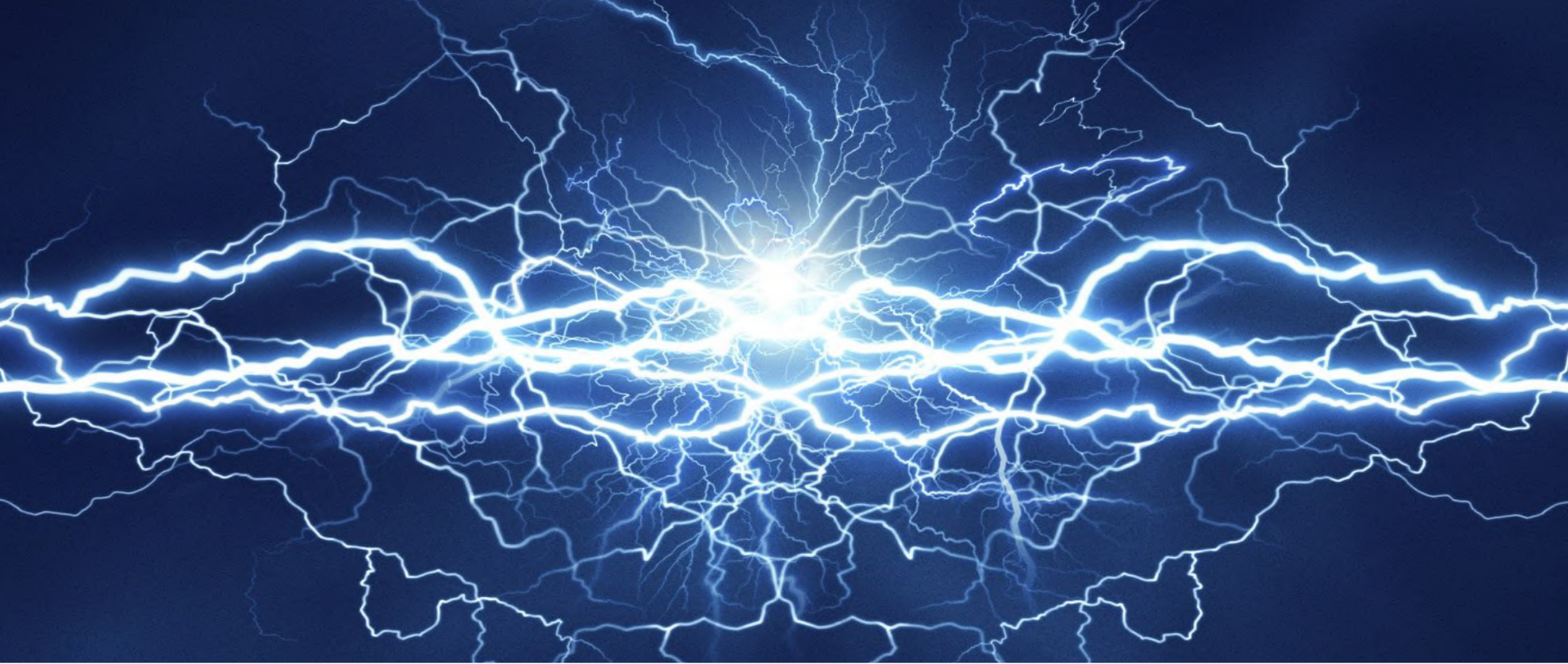


# THE FUTURE OF LOYALTY MARKETING



Special Session Delivered at Osservatorio Fedeltà UniPR  
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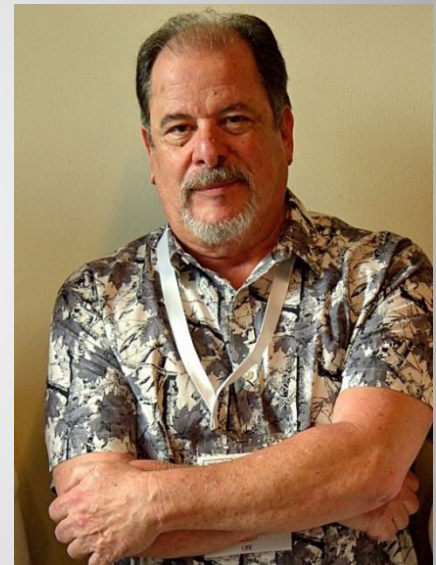
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# About Your Presenter

## Mike Capizzi, Certified Loyalty Marketing Professional™ (CLMP)

- Director of Education and Member of the Board of Regents, The Loyalty Academy
- Partner, The Wise Marketer Group
- Globally recognized consultant, educator, writer and speaker



Poiché il vostro inglese è molto migliore del mio italiano, questa presentazione sarà in inglese. Grazie!

# Introduction

## Top 10 Loyalty Marketing Trends that will shape the **future** of our Industry





# #1 – Frictionless Future

## Friction will be removed or reduced

- Enrollment becoming a single action at point of transaction
- Mobile devices for identification
- Universal apps across multiple programs
- Automatic redemption
- Pay with Points
- Benefits translated into real currency, crypto, NFTs
- Traditional catalog replaced by all inventory on hand

## Will the future benefits approach become universal?

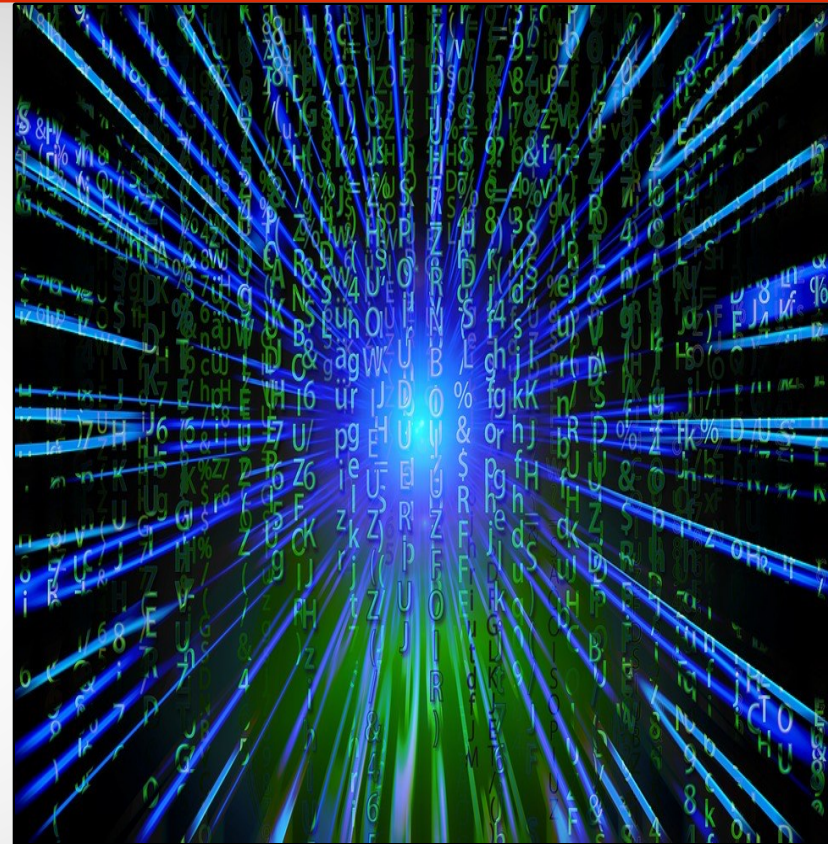
- Amalgamated across programs with points/ miles/ currencies
- Combined into a common framework accepted everywhere (blockchain enabled)



# #2 – If Data is the New Oil then AI is the New Rig

## Loyalty marketing program data is underutilized

- As channels proliferate available data grows
- AI will transform interactions into personalized actions
- In the future, AI systems will drill faster and deeper
- AI will learn rapidly and apply to future learning
- The program who knows the most about the member and can take relevant action in real-time, wins!



***“War is ninety percent information.”***

Napoleon Bonaparte - French Military and Political Leader

# #3 – The Customer Experience Movement

**Brands will improve the overall member experience to drive loyalty**

- Speed and time savings, convenience
- Increased personalization
- All touchpoints
- Flexibility for members
- Removal of friction
- Build and maintain real, emotional, dialog-driven and transparent relationships
- Increase the probability of long term, interactive relationships and true loyalty will increase





# #4 – The Evolution of Loyalty Coalitions

**The coalition model of loyalty marketing is undergoing rapid evolution**

- Demise of Plenti in the US & Nectar in Italy; weakening of Fly Buys in NZ
- Acquisition of Nectar by Sainsbury's in the UK
- Acquisition of Aeroplan by Air Canada (again)
- Past PR issues with Air Miles in Canada
- Model has historically been full of friction
- Brands want to control their own data
- One dominant partner seems to emerge
- Programs in mature loyalty markets likely transform or be bought or perhaps disappear
- Programs in less developed loyalty markets will likely continue with the need for shared expense and enhanced earning velocity (B2B possibilities abound)
- Variations are likely to emerge - regional coalitions, niche or affinity-based models with common membership traits and aspirations, the merger of two proprietary programs



# #5 – Following General Data Protection Regs

General Data Protections Regulations (GDPR) will continue to impose increased obligations on data protection and privacy

- Impact reaches beyond Europe
- Organizations must obtain explicit consent
- First party and zero party data will dominate the future
- Impacts Loyalty Marketing
- Compliance requires investment



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*“...the defense of privacy follows, and never precedes, the emergence of new technologies for the exposure of secrets.”*

Jill Lepore – American Historian, Writer,  
Professor at Harvard University



# #6 – The Crypto Craze

## Cryptocurrency and blockchain technology

- Crypto rewards experimentation is certainly underway. [The Wise Marketer](#) consistently reports on new loyalty programs with cryptocurrency
- Regional differences prevail
- Future results remain uncertain
- Blockchain technology is a greater consideration
- A universal and distributed ledger of all loyalty currencies may be created to accelerate value to members

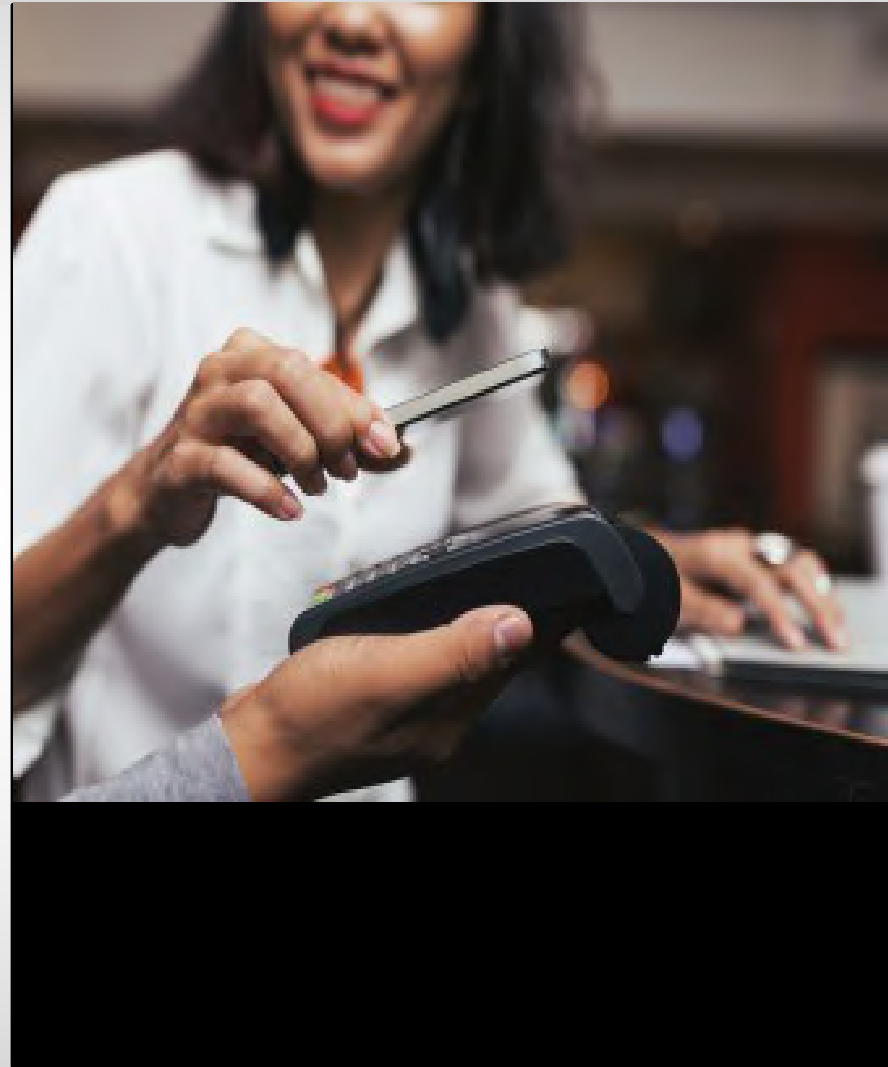
Coming soon the 2022 Delphi Panel Report –  
***The Future of Crypto Rewards***



# #7 – The Point-of-Sale (POS) Revolution

## A revolution is occurring around the POS (and Point-of-Transaction)

- How and where a member pays for goods and services that earn them rewards is undergoing transformation
- Mobile commerce solutions and technologies grow at a staggering rate
- Brands serving diverse constituencies must accommodate
- Shift from physical locales to digitally enhanced points of transaction is rapidly disrupting
- Economics of payment acceptance (any merchant) often takes precedent over economics of customer loyalty
- The consumer is fully in charge



## #8 –“D” in Demographics Stands for Disruption

## Consider the challenges and opportunities with a changing demographic landscape

- “Digital natives,” carry vastly different perspectives than “digital immigrants” and “Gen Z” will be different still
- Decision making, is often controlled by boomers who did not grow up with the same technology
- Each successive generation will view reward and recognition on their own terms
- Are all Natives alike? Are all Boomers alike?
- The future will embrace the individual, their life-stage, will design for diversity and enable with the most advanced technologies!



***“Thus, for those who are willing to go out into the field, to look and to listen, changing demographics is both a highly productive and a highly dependable innovation opportunity.”***

Peter Drucker, Austrian-born Global Management Consultant



# #9 – A Fee Based Future?

**Fee-based loyalty programs will become more prevalent in the future**

- Fee based programs are emerging everywhere
- Attributed to the “Amazon Prime Effect”
- Powerful and effective technique
- Mental math to figure out if the fee is going to be outstripped by the benefits
- Fee-based members will maximize their benefits to get their money’s worth
- Program starts out with an initial base fund
- Fee-based always limit enrollment, but delivers exceptional benefits against a smaller group



# #10 - Education

## Loyalty education WILL play a massive role in the evolution OF OUR INDUSTRY

- The Loyalty marketing discipline is a global phenomenon estimated at US\$ 65+ billion and growing
- The Wise Marketer reports global memberships have surpassed the 5-billion-member level
- In virtually every vertical market, in every region of the world
- Are all these programs working?
- Foundational principles and best practices remain key to success, and they can be taught and learned but are lacking



***“The illiterate of the future will not be the person who cannot read. It will be the person who does not know how to learn.”***

Alvin Toffler, American Author and Futurist

# Other Trends to Watch

- **Sustainability and the Green movement** will increasingly become a central theme in many loyalty programs
  - Driven by the sentiments of a younger audience
  - Carbon offsets as rewards
- Loyalty Technologies will play an increased role in the **MarTech stack** of the Future
  - Key to the Customer Data Platform (CDP) architecture of tomorrow
  - First and Zero party data advantages





# The Future

***“The best way to predict the future, is to create it.”***



**Peter Drucker**

*Austrian born Global Management Consultant*

***“Times and conditions change so rapidly that we must keep our aim constantly focused on the future.”***



**Walt Disney**

*American entrepreneur, animator and film producer*

# Final Thoughts

- The Loyalty Marketing industry is undergoing rapid change
  - Massive, global disruption
- The future will not look like the past
  - Innovate or Die?
- We hope that this presentation will offer a few ideas and building blocks
- Join the conversation at [www.loyaltyacademy.org](http://www.loyaltyacademy.org) and [www.thewisemarketer.com](http://www.thewisemarketer.com)
- Anyone attending this conference can receive a discounted registration fee courtesy of the Osservatorio to earn their credentials as a **Certified Loyalty Marketing Professional™**

Contact [support@loyaltyacademy.org](mailto:support@loyaltyacademy.org) for details.







**GRAZIE!**