

# Loyalty strategies 2026

Lessons from best-in-class  
loyalty programs

With consumers today expecting rewards that feel personal, timely and meaningful, the pressure on brands is intensifying. According to a recent **Harvard Business Review** report sponsored by Talon.One, while 77% of executives regard loyalty programs as a top strategic priority, only 49% say their current initiatives are very or extremely effective.



**Sam Panzer**  
Director  
of Industry  
Strategy  
at Talon.One

In this 2026 edition, we analyze the strategies and trends reshaping loyalty and promotions and explore how your business can evolve beyond the standard earn-and-burn playbook. From subscription-style loyalty models to the rise of AI-driven reward logic, this ebook is a deep dive on how industry leaders like Burger King, Starbucks and H&M are setting the pace and how you can stay ahead of the curve.

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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 2026, 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.

## 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 different products anytime and never expires.

### Tailored perks

Subscribers receive personalized 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

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.

## 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

### Exclusive access to pre-owned luxury

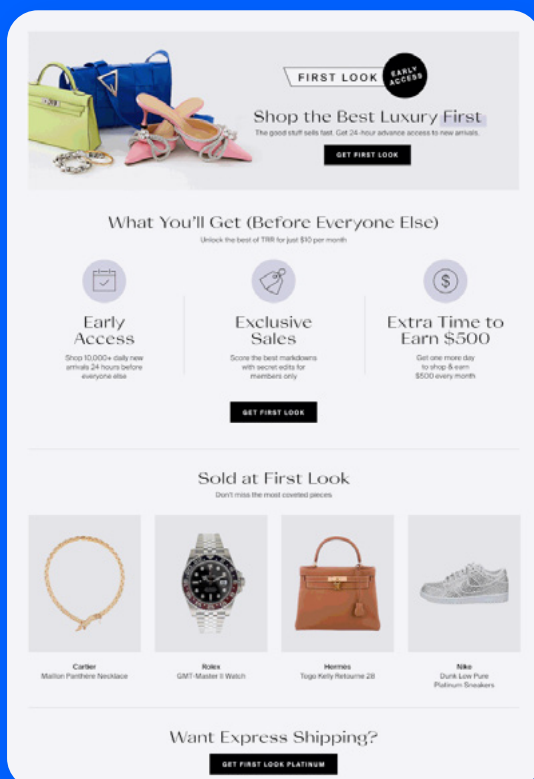
Members receive early access to high-demand, pre-owned luxury items, before they're released to the public, giving them priority on the most sought-after pieces.

### 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.



Our loyalty program members are our most engaged shopper base. People see value in First Look's one-of-a-kind and covetable offerings."

Kerri-Ann Butcher, Senior Dir. of Lifecycle, Loyalty & Retention Marketing, The RealReal

TheRealReal



# 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 2026 include:

## **Interactive sweepstakes and points**

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

## **Guessing challenges for rewards**

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

## **Emotionally engaging touchpoints**

Using games not just for rewards but as a way to create emotional connections with customers.

## **Limited-time participatory promotions**

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







“

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



#### CASE STUDY

## Chipotle

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.

#### Zero delivery fee

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



# Burger King

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

## AT A GLANCE

**Celebrated Burger King's  
70th birthday**

**Only available to  
Royal Perks loyalty  
program members**

### Nostalgia meets modernization

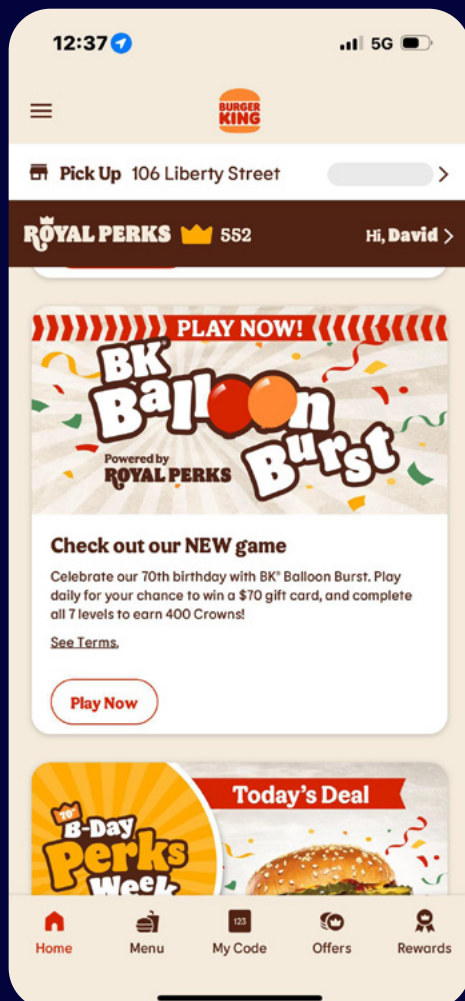
Balloon Burst was a fun, updated take on a classic carnival game, featuring Stout King, a nostalgic character from Burger King's early days.

### 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, encouraging repeat play and deeper engagement.



“

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 2026, attracting eco-conscious consumers. With 62% of **Gen Z favoring sustainable brands** and 73% willing to pay a premium for eco-friendly products, the focus on sustainability is set to drive 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%**

would pay a premium  
for eco-friendly products





#### 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



#### CASE STUDY

## H&M

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

#### Garment recycling initiatives

H&M rewards members with points for bringing in old textiles for recycling, reinforcing its commitment to circular fashion.

#### 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 in practice

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
- Ulta 21 Days of Beauty

Benefits of running members-only activations include:

## **Fuel brand hype**

Well-executed member days and weeks capture media attention and give the brand a powerful marketing message.

## **Shape buying habits**

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

## **Drive purchases**

Use member weeks to boost sales and sign-ups during slower periods, using exclusivity and limited-time rewards to drive urgency and conversion.

## **Deliver high-impact value**

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



# Target

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.

## Seasonality is key

Target Circle Week capitalizes on seasonality by offering significant savings on items like back-to-school essentials, driving timely shopper demand.

## Daily Deal of the Day

By featuring exclusive daily offers, Target drives frequent return visits throughout the week, encouraging 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.



## 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





#### 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

**Walmart** ✶

#### CASE STUDY

## Walmart

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.

#### Exclusive deals

Walmart+ Week provides members with access to special discounts and exclusive promotions.

#### 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 members to the loyalty program.



# Greater personalization impact with AI

While AI's potential to revolutionize loyalty programs has often been overhyped, we're now seeing practical applications come to life. According to Salesforce, **22% of shoppers** are already using AI for inspiration and product discovery.

This shift has enabled 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**

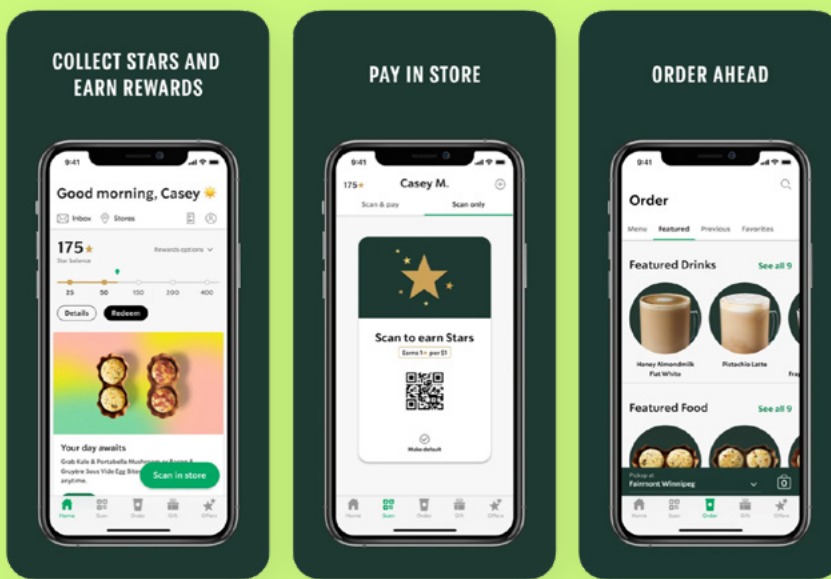
By anticipating customer behavior, AI can tailor interactions and incentives to boost sales and cultivate long-term loyalty.

## **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.







#### 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**



#### CASE STUDY

## Starbucks

Starbucks' combines AI-powered insights with its popular **Rewards Program** to deliver tailored offers and recommendations to its millions of customers.

**“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

#### AI-powered personalization

Starbucks uses machine learning algorithms to analyze customer data and create highly targeted offers that reflect individual preferences, purchasing habits, and visit patterns.

#### 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.

#### Adaptive learning

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





Talon.One is the most powerful incentives engine that unifies loyalty, promotions and gamification into one holistic platform.

Backed by enterprise-grade security and scalability, Talon.One empowers companies to build personalized, profitable promotions and loyalty programs using any data.

Today, over 250 of the world's most-loved brands including Adidas, Sephora and Carlsberg work with Talon.One to drive deeper engagement and lasting loyalty with their customers.

If you are 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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