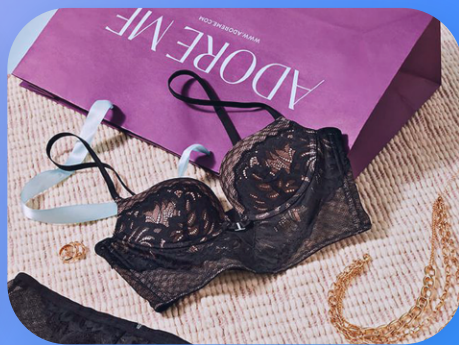


# LOYALTY STRATEGIES FOR 2025

Lessons from best-in-class loyalty programs





**Sam Panzer**

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Strategy, Talon.One

With customer expectations increasingly leaning toward personalized, sustainable, and engaging rewards, [research](#) shows that 79% of businesses are looking to revamp their loyalty programs in the coming months.

In this report, we look at the strategies and trends driving this change in 2025 – and how you can shape your company’s loyalty program to go beyond a basic earn-and-burn model.

From the surge in subscription-based loyalty models to the rising influence of AI, we explore how industry leaders like Burger King, Starbucks and Walmart are setting new benchmarks – and how you can keep pace with these changes.

## Loyalty trends for 2025

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# Unlocking loyalty with subscription-based programs

The subscription economy has grown by a huge 435% over the last decade – and is starting to gain pace in the loyalty industry, too.

Far from being a passing trend, subscription-based loyalty programs are a **strategic move towards sustainable growth and deeper customer engagement**. In 2025, brands that adopt this model will be better positioned to:

## ENSURE STEADY REVENUE STREAMS



Subscription-based loyalty programs offer predictable, recurring revenue, strengthening a program's financial stability and enabling better long-term planning.

## CREATE DEEPER CUSTOMER ENGAGEMENT



With exclusive perks like early access and personalized services, these programs build stronger customer relationships.

## BOOST DATA COLLECTION



Data collected via subscription-based programs allow businesses to better refine promotions and tailor them to individual preferences.





# ADORE ME

Adore Me is a direct-to-consumer lingerie brand owned by Victoria's Secret. Its subscription-based loyalty program, [Adore Me VIP](#), uses a recurring monthly membership program to build deeper connections with their customers while promoting inclusivity and personalized experiences.

## Program at a glance

- \$39.95 monthly fee
- Exclusive welcome offer (up to 50% off) on first VIP purchase
- \$10 off every set purchased

### MEMBERSHIP CREDITS

Subscription fee becomes store credit, that can be used to shop anytime and never expires.

### TAILORED PERKS

Subscribers receive personalized product recommendations and exclusive discounts, including a free lingerie set every 6 purchases.

### FLEXIBLE MEMBERSHIP OPTIONS

Adore Me offers multiple subscription tiers, allowing customers to choose a plan that best fits their lifestyle and needs.



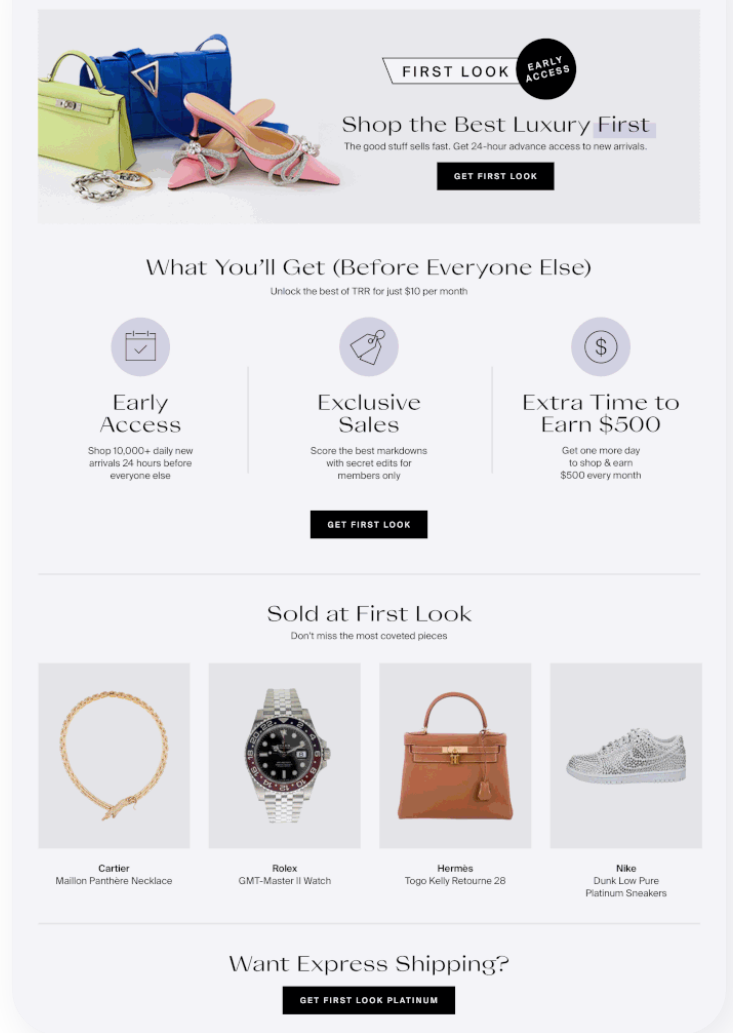
**“Our membership options are really what’s been driving profitability for Adore Me for years now.”**

**Gaelle Ouggourni** Director of CRM & Loyalty, Adore Me



# The RealReal

The RealReal is one of the US' most successful online marketplaces to buy and sell luxury goods. Its subscription loyalty program, [First Look](#), sets a new standard by integrating luxury with sustainability, and delivers value to customers while supporting environmental goals.



**FIRST LOOK** **EARLY ACCESS**

Shop the Best Luxury First  
The good stuff sells fast. Get 24-hour advance access to new arrivals.

**GET FIRST LOOK**

What You'll Get (Before Everyone Else)  
Unlock the best of TRR for just \$10 per month

- Early Access**  
Shop 10,000+ daily new arrivals 24 hours before everyone else
- Exclusive Sales**  
Score the best markdowns with secret edits for members only
- Extra Time to Earn \$500**  
Get one more day to shop & earn \$500 every month

**GET FIRST LOOK**

**Sold at First Look**  
Don't miss the most coveted pieces

- Cartier**  
Mallion Panthere Necklace
- Rolex**  
GMT-Master II Watch
- Hermès**  
Togo Kelly Retourne 28
- Nike**  
Dunk Low Pure Platinum Sneakers

**Want Express Shipping?**

**GET FIRST LOOK PLATINUM**

## Program at a glance

- 2-tier subscription model, ranging from \$12 to \$49.95 per month
- 24-hour early access to new arrivals
- Members-only secret sales
- Unlimited free shipping for Platinum members

### EXCLUSIVE ACCESS TO PRE-OWNED LUXURY

Members receive early access to high-demand, pre-owned luxury items.

### INCENTIVES FOR CONSIGNMENT

Members are rewarded for consigning their luxury goods, promoting a circular economy where customers actively participate in sustainable fashion practices.

### PERSONALIZED SUSTAINABILITY INSIGHTS

Subscribers gain access to detailed reports on their consignment contributions, allowing them to track their environmental impact.

# Loyalty goes all-in on gamification

As the line between entertainment and commerce continues to blur, brands are increasingly recognizing the power of game mechanics to create immersive, rewarding experiences that go beyond traditional loyalty programs.

By incorporating elements like points, badges, leaderboards, and challenges, **brands can transform routine transactions into exciting, repeatable interactions.**

This not only boosts customer engagement but also encourages purchase frequency, higher average order value, and greater brand advocacy. Gamification strategies that will drive customer engagement in 2025 include:

## INTERACTIVE SWEEPSTAKES AND POINTS



Gamification through video games offers loyalty members the chance to earn points and enter sweepstakes.

## EMOTIONALLY ENGAGING TOUCHPOINTS



Offering gamified promotions tied to guessing challenges that reward participants with deals like buy-one-get-one offers and sweepstakes entries.

## LIMITED-TIME PARTICIPATORY PROMOTIONS



Creating urgency and excitement through limited-time gamified promotions that drive new customer acquisition and re-engage lapsed customers.



To celebrate National Burrito Day, Chipotle launched its **Burrito Vault** game, giving members a chance to unlock exclusive Buy-One-Get-One (BOGO) deals and win a year's supply of burritos. The game not only drove record-breaking digital participation but also led to the brand's biggest single-day growth in loyalty program members.



### INTERACTIVE CHALLENGE

Players guessed Chipotle order combinations to unlock BOGO offers and enter sweepstakes for a year of free burritos.

### EXCLUSIVE REWARDS

The first 50,000 successful players each day received BOGO codes, and all participants were entered into a sweepstakes for additional prizes.

### ZERO DELIVERY FEE

Chipotle Rewards members enjoyed free delivery on orders placed through the app or website.



**“National Burrito Day resulted in Chipotle’s best sales and digital sales day ever, also setting a new record for enrollments in our rewards program.”**

**Brian Niccol** ex-Chairman and CEO, Chipotle

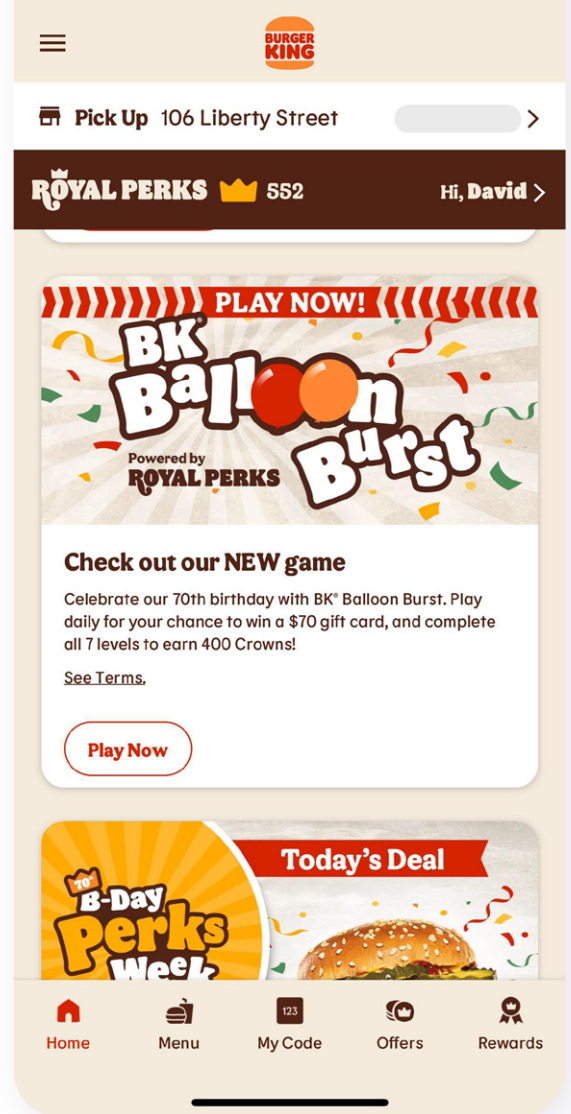




Burger King is well-known for integrating gamification into its loyalty program. Its latest hit-game, **Balloon Burst**, ramped up member engagement and strengthened brand loyalty.

### Game at a glance

- Celebrated Burger King's 70th birthday
- Only available to Royal Perks loyalty program members



### NOSTALGIA MEETS MODERNIZATION

Balloon Burst was a fun, updated take on a classic carnival game, featuring Stout King, a nostalgic character from Burger King's early days.

### SWEEPSTAKES PRIZES AND PERKS

The game's sweepstakes offered seventy \$70 Burger King e-gift cards, and participants could earn 400 Royal Perks Program points.

### THE GAME MECHANISM

Balloon Burst featured seven levels, and completing all of them earned members points or rewards.



**"We're in a hyper-competitive industry and we've seen [gamification] drive up that positive sentiment towards the brand."**

**Preston Nix** Director of Loyalty & CRM, Burger King

# Green rewards: Turning sustainability into loyalty

Green loyalty programs will be crucial in 2025,  
attracting eco-conscious consumers.

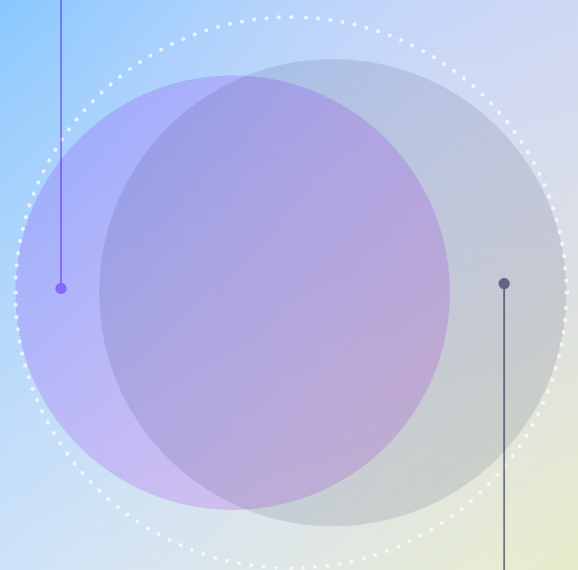
As most [Gen Z opts for eco-friendly products and brands](#), the **focus on sustainability drives customer loyalty**. Features of green loyalty programs often fall into one of the following categories:

- Perks for recycling old garments
- Making sustainable choices with the brand
- Donating loyalty points to environmental causes

Green loyalty programs are not just an ethical choice—they're a strategic one. They address a critical challenge: **the need for brands to truly prove their commitment to sustainability** rather than merely paying lip service. Offering rewards for environmentally friendly behaviors turns abstract commitments into measurable actions.

62%

of Gen Z favors  
sustainable brands



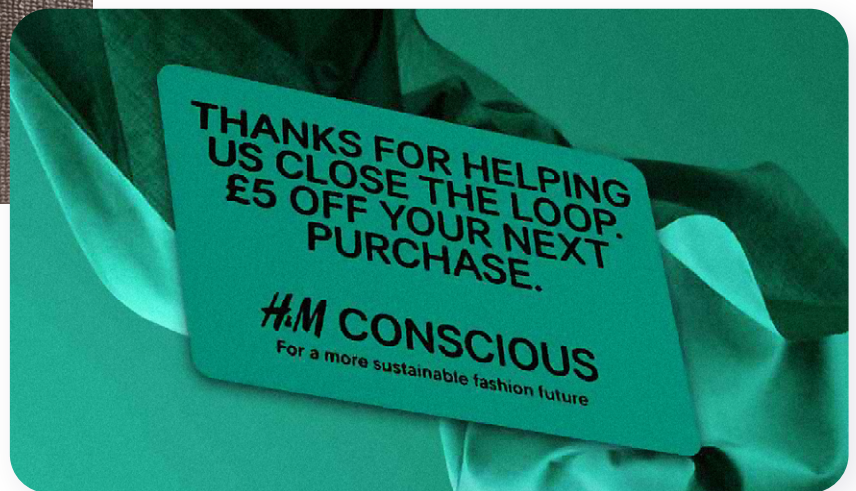
73%

willing to pay a premium  
for eco-friendly products





H&M has woven sustainability into its loyalty strategies with its **garment collecting program** – transforming eco-friendly practices into tangible, rewarding experiences for customers.



### Program at a glance

- Rolled out globally in 2013
- Collected items are first reused and sold as second-hand, or recycled if unsold
- In 2023, 68% of collected textiles were resold

#### GARMENT RECYCLING INITIATIVES

H&M rewards members with points and discounts for bringing in old textiles for recycling.

#### SUSTAINABLE PRODUCT CHOICES

Loyalty members earn additional rewards when purchasing items made from sustainably sourced materials.

#### POINTS FOR THE PLANET

Members receive points when bringing their own bag to stores instead of buying a new one, or choosing climate-smart delivery.



# Members-only campaigns: Boosting value with loyalty

Brands are increasingly using member weeks as centerpieces to their loyalty programs, delivering a huge range of exclusive deals to members on an annual or semi-annual basis.

These “lightning strike moments” create a whirlwind of launches, offers, and buzz that capture market and media attention. Major examples include:

- Amazon Prime Day
- Adidas Member’s Week
- Sephora Savings Event
- My John Lewis Members’ Week
- Bilt Rewards Rent Day
- Target Circle Week

Benefits of running members-only activations include:

## FUEL BRAND HYPE



Well-executed member days and weeks grab media attention and strengthen the brand’s message.

## SHAPE BUYING HABITS



Use member weeks to lock in consumer behavior and boost marketing opt-ins before peak season.

## DRIVE PURCHASES



Use member weeks to boost sales and sign-ups during slower periods.

## HIGH-IMPACT VALUE



These events allow brands to offer significant value to members, reiterating the value they get vs. non-members.



**Target Circle Week** is Target's largest sale of the season, offering exclusive deals and discounts to members of its free loyalty program. Strategically timed just before Amazon Prime Day, the annual event captures consumer attention and reinforces Target's commitment to delivering value.

The banner features the Target logo and the text "circle week" in white on a red background. To the right is a close-up of a white dog's face with a red bullseye around its eye. Below the main text, it says "Save on 1000s of items. Ends 7/15. [Get the deals](#)". At the bottom, there are four circular icons representing different product categories: smartphones, cereal, a vacuum cleaner, and a child's dress. Each icon has a discount offer below it: "Save up to \$100", "20% off", "Up to 30% off", and "30% off".

### Program at a glance

- Weeklong event offering savings of up to 50% off
- Accessible to all members of Target's free Circle loyalty program
- Held in July
- Timed to compete directly with Amazon Prime Day

#### SEASONALITY IS KEY

Target Circle Week capitalizes on seasonality by offering significant savings on items like back-to-school essentials.

#### DAILY DEAL OF THE DAY

By featuring exclusive daily offers, Target encourages customers to return frequently throughout the week and increase the likelihood of additional purchases.

#### PREMIUM SUBSCRIPTION OFFER

During Target Circle Week, members can access a special promotion to enroll in Target Circle 360, which provides enhanced benefits and rewards.



**Walmart+ Week** offers exclusive deals and enhanced perks to members of Walmart's subscription service. Offers this year looked to drive awareness of under-appreciated offerings, like cashback at partner gas stations, cashback on Walmart+ Travel bookings, and in-home delivery.



### Program at a glance

- A week-long event featuring exclusive deals for Walmart+ members
- Held in June
- Enhanced benefits such as free express delivery and double savings on fuel

#### EXCLUSIVE DEALS

Walmart+ Week provides members with access to special discounts and promotions that are not available to non-members.

#### SURPRISE AND DELIGHT

Mystery offers revealed throughout the week, building suspense and keeping customers engaged.

#### MEMBERSHIP DISCOUNTS

Memberships on offer for 50% off throughout the week to attract new program members.



# Greater personalization opportunities with AI

While AI's potential to revolutionize loyalty programs has often been overhyped, we're now seeing practical applications come to life.

[Gartner](#) forecasts that by 2025, 80% of customer service and support organizations will use generative AI to boost agent productivity and enhance customer experience.

This shift will enable AI to **refine customer insights, optimize reward management, and predict behaviors more accurately**, ultimately making loyalty programs more engaging. This includes:

## TARGETED PERSONALIZATION



AI analyzes purchase history and preferences to deliver customized offers, making rewards more relevant and increasing customer engagement.

## PREDICTIVE INSIGHTS

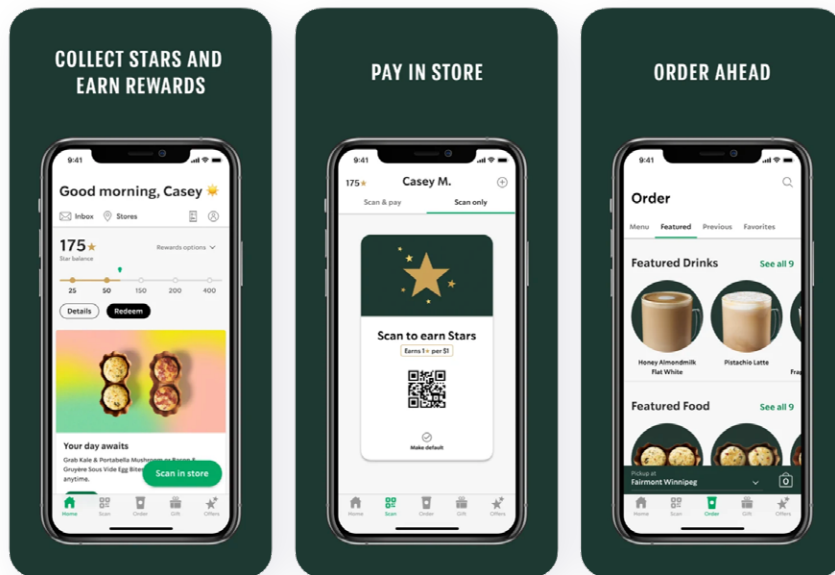


By anticipating customer behavior, AI can tailor interactions and incentives to boost sales and cultivate long-term loyalty.

## DATA-DRIVEN OFFER OPTIMIZATION



AI harnesses vast datasets to dynamically refine loyalty strategies in real time, tailoring promotions to align with individual customer needs and behaviors. By continuously analyzing customer responses, AI ensures that offers remain relevant and engaging, maximizing their impact and effectiveness.



Starbucks' combines AI-powered insights with its popular [Rewards Program](#) to deliver tailored offers and recommendations to its millions of customers.

## Program at a glance

- 34 million active members in the U.S.
- Linked to other loyalty programs such as Delta Skymiles and Marriott Bonvoy
- Achieved a 20% increase in offer redemptions with personalized rewards

### AI-POWERED PERSONALIZATION

Starbucks uses machine learning algorithms to analyze customer data and create highly targeted offers.

### ADAPTIVE LEARNING

Starbucks' AI continuously learns from interactions, refining its recommendations over time to improve relevance and effectiveness in driving customer loyalty.

### REAL-TIME ENGAGEMENT

The AI system enables Starbucks to send personalized notifications and offers to customers in real-time, increasing the likelihood of immediate purchases and repeat visits.



**“We activated new capabilities within our propriety Deep Brew data analytics and AI tool to identify and incentivize specific rewards members cohorts.”**

**Laxman Narasimhan** ex-CEO, Starbucks



Talon.One is a flexible, headless promotion and loyalty engine for enterprises, providing best-in-class technology to power rich, automated customer experiences — online, offline, in-store, or on mobile.

If you feel ready to take the next step and push your company's loyalty strategy to the next level, the experts at Talon.One are ready to showcase how our technology enhances your loyalty capabilities.

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