experiences that customers truly value.

While some retailers already deploy this capability to great effect, delivering true personalization and individually tailored experiences remains challenging for the broader industry. In 2025, we will see more retailers move from pilot initiatives to scaling personalization for all customers. The payoff could be substantial; **Boston Consulting Group (BCG) projects that personalization leaders will capture $570 billion in global growth by 2030.**

B is for Behavioral Offers

Most traditional loyalty frameworks reward spending, but not all valuable customer behaviors show up in transaction totals. Behavioral offers, on the other hand, reward actual loyalty, not just spend. A shopper who follows the retail brand on social media or links their fitness app to the loyalty program can be just as (if not more) valuable to a retailer as one who spends anonymously every week. Retailers that reward this behavior reap intelligence and insight benefits that go beyond the next dollar spent.

Behavioral offers can also incentivize specific actions unconnected to transactions rather than subsidizing purchases that would have happened anyway. Think of offering customers points bonuses for completing their loyalty profiles or providing additional personal information. These activities are not associated with buying habits necessarily, but generate the valuable zero-party data many successful retailers are basing their personalization and marketing strategies around.

Ultimately, behavioral offers redirect investment toward customers whose patterns and brand advocacy can be shaped, and creates opportunities for retailers to understand their customers that traditional transaction-based rewards simply cannot.

C is for Connected Data

Loyalty programs generate enormous volumes of customer information, but that data only creates value when it flows freely across systems. Connected data means linking transaction history, digital behavior, loyalty interactions, promotional responses and retail media engagement into a single, cohesive view of each customer.

Most retailers still struggle here and have for a long time. Legacy systems create silos where ecommerce data lives separately from in-store transactions, and loyalty data sits apart from retail media platforms. This disconnection results in offers that feel irrelevant, personalization that feels impersonal and AI models trained on incomplete pictures. Platforms based on composable architecture can help companies create a connected, flexible enterprise tech stack where each component is modular, scalable and easily adaptable to evolving business needs. One such approach is MACH (Microservices, API-first, Cloud-native, and Headless), which adopts principles that are designed to connect data across different platforms that a retailer is using.

Retailers like Giant Eagle have addressed this by building unified digital ecosystems where data connectivity is treated as infrastructure rather than an ad hoc project. When a shopper browses online, adds items to a digital list and redeems an offer in-store, the system captures the entire journey rather than treating each interaction in isolation.

Connected data also determines the effectiveness of retail media. CPG brands invest where they can target with precision and measure results with confidence. **Without identity-resolved, cross-channel data, retail media becomes just another spray-and-pray broadcast channel.**

Case Study

Giant Eagle myPerks

Giant Eagle's fuelperks was one of the most recognized and beloved loyalty programs in the U.S. But after two decades, it was due for a well-earned upgrade that would help it meet consumers' expectations for personalized, customizedy and real-time rewards.

In early 2024, Giant Eagle relaunched its program as myPerks, powered by Eagle Eye's AIR platform. The migration took nine months and replaced batch-processed points accrual with instant cloud adjudication and POS integration. The new system gave Giant Eagle's merchandising and marketing teams significantly increased flexibility: hundreds of offer types, formats, points structures, discounts and cashback options available without custom development.

The shift from segmentation-based personalization to true one-to-one targeting changed what was possible. Giant Eagle now delivers more than 25 million personalized offers to customers each month. AI handles offer creation, identifying customer "twins" with similar purchase histories to predict which products each shopper might respond to, allowing the program to scale without requiring additional marketing staff.

More than 53,000 new loyalty households joined after the relaunch. The myPerks program consistently ranks among the top retail loyalty platforms in the country, recognized for its flexible points redemption across groceries and gas and its multi-tier status system.

D is for Digital Engagement Gap (aka The "Black Hole")

One of the most significant barriers to loyalty performance isn't technology, data or unified systems: it's reach. Many retailers still connect digitally with only a fraction of their overall customer base. This is what we call the digital engagement gap, or "digital black hole," the disparity between total customers and those reachable through apps, email or loyalty platforms. In some cases, a retailer with 20 million customers may have just 1 million active app users. That means 19 million customers never receive personalized offers, even though the retailer is investing heavily in personalization capabilities.

Closing this gap should be a priority for all retailers in 2026. But how? Start with frontline staff incentives, using store signage and integrating retail media to create more digital sign-up moments. Grocery, apparel and convenience formats are turning physical locations into onboarding hubs, not to push the app, but to pull more customers into the personalized ecosystem.

The payoff is immediate. More digitally connected customers means greater reach for AI-driven offers, better data quality, stronger attribution for retail media and a higher ROI on loyalty investments. Improving the digital channel alone is preaching to the choir, but real growth comes from converting the silent majority.

E is for Experiential Loyalty

In today's customer loyalty landscape, the most successful strategies often involve reframing loyalty around experiences rather than transactions. Petco is a standout example. Its Pals Rewards program supports the complete pet-care journey, from puppyhood to preventive care.

As Tara Dalrymple, Petco's Senior Group Product Manager leading Pals Rewards, explains in Navigating the Future of Retail, the goal is to make customers feel "like we know them and help them do what's best for their pet at every step." This change in approach recasts loyalty as a system that helps customers navigate their needs, rather than merely compensating them for transactions.

Experiential loyalty also appears in collectors' campaigns like Woolworths Australia's Disney Worlds of Wonder activation. By pairing loyalty data with retail media and category partnerships, Woolworths created a tangible, emotionally resonant experience that boosted engagement and drove in-store participation at scale. Apparel retailers, QSRs and mass merchants can apply the same logic. **Experiences don't need to be elaborate; they need to be relevant.**

Early access, meaningful bundles, seasonal missions, guided shopping routines and partner benefits all fall under experiential loyalty when they serve a real purpose.

F is for Flexibility

Loyalty programs that rely on a fixed set of tactics like points multipliers, basic coupons or static tier benefits cannot adequately respond to variations in customer behavior. Flexibility is therefore king: flexible offer mechanics and engagement tools are essential for a loyalty program to meet customers where they are. But to achieve that flexibility, retailers need the technological capability to adapt to all eventualities.

A complete digital toolkit might include personalized challenges, threshold-based rewards, gamified missions, surprise-and-delight moments, coalition offers, subscription perks and real-time triggered promotions. Why? **Because different customers respond to different incentives.** A price-sensitive shopper may engage with savings-focused offers while a convenience-driven customer values time-saving benefits. Seasonal events, competitive pressures and inventory priorities all demand different tactical responses.

Flexibility also means speed. Retailers need the ability to launch new offer types, test variations and eliminate underperforming initiatives without lengthy development cycles. Toolkits should be treated as living entities, continuously expanding the range of tactics available and matching them to customer context. Flexibility isn't a feature; it's what allows personalization to translate into action.

G is for Gamification

Gamification has long been misunderstood as a loyalty "extra," or add-on, but retailers like ASDA and Carrefour show what happens when gamified loyalty elements are tied to measurable behavioral outcomes. ASDA's "Spin-to-Win" and "Scan-to-Win" games, which rewarded customers every time they spent £5 during live campaigns, activated and engaged customers through the brand-new ASDA Rewards loyalty program. JD Sports' similar Bounceback Spin & Win program, which offers customers the chance to win bonus points or deeper discounts when they reach AI-generated spending thresholds, also delivered significant results for the retailer. What sets these gamification initiatives apart are their alignment with authentic shopping rhythms. **When customers are asked to stretch into adjacent categories or increase visit consistency, the reward feels earned.**

Retailers in other categories are starting to adopt loyalty-integrated gamification to great effect. Apparel brands can use challenges tied to seasonal refreshes or loyalty tiers; food and beverage concepts can reward frequency, BOGO offers or bundle adoption. Gamification works when the game experience is personalized, time-bound and provides meaningful value for the individual.

Poorly executed gamification comes across as gimmicky, which turns shoppers off. When challenges feel purposeful and reachable, customers treat them as meaningful progress and engage more deeply.

**25 MORE POINTS UNTIL YOUR NEXT REWARD!**
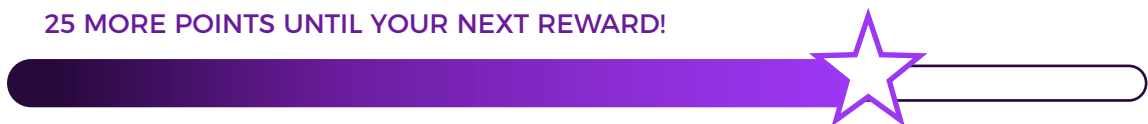
ASDA Rewards

When ASDA exited the Walmart Group in 2021, it was the only UK "big four" supermarket without a loyalty program. The new owners needed to differentiate quickly amid pressure from discounters and established loyalty leaders while staying true to ASDA's everyday low price positioning.

Working with Eagle Eye, ASDA launched ASDA Rewards in just 12 weeks. The program featured a cashback-based model as well as several gamification elements. Two of those, the Spin-to-Win and Scan-to-Win games, **have earned a redemption rate of over 80% and distributed £36.2 million in cash giveaways to ASDA Rewards members.**

The technical foundation proved equally important. Real-time POS integration enabled instant issuance and redemption of rewards across physical and digital channels. The Eagle Eye Wallet created a single customer view by tracking interactions across every touchpoint.

ASDA's 17 million customers required technology built for scale. The platform's proven ability to handle hundreds of millions of loyalty members gave ASDA confidence to expand features over time, helping ASDA Rewards become one of the UK's fastest-growing loyalty programs.
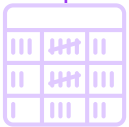
H is for High-Frequency Retail Advantage

Sectors like grocery, convenience and QSR all have a natural advantage in loyalty: high-frequency visits generate rich behavioral data and repeated opportunities to influence purchase decisions. Eagle Eye's grocery insights highlight how frequency, combined with detailed SKU-level data, enables retailers to deliver personalization at levels most industries can't match. This is why gamified grocery initiatives can generate such strong participation: because customers' shopping rhythms, which we touched on above in G, provide constant touchpoints to test and refine offers.

High-frequency retailers also benefit from more accurate replenishment predictions. AI can reliably identify when a shopper is nearing the end of their weekly coffee cycle or monthly household staples. In contrast, apparel or specialty retailers must rely on broader behavioral signals and seasonal cues.

But the real advantage lies in digital onboarding. Frequent in-store traffic gives retailers more chances to convert an offline shopper into a digital loyalty member, a crucial strategy for shrinking the digital engagement "black hole."

Frequency is a strategic advantage. It enables retailers to personalize more effectively, test ideas more quickly, and create more opportunities to influence behaviors that deliver measurable commercial outcomes.

I is for Insight and Intelligence

Modern loyalty programs play a role that goes well beyond simply rewarding customer behavior. They are a retailer's most powerful data engine and number-one source of insights and intelligence. Loyalty is the mechanism that generates the clean, connected, high-volume data retailers need to power personalization, retail media and AI-driven initiatives.

Leading retailers view loyalty as the connective tissue between customer understanding and engagement execution. Programs that follow customers through their lifecycle needs, whether in pet care, grocery replenishment or apparel preferences, create a more complete picture of the actual customer rather than a collection of data points. Unified platforms rely on loyalty interactions to coordinate offers across ecommerce, app and in-store touchpoints, creating a single view of each customer that improves with every transaction.

Loyalty's intelligence advantage is evident in grocery and mass retail. Every transaction adds SKU-level detail that AI can interpret, such as purchase timing, product affinities, substitution patterns and price sensitivity. This depth of data allows AI to perform a variety of valuable customer engagement tasks, including personalized challenges, more sophisticated product recommendations and tailored communications, that scale to millions of customers while still producing measurable profit impact.

Loyalty programs that function as data engines help retailers act quickly, automate routine decisions and improve how they engage customers across channels. **In that sense, loyalty becomes more than a rewards mechanism; it becomes the intelligence powering the entire commercial system.**

J is for Journey-Based Personalization

If traditional personalization is about identifying a customer, journey-based personalization is about understanding the customer's intent, their relationship with the brand and the totality of their experience. Retailers are now adopting personalization models that interpret where a customer is in their lifecycle, then tailor actions accordingly. This produces much stronger engagement and more predictable purchasing patterns.

The power of journey-based personalization is consistency. When shoppers see that a program understands what they're trying to accomplish, it builds trust, which encourages more frequent interactions. That also means retailers must understand and track integrated customer journeys across loyalty, ecommerce, in-store and retail media touchpoints to deliver value that feels consistent and intentional.

When retailers can achieve this, they can apply personalization logic across every interaction rather than limiting personalization efforts to a single channel. This creates value for brands and better brand and loyalty experiences for customers.

Now think of a retailer that provides sophisticated recommendations on its ecommerce site but can't recognize a loyalty member at checkout in a physical store — that's both a massive failure and missed opportunity.

K is for KPI Precision

We've all heard the saying, "You can't manage what you can't measure," and that is as true for customer loyalty as it is for any other aspect of the retail business. It also means that more retailers are prioritizing precision in their loyalty metrics. But what exactly are they measuring, and what are the key KPIs?

The simplest metrics are program enrollment or points issued and redeemed, and those are important. But accurately assessing changes in incremental behavior, redemption effectiveness, engagement depth and margin protection gets to the heart of loyalty program performance (and enables ROI measurement, which we get to a bit later). **This is why AI-driven models have become indispensable: they can burrow through mountains of data to identify KPIs that matter.**

Giant Eagle is one retailer that has wholeheartedly embraced this approach. With a scan rate of over 90%, the grocer's traditional loyalty measurements became almost too broad to interpret. Their teams now rely on AI to identify where value is generated and where promotional dollars should be redeployed for more substantial returns.

As Giant Eagle demonstrates, AI is bringing greater clarity to loyalty measurement and, by extension, KPIs. With AI unlocking more predictive (and better) metrics, retailers can implement customer loyalty strategies that generate significant commercial outcomes rather than simply rewarding customers.

L is for Lifetime Value

Lifetime value has always been a key loyalty metric and one of the fundamental drivers of loyalty program ROI, but most retailers still calculate it backward; they measure what customers have spent rather than predicting what they could spend. This is prompting forward-thinking retailers to leverage behavioral data and AI to identify customers with growth potential and then design incentives to fully realize that potential.

Why does this matter? **Because not all customers respond equally to loyalty initiatives and incentives.** Some high-frequency shoppers are unlikely to increase their incremental spending, regardless of offers. Others visit sporadically but show patterns suggesting they do most of their shopping within a given category somewhere else. It is by targeting and engaging these customers that loyalty investments can pay off.

Apparel, convenience and specialty retailers can apply a similar logic by identifying which customers have room to grow, whether that means increasing visit frequency, expanding into adjacent categories, or shifting share from competitors. Lifetime value becomes actionable when retailers stop treating it as a reporting metric and start using it to allocate loyalty resources where returns are highest.
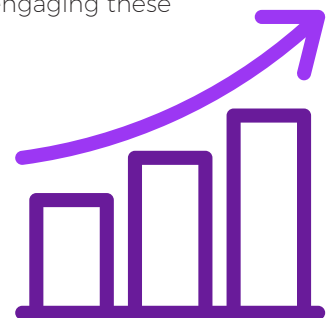
M is for Media Monetization (Retail Media + Loyalty)

Retail media has become one of the fastest-growing revenue streams in retail, but the retailers experiencing the strongest results are those integrating loyalty data into their networks. Data from BCG estimates that the U.S. retail media market may exceed $100 billion by 2027, and the retailers leading that growth are those connecting first-party data with precise targeting and closed-loop attribution.

Some retailers are already using loyalty data to elevate retail media performance and reap rewards such as increased engagement, stronger brand partnerships and expanded category participation. Southeastern Grocers' SEGConnects program is one example of this approach in action, leveraging loyalty program data to help brands reach customers at the right moment with the right message.

Leveraging loyalty data in this way is vital as CPG brands are increasingly selective about where they spend their media dollars. **They want to invest where they see sales lift over impressions.** Connected data between retail media networks and loyalty programs creates the attribution they need to justify their investments.

N is for Next-Best Offer Intelligence

Next-best offer (NBO) models, which use AI to dynamically present an offer to an individual customer that maximizes the likelihood of conversion, are moving from experimental tools to core retail capabilities. Forrester research shows that retailers using advanced personalization tactics, such as next-best-offer decisioning and journey orchestration, achieve stronger engagement and more meaningful loyalty outcomes than those relying on traditional segmentation models.

Grocery retailers have proven NBOs value at scale, using predictive AI to determine not only what a customer might buy next, but when they're most likely to buy it. By incorporating timing, context and customer history, NBO models can significantly boost conversion rates and value to a retailer's business.

The power of NBO isn't the model itself, but how it can improve promotional performance across channels. Retailers shouldn't be constrained by rigid promotional or offer types their legacy systems were built to accommodate. Instead, when they can embed next-best actions across email marketing, their app, point-of-sale systems, retail media networks and the loyalty program itself, they create a dynamic, powerful system that continuously learns, improves and delivers results.

O is for Omnichannel Loyalty

Today's shoppers plan on mobile, browse online and purchase in store... and they expect rewards, offers and recognition to follow them everywhere, regardless of where they begin their journey.

This makes omnichannel loyalty the baseline experience customers expect, not a nice-to-have capability. Many retailers are already meeting this expectation by building unified digital platforms that blend ecommerce, loyalty, merchandising and retail media into a single customer journey. Even though these systems are complex behind the scenes, the customer experience is intentionally simple.

Omnichannel loyalty also makes it easier to attribute sales to promotions or advertising. When a customer sees a tailored ad, adds an item to their digital basket and redeems an offer in store, retailers and their CPG partners have visibility into that entire process, not just the final purchase.

Grocers and mass retailers have led the way, but apparel, QSRs and specialty categories are catching up by using loyalty IDs and app interactions to merge digital and physical behavior. After all, omnichannel loyalty isn't about having the most channels, just the most connected ones.
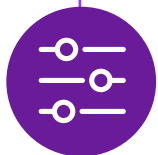
P is for Personalization at Scale

Personalization has been a priority for retailers for decades, and while the industry has made significant strides, most retailers still need to move beyond segmentation to true personalization. The challenge to achieving that goal is creating personalized experiences across millions of customers without drowning in manual effort.

This is where AI can play a major role. Predictive models identify what each customer is likely to need next. Automation assembles offers, messages and recommendations without requiring human review of every variation. Testing happens continuously, with models adjusting based on response patterns.

Tesco's Clubcard Challenges reached 10 million customers with fully individualized missions; thresholds, categories and reward structures tailored to each shopper's actual behavior. That kind of scale is impossible with traditional campaign management. It requires AI-powered platforms that can adapt and execute instantly and on their own.

But personalization at scale also requires discipline. Data quality is paramount; if customer records are incomplete or disconnected, even sophisticated models produce mediocre results. And personalization that feels clever but doesn't change behavior wastes resources and trains customers to ignore future messages. Retailers that have achieved personalization at scale combine AI capability with clean data and clear commercial objectives. Technology enables scale, and the strategy ensures it produces results.
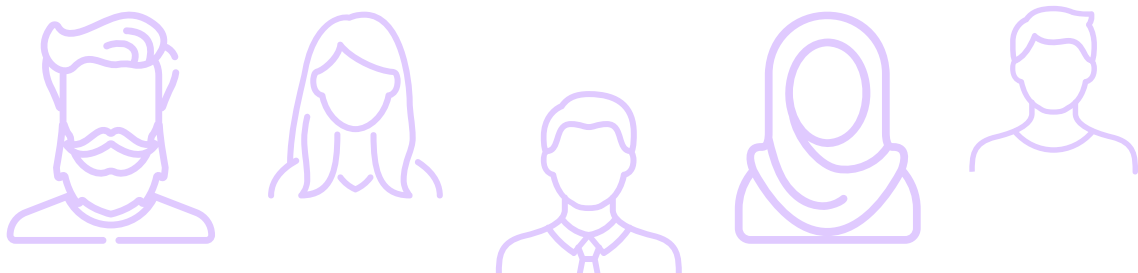
Tesco's Clubcard Challenges

In 2024, leading UK retailer Tesco launched Challenges as part of its wildly popular Clubcard Rewards program. Challenges, developed in partnership with Eagle Eye, is a gamified program that rewards customers for completing personalized missions over six-week campaign periods.

The program's power lies in its precision. **Eagle Eye's AI models make over 190 intelligent decisions to assign each customer a personalized challenge,** determining which products or categories to target and setting spend and reward thresholds tailored to individual shopping patterns. Every challenge is designed to reward incremental behavior, stretching customers into new categories or increasing spend rather than subsidizing purchases they would have made anyway.

The results were immediate. Tesco targeted 10 million Clubcard members across four campaigns in 2024, with **76% of visitors to the Challenges pages converting into participants. Of those players, 62% reached the first reward threshold.** The delayed gratification model; where customers earn up to £50 in points delivered at the end of each campaign; drove sustained engagement throughout each six-week period.

Tesco incorporated both own-label and branded challenges, opening new supplier revenue streams while strengthening CPG partnerships. As a result, Challenges won Best Global Loyalty Launch at the 2025 International Loyalty Awards.

**TESCO**
Clubcard
Every little helps

Q is for Quality of Data

The quantity of data available to retailers has never been an issue. Maintaining data quality, however, is a persistent challenge. And clean, connected customer data is the foundation for personalization, profitable retail media networks and practical AI applications.

Unfortunately, too many retailers still grapple with disconnected systems, inconsistent IDs, missing fields and siloed transaction logs. These kinds of gaps are lethal to personalization at scale and AI deployments, let alone to accurate performance tracking and promotional effectiveness measurement. To ensure high-quality data, they need a unified digital ecosystem to bring customer data into a single environment where it can be used to orchestrate journeys and deploy personalization that feels relevant and meaningful.

The highest-performing retailers today are those treating data quality as a strategic asset, not an IT task. With clean, connected data, every interaction becomes more relevant, every AI or machine learning model becomes more accurate, and every retail media or promotional campaign becomes easier to measure.
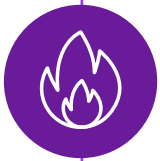
R is for Real-Time Promotions

Batch-processed offers delivered hours or days after the customer researches a product, demonstrates intent or makes a purchase have a limited impact. Real-time promotions, triggered by in-the-moment signals, convert interest into action before the opportunity passes.

Consider a shopper browsing pet food in a retailer's app. A static loyalty program might present an offer for items in the general pet category on that shopper's next visit. A real-time system recognizes the browse session, checks inventory at nearby stores and delivers a relevant promotion while the customer is still engaged within the app. The difference in conversion is substantial.

Real-time promotions require advanced technological capabilities. Promotions must be generated, validated and delivered within milliseconds. Inventory data must be current. Personalization logic must be fast enough that customers never notice a delay or get served an irrelevant offer. None of that is possible with manual processes or legacy systems.

Many retailers have built systems to support in-store, app and online promotions simultaneously. When a customer scans their loyalty card at checkout, real-time engines can apply relevant offers before the transaction completes rather than issuing coupons for a future visit.

Real-time promotions also strengthen retail media. Brands pay premiums for the ability to reach customers at decision points rather than hoping future offers land at the right moment purely by chance.
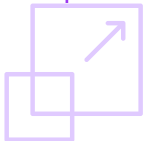
S is for Scalability

Many retailers build sophisticated loyalty capabilities that work beautifully during a pilot program but collapse when extended to millions of customers. Scalability distinguishes programs that seem well-designed from those that deliver commercial results.

True scalability requires infrastructure designed for volume. Offer engines must generate and deliver millions of personalized promotions instantly, each with custom attainment thresholds and reward structures. Customer-facing systems must handle peak traffic, holiday rushes, promotional events and app launches without interruption or lag. That kind of reach is impossible without systems built explicitly for scale.

Scalability also applies to operations. Programs that require manual campaign configuration for each customer segment will always hit capacity limits. Automation offers generated by AI, tested continuously and deployed without human bottlenecks, is what allows personalization to reach every customer rather than just priority customer segments.

Retailers evaluating loyalty technology should stress-test for scale early on. A platform that performs well with 100,000 customers may fail entirely at 10 million. Building for scale from the start avoids costly rebuilds later.

T is for Timing (and Context)

The "right offer, wrong moment" problem is one of the most common retail promotion challenges, and it has been for decades. Legacy loyalty, marketing and advertising systems were never built to accommodate timing and context. Now, however, predictive AI enables retailers to understand when a shopper is most likely to need or engage with an offer based on history, current behavior and local conditions, leading to true personalization and improved promotional performance.

Tesco's AI-driven Clubcard Challenges demonstrates this clearly. The personalized goals that are the hallmark of the program work because the timing aligns with individual shopping patterns and seasonal events. That precision is why **62% of players reached the first reward threshold** during the Christmas 2024 campaign.

This is part of a larger shift as retailers are moving from descriptive to predictive analytics. Contextual cues, whether they are replenishment intervals, weather-driven alerts, sporting events or seasonal changes, are often a much stronger predictor of behavior than demographics or purchase histories.

Predictive AI leverages timing and context, delivering offers that are more relevant and intuitive in that moment than generic or promotional ones.
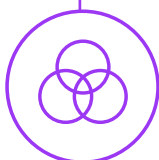
U is for Unified Commerce

Unified commerce sounds like a grander term for "omnichannel," but it's not. Unified commerce goes beyond simply orchestrating channels and systems to connect them in real time, enabling instant data sharing, collaborative action and cohesive customer experiences. It operates from a single platform where inventory, customer insights, promotions and fulfillment are combined and controlled.

You see the distinction most clearly in how the experience works for customers. In an omnichannel environment, a shopper might see different prices online versus in-store or find that an offer applied in the app doesn't work at checkout. Unified commerce eliminates these disparities as every channel draws from the same data source.

For loyalty programs, unified commerce means offers work everywhere without requiring separate configurations for each touchpoint. A personalized promotion generated by AI applies whether the customer shops online for delivery or pick up in-store. Redemption data flows back into the same system, improving future personalization.

Unified commerce also simplifies measurement. **When all transactions flow through common systems, attribution becomes straightforward.** Retailers can track which offers drove behavior across which channels rather than piecing together fragmented data after the fact.

V is for Value Exchange

Every loyalty program rests on a value exchange: customers share their data and modify their behavior; retailers provide rewards, recognition and relevance in return. When that exchange feels fair, loyalty programs thrive. When it doesn't, customers disengage or game the system.

Designing an effective value exchange requires understanding what customers actually want. Points and discounts matter, but so do time savings, flexibility, exclusive access and feeling recognized. Different customer segments weigh these differently. A busy parent may value convenience over discount depth, and a price-sensitive shopper may prioritize savings over recognition.

Finding the right balance matters as programs that take too much, like demanding extensive data for minimal rewards, lose customer trust. Programs that give too much, like distributing discounts without capturing behavioral data or unnecessary offers, erode margin without building loyalty.

The most successful retailers design their value exchanges around behavioral change, rewarding customers for stretching into new categories or increasing visit frequency rather than subsidizing purchases they would have made anyway. A fair value exchange keeps customers engaged for the right reasons and can improve long-term behaviors.

W is for Wallet

A digital wallet serves as the central hub where customers access their loyalty benefits, offers, rewards and payment credentials in one place. When designed well, the wallet becomes the primary touchpoint between retailer and customer; a persistent connection that travels across every channel and interaction.

The power of a wallet-based approach lies in consolidation. Instead of scattering offers across email, app notifications, printed receipts and disconnected systems, the wallet becomes the source of points and promotions whether customers shop in store, online or through mobile. This simplicity drives engagement; customers use what they can easily find.

For retailers, wallets generate a single customer view based on continuous behavioral data. Every offer received, saved or redeemed adds to the customer profile. That data feeds personalization engines, improves targeting accuracy and strengthens retail media attribution.

Wallets also enable real-time capability. When connected to promotion engines, they can present relevant offers at the moment of decision rather than relying on customers to remember promotions received days earlier. **A well-designed wallet turns loyalty from a passive program into an active, daily customer relationship.**

X is for Customer Experience

Yes, we're cheating a bit here with X and CX. Customer experience and loyalty have always been related (loyal customers are often those who have the most positive experiences with a brand), but they've historically been treated as separate domains. **Retailers are waking up to the fact that loyalty data can help them understand which experiences drive desired outcomes.**

When a customer stops visiting after a poor service interaction, for example, loyalty data captures the departure even if no complaint was filed. In this way, loyalty programs function as experience measurement systems, tracking what customers actually do rather than what they say they'll do.

Retailers like Petco design their programs around experience principles. Pals Rewards supports the entire pet-care journey, providing guidance and recognition that make customers feel understood. The program measures success through behavioral metrics: retention, category expansion, and visit consistency, which reflect experience quality.

Experience also determines whether loyalty investments produce returns. A program with excellent offer mechanics will underperform if checkout lines are long, inventory is unreliable or staff interactions feel impersonal.

Retailers that excel at loyalty treat customer experience as a measurable outcome, using program data to identify experience gaps and track whether improvements translate into changed behavior.

Y is for YoY Performance

Retailers treat year-over-year comparisons as a proxy for loyalty success, but most YoY metrics reveal less than they appear to. A minor lift in visit frequency or a bump in digital engagement looks positive on a dashboard, yet without understanding who drove the change, it reveals almost nothing about whether loyalty initiatives changed behavior.

Meaningful YoY performance comes from isolating behavioral shifts at the customer level rather than the store level. Which segments increased their per-visit spend? Which parts of the program drove incremental profit rather than subsidized shoppers who would have purchased anyway?

This is where too many retailers fall back on vanity metrics rather than causal ones. Enrollment counts, points issued and redemption volume all trend upward, yet there is no evidence that loyalty shaped outcomes. The metrics that matter are more complex to calculate, including higher yield per visit, stronger retention among at-risk shoppers and improved mix across priority categories.

Measuring real YoY performance requires clean data, unified offer delivery and the ability to evaluate what changed at the customer level. YoY comparisons still matter, but only when they reveal how loyalty is altering spending patterns in ways that improve long-term profitability.

Z is for Zero-Party Insights

Zero-party data is information customers intentionally share, and it's becoming one of the most valuable commodities in retail as privacy expectations rise and third-party data disappears. Retailers are capturing these insights through preference centers, quizzes, personalized missions and loyalty program sign-up processes.

While first-party data shows what a customer did, zero-party data reveals why. When combined, they dramatically increase the accuracy of predictive models and next-best action and offer engines. This is especially important for categories like apparel, pet and food & beverage, where preference and intent are strong drivers of behavior and spending.

Z Energy, one of New Zealand's leading convenience retailers, is an excellent example of how a connected loyalty ecosystem generates volunteered data and zero-party insights. With one app for loyalty tracking, reward redemption, referrals, promotions, fuel payments and coffee pre-orders, Z Energy can identify and understand each customer, no matter how they interact with the brand. These zero-party insights are redefining how the convenience retailer approaches personalization and engagement, with immediate impacts on non-fuel sales and NPS scores.

The future of loyalty blends behavioral data with volunteered context. When retailers know what customers want, and customers feel in control of what they share, loyalty ultimately becomes more personal, more trusted and more effective.

Case Study

Z Energy's Z Rewards

Z Energy operates more than 170 c-stores across New Zealand, offering fuel, EV charging, barista-made coffee and convenience products. For years, Z relied on third-party programs like Flybuys to drive its loyalty strategy, which proved effective for fuel discounts but limited in customer data access and personalization capability. When Flybuys NZ shut down, Z Energy saw an opportunity to take full ownership of its relationship with its loyal customers.

In March 2025, just nine months after signing with Eagle Eye, Z Energy launched Z Rewards. The program rewards customers for spending across the entire Z ecosystem, not just fuel. Members earn 1 point per dollar on fuel and 2 points per dollar on in-store purchases and EV charging, with redemption opportunities starting at just 500 points.

The platform integrates with Z's existing digital stack, including Salesforce, payment systems and the Z App, creating a unified experience where customers can track loyalty progress, redeem rewards, refer friends, pay for fuel and pre-order coffee in one place. Marketers can build and deploy offers without developer support.

Z Rewards addresses the shift happening across convenience retail, where operators are expanding beyond traditional fuel to capture broader customer spend. The program rewards customers however they shop and whatever fuel they choose, positioning Z for a future where EV charging, foodservice and retail play larger roles.

From A to Z to Action: Where To Go From Here?

If there is a single conclusion from this guide, it is that loyalty leadership is no longer defined by individual tactics but by the underlying systems that make those tactics work. The A–Z entries are not abstract themes; they reflect the operating realities of retailers that treat loyalty as infrastructure. Data quality, AI capability and decisioning, connected infrastructure and disciplined measurement all determine outcomes more profoundly than creative campaigns, app features or promotional generosity.

Retailers entering 2026 face a choice. They can maintain loyalty as a cost center that issues points and discounts, hoping for engagement, but with limited visibility into what drives it, while still struggling to prove ROI. Or they can rebuild loyalty as a performance engine that generates intelligence, drives personalization and becomes a force multiplier for retail media effectiveness and a key contributor to commercial growth.

The retailers featured throughout this A-Z guide, including Tesco, Giant Eagle, Petco, Z-Energy, Woolworths, and others, have already taken the latter path. Their programs reach millions of customers with individualized, relevant experiences that automatically adjust, and they measure impact with precision and generate returns that justify continued, growing investment.

Their success started with a commitment to data quality, unified technology integration, and measurement discipline that isolates actual behavioral change. And the impact is apparent. **Loyalty done well becomes part of how the business performs, not a unit sitting alongside the business.**
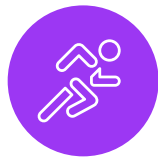
Ready to put the A-Z of customer loyalty to work this year? Get in touch with us **here.**

Sources

Boston Consulting Group (BCG) projects that personalization leaders will capture $570 billion in global growth by 2030. According to BCG, the U.S. retail media market may exceed $100 billion by 2027

eagleeye

Eagle Eye is a leading SaaS and AI company, enabling retail, travel and hospitality brands to earn lasting customer loyalty through harnessing the power of real-time, omnichannel and personalized marketing. Our powerful technology combines the world's most flexible and scalable loyalty and promotions capability with cutting edge, built-for-purpose AI to deliver 1:1 personalization at scale for enterprise businesses, globally.

Our growing customer base includes Loblaws, Southeastern Grocers, Giant Eagle, Asda, Tesco, Morrisons, JD Sports, E.Leclerc, Carrefour, the Woolworths Group and many more. Each week, more than 1 billion personalized offers are seamlessly executed via our platform, and over 500 million loyalty member wallets are managed worldwide.

AI-powered, API-based and cloud-native, Eagle Eye's enterprise-grade technology is fully certified by the MACH Alliance and has received recognition from leading industry bodies, including Gartner, Forrester, IDC and QKS.

Visit **www.eagleeye.com** to learn more.