

Unlocking Success: A Retailer's Guide to Engagement-Based Loyalty Programs

Oracle CrowdTwist



Welcome

Best-in-class retailers have their pulse on the latest trends and translate them into compelling offerings to meet their customers' needs. However, this strategy isn't reflected in many retail loyalty programs today.

In the past decade, brand loyalty has transformed. While great deals and discounts still matter, today's consumers demand highly personalized and relevant experiences. With so many choices for where and how to shop for anything from clothes to furniture to groceries, the challenge is clear: how can your business stand out?

Capturing the attention of active members is more challenging than ever with consumers now holding 19 memberships on average (the highest rate in 10 years) while only active in about half of them.¹

Winners are moving beyond a transactional program to deliver great member satisfaction and foster long-lasting emotional loyalty across a connected, customer journey.

To personalize customer experiences and anticipate their wants, the retail industry needs the right technology and capabilities; a means to collect, own, and activate valuable and transactional zero- and first-party data. Through a loyalty program, customers willingly opt in and share their data in exchange for rewards, incentives, and individualized experiences.

82% of consumers would share some type of personal data for a better experience.²

This ebook will demonstrate how engagement and loyalty programs coupled with connected customer journeys capture valuable data, generate strong insights, and drive relevant experiences. Discover how these strategies help retailers grow revenue and deliver a seamless, delightful, and profitable customer experience.

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1. Bond, The Bond Loyalty Report™ 2024
2. PwC, PwC Customer Loyalty Survey 2022

“67% of retail professionals see deepening customer loyalty programs as a crucial factor for their business operations.”

Euromonitor
Voice of the Industry: Digital Survey 2024

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How can CrowdTwist accelerate business?

Schedule a demo to see how CrowdTwist can drive revenue growth



The loyalty landscape

Retailers face challenges in meeting evolving customer needs. 63% of marketers struggle to achieve personalization³, though most recognize real-time, tailored experiences are crucial.

Here are some of the specific challenges retailers have identified in their efforts:

Data management

On average, brands report collecting at least eight different types of data from transactional details to behavioral insights and trends. Yet, four out of five top challenges for marketers are related to data.⁴

Legacy technologies

Companies recognize the importance of bridging the gap between current capabilities and growing personalization demands. However, only 48% believe their platforms are well equipped to effectively execute these initiatives.⁵

Internal resources

Over one-third of the top brands say they have limited access to data insights and data science talent to support personalization efforts.⁶

Execution

There is a disconnect. 61% of brands claim to personalize customer experiences, yet only 43% of consumers recognize these efforts as personalized.⁷



3. Gartner, *Digital Marketing Insights for CMOs in 2021*
4. Forrester, *2024 B2C Marketing Priorities and Challenges*

5. Bain & Company, *The Art and (Data) Science behind Effective Customer Personalization*
6, 7. Deloitte Digital, *Personalization: It's a value exchange between brands and customers*



Where do top-performing loyalty programs excel?

Three out of four participants of top-performing loyalty programs changed their behavior and generated more value for their business by moving from the discount-centric rewards programs of the past to personalized, surprise- and-delight reward models.⁸

This ebook will cover the following topics—in depth—to give insight into effective strategies implemented by industry leading programs

1

Creating personalized and relevant experiences

2

Building emotional loyalty through gamification and customer recognition

3

Delivering on simplicity

Loyalty is the future driver of revenue growth

Customers are no longer making decisions based solely on product selection or price: they're assessing what a brand says, what it does, and what it stands for.

Emotionally loyal relationships must be grown from values aligned to brand experience.

This evolving landscape means future loyalty-focused goals must include engagement-based rewards beyond discounts with a focus on expanded benefits and member recognition. There must be a significant effort to build emotionally loyal relationships with customers through unique and differentiated experiences powered by data collection opportunities. Today's shoppers must have a connected experience across all touchpoints with the brand in the customer journey.

“Gallup Research on customer brand preference found 70% of decisions are based on emotional factors and only 30% are based on rational factors.”⁹





Personalized and relevant

An effective loyalty program not only collects robust zero- and first-party data but uses it effectively to deliver highly personalized brand interactions across all customer touchpoints. Personalization can increase trust with existing loyalty members and potentially boost annual spending by 30%.¹⁰

Capturing and owning first-party data is a key differentiator. It starts with understanding customers via a data-driven foundation. Data helps enable retailers to tailor experiences, optimize interactions, foster deeper connections, and enhance customer satisfaction to ultimately drive growth and loyalty.

The right technology unlocks personalization and segmentation at scale to deliver those experiences.

But how can this data be collected? Engagement activities are key. For example use surveys, polls, reviews, digital games, sweepstakes, or code redemptions to capture data directly from loyalty program members. These insights combined with detailed transactional data build a robust 360-degree view of each individual customer.

Personalization should be on a deeper level. Differentiate customer segments. Know and understand them. Ask how they should be spoken to. Personalizing interactions while maintaining opt-in and permission-based schemes to comply with privacy regulations is critical.



10. Deloitte, 2024 US retail industry outlook: Looking for loyalty in all the right places

The Zumiez Stash drives store traffic with high-value rewards and experiences with Oracle CrowdTwist

“We aim to provide mind-blowing rewards and unique experiences that generate positive hype for the brand, while empowering our field team to directly reward and recognize their best customers.”

Loyalty Program Manager



Local and personal

Zumiez integrated micro-location technology to reward members every time they enter a store. App notifications with points earning reminders alert members when close to a store location. Check-ins can also unlock special, limited time sweeps entries.

High-touch engagement

Store associates informed each time a loyalty member walks in and are empowered to provide highly personalized experiences. Unique earning challenges encourage in-store engagement and inspire members to share their interactions on social media.

Extraordinary benefits

The compelling program builds strong emotional loyalty with constantly rotating rewards, including unique and high value sweepstakes sponsored by brand partners. The program also drives member growth in the millions, up 27% year over year on average for the past 12 years.

Emotional loyalty: gamification and fandom

“Emotionally loyal customers visit their favorite brands 32% more often than regular ones and spend 46% more money than those who don’t have an emotionally based relationship.” - GALLUP

Today’s customers have an abundance of choices for how, when, and where they shop. They can also curate their own experiences with online purchasing, in-store pickup, curbside pickup, same-day delivery, browse in-store, or direct purchasing through social channels.

Customers with stronger brand affinity not only spend 2X more, but they have more than 3X higher customer lifetime value (CLTV) and stay with a brand 50% longer. Beyond share of wallet, emotionally connected brands are winning share of heart by offering members more than just a discount.

They may infuse fun through gamification and show loyalty back to their best customers through exclusive experiences like a VIP in-store event or early access to new arrivals.

The most successful programs engage across the spectrum of rational and emotional needs. Retailers are experimenting with micro games (think Wordle or Candy Crush Saga) native to their apps.

Not only does gamification drive higher monthly active users, opening an app to play can become a part of a customer’s daily routine. This builds top-of-mind awareness, and customers who engage more with an app have a higher customer lifetime value.



**2X
spend**

**3X
customer
lifetime
value**

**50%
longer**

Red Bull Racing drives record fan engagement

“It is the Oracle platforms that have enabled us to get closer to fans, to understand more about what they want, and to provide them with more of what they want”

Kelly Brittain
Brand and Communications Director
Oracle Redbull Racing



Program impact

1.3x

The Paddock
page views

Visits to the loyalty
program exceeded
traffic to main site

30+

Activity completions

Average engagements
per member since
program launch

+125%

Member increase

Growth in enrollment

\$Millions

In new direct-to-fan
revenue channels

Award-winning

The Paddock has earned strong recognition since launch, including awards for Best Loyalty Program of the Year and “Loyalty Redefined” at The International Loyalty Awards.

High-value audience

This program more than doubled membership in its third season with fans representing 189 countries nearly half under age 25. Engagement activities captured critical data to help refine customer segments and personalize fan communications.

Gamification

It’s designed to draw fans closer to the team and drive consistent interactions with unique elements like “The Paddock Predictor” game with 10K average weekly players.

Extraordinary experiences

Experiences ignite fan passion with once-in-a-lifetime opportunities like a chance to design the livery for special races. The “Make Your Mark” campaign earned tens of thousands of entries. Winners received a trip to the race and dedicated time with the RBR team.

Simplicity and the power of decluttering CX

Creating a customer experience that is simple to understand and flows seamlessly across all touchpoints is a strategic investment. Experiences that reduce friction create value.

Simplicity may come to life in the form of a clear value proposition or consistency in the form of data integration across the connected retail journey. At the end of the day, the target for our customers is ease, in not only understanding a loyalty program but readily recognizing its value through timely redemption or tangible exclusive benefits.

Personalization and relevancy play a role here as well. Uncluttering the customer experience and presenting personalized offers and promotions drive more meaningful interactions with retail brands. This is referred to as delivering the right experience in the moments that matter. Brand interactions across the customer journey such as transactional and non-transactional, positive and negative, in person and digital all matter.

A successful loyalty program balances customer value and business viability. It also offers simplicity, personalization, connection, and ease while staying economically sustainable and dynamically relevant.

**64% of consumers
are willing to pay more for
simpler experiences—a 10%
premium specifically in the
retail industry.¹¹**

**Value and simplicity
are the most important
attributes for loyalty programs
and the main reasons why
consumers switch to a
competitor's program.¹²**

11. Siegel + Gale, *World's Simplest Brands 10th Edition*
12. Deloitte, *2024 Consumer Loyalty Survey*

Mobile app engagement

It is increasingly challenging to gain valuable real estate on a customer’s personal device.

According to Business of Apps, the average app loses ~77% of daily active users in the first three days, loses 90% within 30 days, and 95% within three months. A Statista report on app retention rates by industry for Q3 2023 showed shopping at 4.06%, performing below the business and transportation industries.

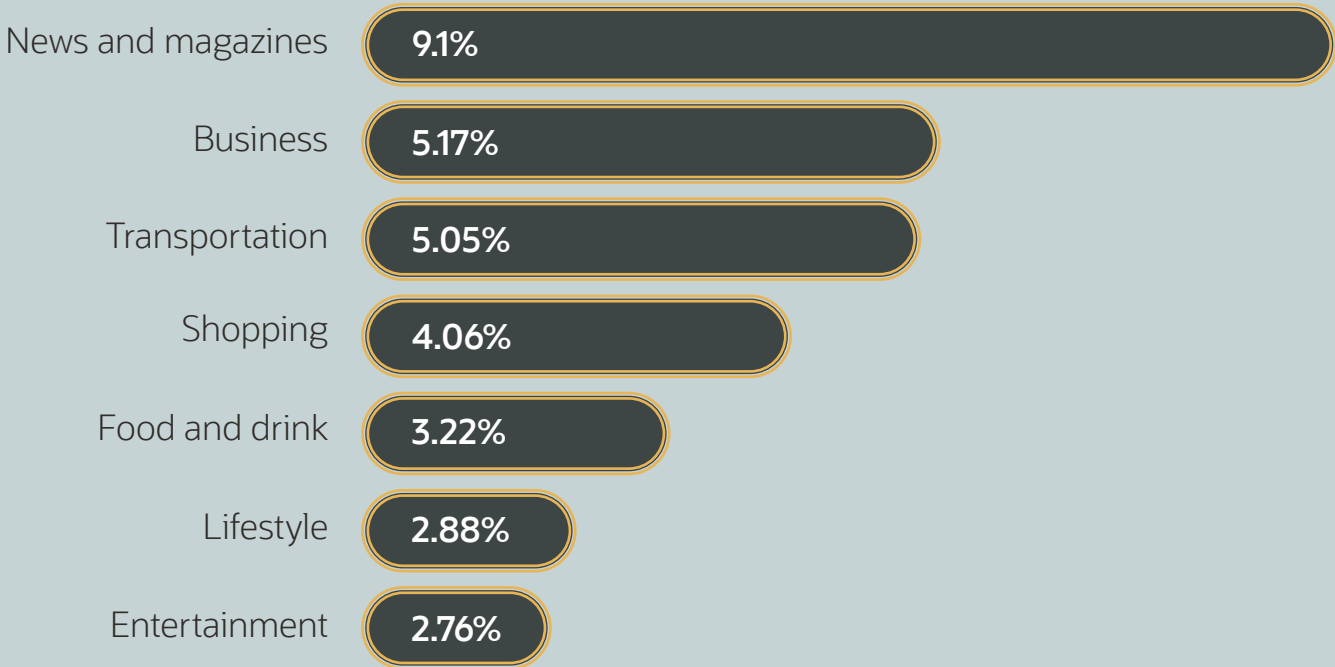
After getting past the initial hurdle of a download, oftentimes through a generous offer, it is paramount to drive ongoing app engagement. Loyalty activities and gamification are absolutely critical here, creating an authentic and fun way to drive app engagement at a regular cadence.

Creativity in encouraging meaningful app interactions at a regular cadence can lead to lasting adoption and behavior change, increase year-over-year growth, and garner long-term positive business impact and digital consumption.



Retention rates on day 30 of mobile app installs worldwide in Q3 2023 by category

Source and survey: AppsFlyer





Evaluating the big picture

Diving into the main takeaways for today's businesses

Introducing an engagement-based loyalty program typically results in a 40% increase in customer lifetime value over the life of the program.

Members leave 15% more positive ratings and reviews and are 10X more likely to advocate for your brand through friend referrals and testimonials.

As the retail industry has shifted at a rapid pace toward digital experiences, loyalty has become a front-runner to add to the technology stack. Self-checkout, AR enhancements for fitting rooms and shopping, online purchasing, and in-store pickup have all created even more reason for those in the retail business to get to know their customers and deliver a connected journey.

Loyalty technology needs to be connected throughout all the customer touchpoints. Oracle CrowdTwist is the most integrated solution not only within the Oracle ecosystem but far beyond. Oracle CrowdTwist offers unparalleled, secure flexibility to integrate across the tech stack to deliver on the promise of a seamless customer experience, whether a customer is interacting with an associate, shopping through a mobile app, or subscribing to marketing emails.



Global loyalty and engagement powered by SaaS technology

Emotionally loyal relationships grown from values aligned to brand experience are paramount, driving forces of wallet share.

In today's landscape, customers are no longer making decisions based solely on product selection or price: they're assessing what a brand says, what it does, and what it stands for.

So, what is the customer looking for? A simple and easy to use out-of-the-box member dashboard for visual loyalty interaction and communication. Businesses are looking to attract new and retain existing customers to grow active marketable databases. They are also looking to use benefits and rewards to increase engagement frequency and to drive a deeper connection with their customers.

Brands are using loyalty programs to offer more value promotions without resorting to widespread, deep discounts.

These programs also boost basket sizes and transaction frequency, while providing valuable consumer data for personalized messaging and offers.

A successful loyalty program balances delivering customer value and ensuring business viability— offering simplicity, personalization, and an effortless customer experience. It is dynamic and responds to evolving customer and business needs.

Oracle CrowdTwist helps retailers set up the infrastructure that supports current customer experience goals and provides an agile foundation to power next-gen loyalty. This can help businesses evolve dynamically many years into the future.



High functionality
dashboard out-of-the-box



Flexible support



Capture, own, and use
0/1st-party data



User-friendly
technology



Real-time rewards



Unified experience



Native personalization
capabilities



Seamless integration

ORACLE CrowdTwist

Oracle CrowdTwist Loyalty and Engagement is an omnichannel platform that empowers brands to create meaningful connections with their most valuable customers. It delivers tailored rewards and experiences that deepen relationships, boost profitability, and increase retention.

With its robust data-capturing capabilities, brands can build a complete 360-degree view of their members. This helps ensure every interaction feels personal and relevant, turning customers into lifelong fans.

Schedule an Oracle CrowdTwist demo today





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