

# The Omnichannel Guide to Retention & Loyalty

REFRESHED

With insights from:



DAVID  
YURMAN



petco

Huel



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# Unpacking our obsession with customer loyalty

Why do we, as marketers, obsess over customer loyalty?

The answer is simple: loyalty drives profitability. It costs significantly less to retain a customer than to acquire a new one.

Loyalty is also a key indicator of long-term growth. It reduces churn, increases customer lifetime value, and sustains competitive advantage. On a deeper level, customer loyalty means we're doing our jobs right.

It means we're not only connecting our customers with products and services they love, but

also building a valuable community of brand advocates who feel seen and heard.

For these reasons, improving omnichannel retention and loyalty is a worthy goal for any marketer.

In this guide, you'll find data from our recent Customer Loyalty Index, combined with hands-on use cases and success stories to inspire you to build meaningful connections with your customers that go beyond points and prizes.



## 55%

In 2022, customers belonged to an average of **16.6** loyalty programs. However, only **55%** of loyalty program members were active.

Gartner



## 61%

Brands and retailers rely on purchase discounts (77%) and loyalty program points (61%) to drive retention and loyalty.

Retail Touchpoints



## 49.8%

On average, less than half (49.8%) of loyalty program rewards are redeemed by loyalty program members.

Antavo

# Exploring loyalty trends



# Exploring loyalty trends
















In this section, we aim to help marketers rethink and reframe their approach to customer loyalty.

We'll explore the 5 key types of loyalty, analyze shifting trends, dive into loyalty data by the

numbers, and reveal the top three insights from our Customer Loyalty Index — giving you a fresh perspective on what truly drives customer commitment today.

## The 5 types of customer loyalty

Loyalty is complex. Understanding the different types of loyalty, what drives them, and how they are expressed is the first step toward deciphering that complexity.

 <b>Incentivized Loyalty</b>	 <b>Inherited Loyalty</b>	 <b>Silent Loyalty</b>	 <b>Ethical Loyalty</b>	 <b>True Loyalty</b>
<b>Driven by:</b> Cost-saving incentives like discounts and rewards.	<b>Driven by:</b> Tradition applies to older brands with trusted heritage.	<b>Driven by:</b> Customers who don't endorse the brands they buy publicly.	<b>Driven by:</b> A brand's stance on social issues like sustainability, diversity and equality.	<b>Driven by:</b> A customer's absolute love and devotion of a brand.
 <b>Pros:</b> Easiest type of loyalty to foster.	 <b>Pros:</b> Built-in trust and familiarity.	 <b>Pros:</b> Less susceptible to corporate, industry or social changes.	 <b>Pros:</b> Loyalty is earned immediately.	 <b>Pros:</b> Longest lasting loyalty, leads to greater revenue and best business outcomes.
 <b>Cons:</b> Most fleeting, hurts margins, degrades brand equity.	 <b>Cons:</b> Can be seen as 'outdated' by the younger demographic.	 <b>Cons:</b> Zero brand advocacy, difficult to foster.	 <b>Cons:</b> Tied to business decisions beyond the control of your marketing team.	 <b>Cons:</b> Hard to achieve. Is experience-led, rather than incentive-driven.

“...we have a really strong philanthropic background in our brand, and unlike other brands where it sits at a very kind of macro global level, it all sits at a community grassroots level for us. So we are actually doing it store by store, geo by geo. So we’re tapping into what that community cares about most and so we see that’s another way to foster relationships with that loyal consumer.”



Carolyn Dawkins, CMO, David Yurman

DAVID  
YURMAN

## The shifts in customer loyalty

To say the world has undergone seismic change over the past four years is an understatement.

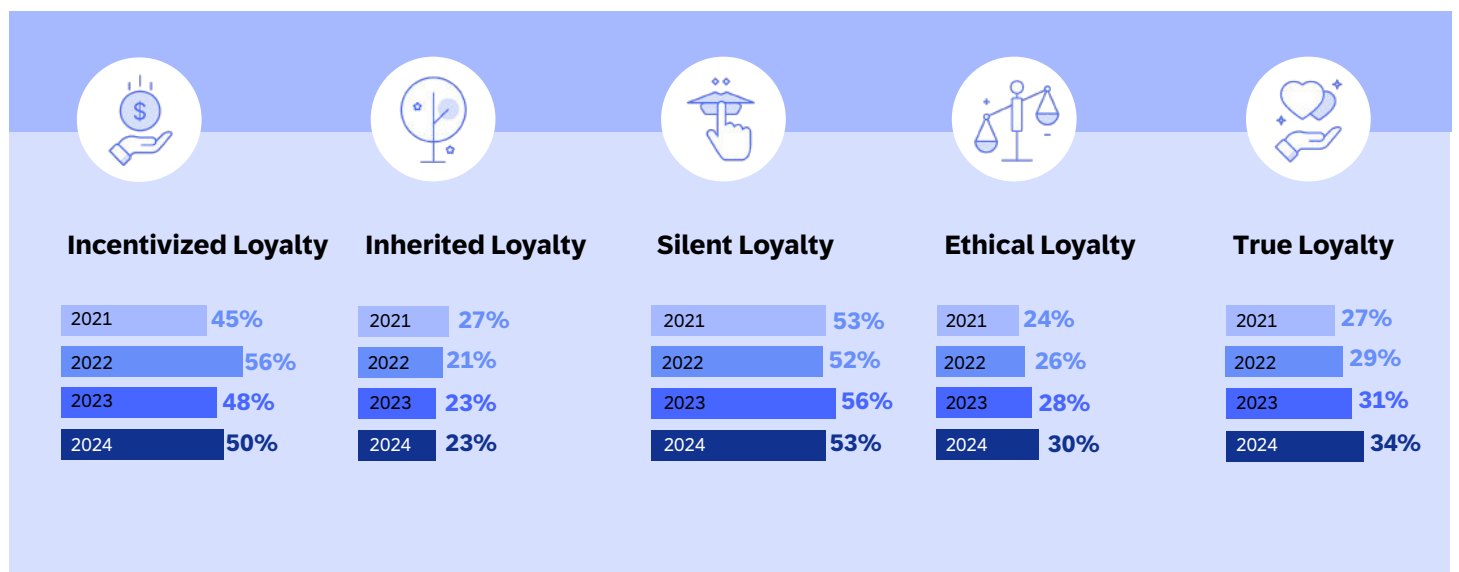
And yet, as the stats below indicate, Incentivized Loyalty, Inherited Loyalty, and Silent Loyalty have experienced minor variations from 2021–2024.

In contrast, Ethical Loyalty and True Loyalty experienced some growth. Both loyalty types have increased by 7% and 6% respectively from

2021–2024, reflecting a shift towards ethical purchases and stronger brand connections.

This suggests that discounts and brand heritage alone are no longer sufficient to retain customers.

Experience-led loyalty initiatives, as opposed to discount and incentive-led, are likely to yield far better results as we move into the second half of the decade.



“...as a brand, our customer obsession meant that we’d naturally built really strong relationships with our customers, and they were in turn showcasing real brand loyalty. However, what we’ve realized is, although loyalty is great, taking that to the next level and really activating and driving those customers to become brand advocates is so key to growth.”



Tash Reynolds, Global Head of CRM, Huel



## Loyalty by the numbers

For the fourth consecutive year, we’ve surveyed 10,000+ general respondents across the USA, the UK, Australia, and Germany about loyalty and compiled our findings in our 2024 Customer Loyalty Index.

When looking at the top factors that impact US customers’ loyalty to a brand, some new factors have emerged in this year’s index.

On the positive side, memorable experiences have had a strong impact on loyalty, proof of

the efficacy of experience-led programs over programs that are purely transactional.

On the negative side, irresponsible data usage and making it harder to speak to a human have hampered loyalty efforts.

Environmental consciousness continues to grow as a loyalty driver, while the rise of subscription-based buying and DTC brands continue to provide new opportunities to foster loyalty.

### What positively impacts customer loyalty?



### What negatively impacts customer loyalty?





## The 3 biggest learnings from our Customer Loyalty Index

Superficial, incentive-driven loyalty is out. Brands that take an ethical stance and run experience-led loyalty programs have everything to gain.

### 1. Be wary of over-incentivising loyalty campaigns

Successful customer loyalty programs strike a balance between incentive-led and experience-led campaigns.

True loyalty is earned by offering your customers early access to new products, invitations to exclusive events, and invitations to directly influence product development and meet brand spokespeople, influencers, and celebrities.

### 2. Prioritize product quality and pricing

It's no surprise that our data clearly shows that

57% of respondents value high-quality products as the biggest positive influence on loyalty.

Marketing can play a critical role here in building automations into the buying cycle that encourage customer feedback and ensure that feedback makes its way to product development.

### 3. Keep humans in the customer service loop

Excellent customer service remains a significant factor in fostering loyalty, with 43% of respondents saying poor customer service negatively impacts loyalty.

AI chatbots are a great way to quickly solve common issues for customers, but brands need to ensure human customer service agents can be brought seamlessly into the conversation should the customer require them.



See all the data on customer loyalty and consumer shopping habits in the SAP Emarsys Customer Loyalty Index 2024.

[Read Now](#)



# Creating an omnichannel retention and loyalty strategy



# Creating an omnichannel retention and loyalty strategy

## You need to think omnichannel

Think about the relationships you have with your closest friends or family members. You probably don't think about interacting and connecting with them "across touchpoints," but that's essentially what happens.

You call each other on the phone, send messages on group text threads, use video chat, social media apps, and most importantly, spend time together in-person.

Building deep and meaningful relationships with customers is no different.

If you want to drive true lasting loyalty, you'll need to set your sights higher than single-channel communications.

Omnichannel marketing — the ability to reach your customers across any and all touchpoints — provides more opportunity to get to know your customer, and for them to get to know you.

When you add personalization to the mix, each and every interaction is part of the brick-by-brick foundation that builds lasting relationships. If true loyalty is the goal, an omnichannel customer engagement strategy is what will get you there.

So what does that strategy look like? There are four essential components that need to be taken into consideration, namely:

### Unified data and channels

Having your data and channels connected allows you to engage customers with meaningful, personalized experiences anywhere.

### Customer journey mapping

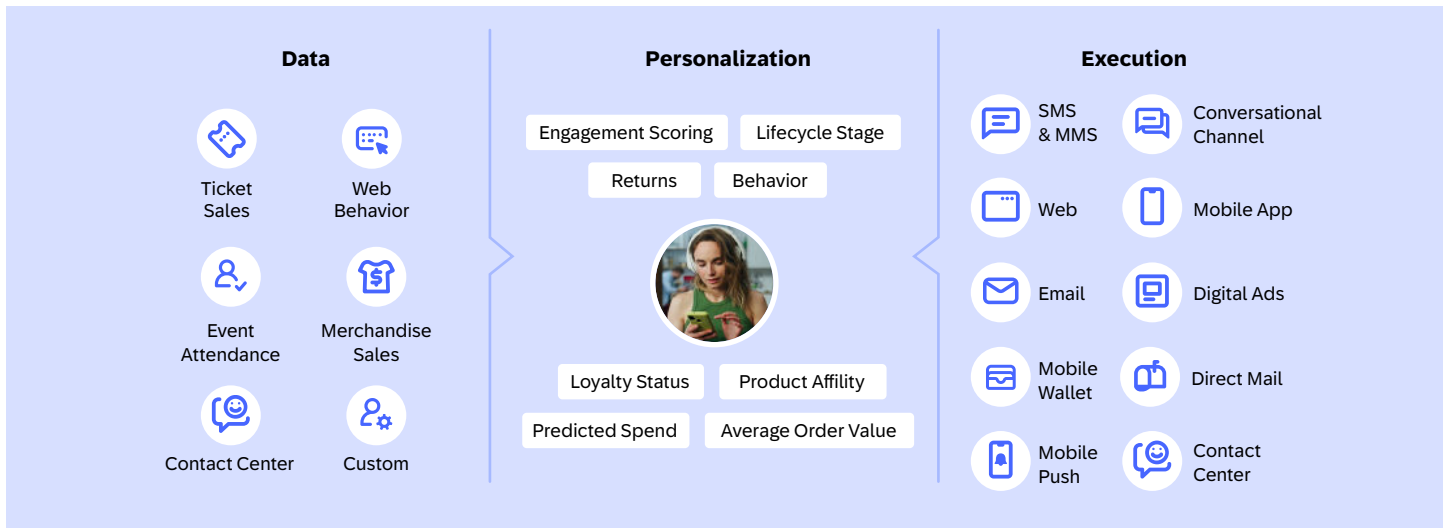
Mapping customer journeys allows you to better understand your customers' needs and challenges, and create customer-centric engagements.

### Segmentation and personalization

If you want to power 1:1 personalization and drive customer retention, the ability to build dynamic, AI-powered segments is crucial.

### Automating to scale always-on loyalty

Take an always-on approach to loyalty by automating your personalized, loyalty-building campaigns.



## Unify your data and channels to build a 360° view of the customer

Marketers love waxing lyrical about the importance of holistic customer profiles, and for good reason...

Without a 360° customer view, it becomes difficult to understand your customers' behaviors and preferences, leading to inconsistent messaging, disjointed customer journeys, and missed opportunities for personalization.

Having a 360° customer view is especially important from a customer loyalty standpoint. Without data, you won't be able to understand your customer on a deeper level.

What do they like? Where do they shop? What's their preferred method of communication? What motivates them to take action? Or what pushes them away?

When you unify your data and channels, bringing it all together into a single platform, it's like putting together the pieces of a puzzle to form a complete picture. The result is a 360° view of your customer, which allows you to leverage all your data across all your channels, ensuring each customer receives 1:1 engagements that are consistent as they move across touchpoints.

“ I always say that loyalty is data. If you want to create this long-term relationship with your customers, you have to use data. [...] The first year [of our loyalty program], it was very important to collect the data that we had back then and also to collect [new] data everyday and use it. And [understand] what things are you going to execute with that data. ”



Danielle Rios, Former Head of Loyalty, Innovasport

# Map the journeys your customers take across the lifecycle

**Improve loyalty and retention by identifying gaps and pain points in customer journeys.**

Mapping out customer journeys is the starting point for building your omnichannel strategy.

For example, do you know when your customers are in the discovery phase to guide their purchase journey? Can you identify when your most loyal or VIP customers are showing signs of churning?

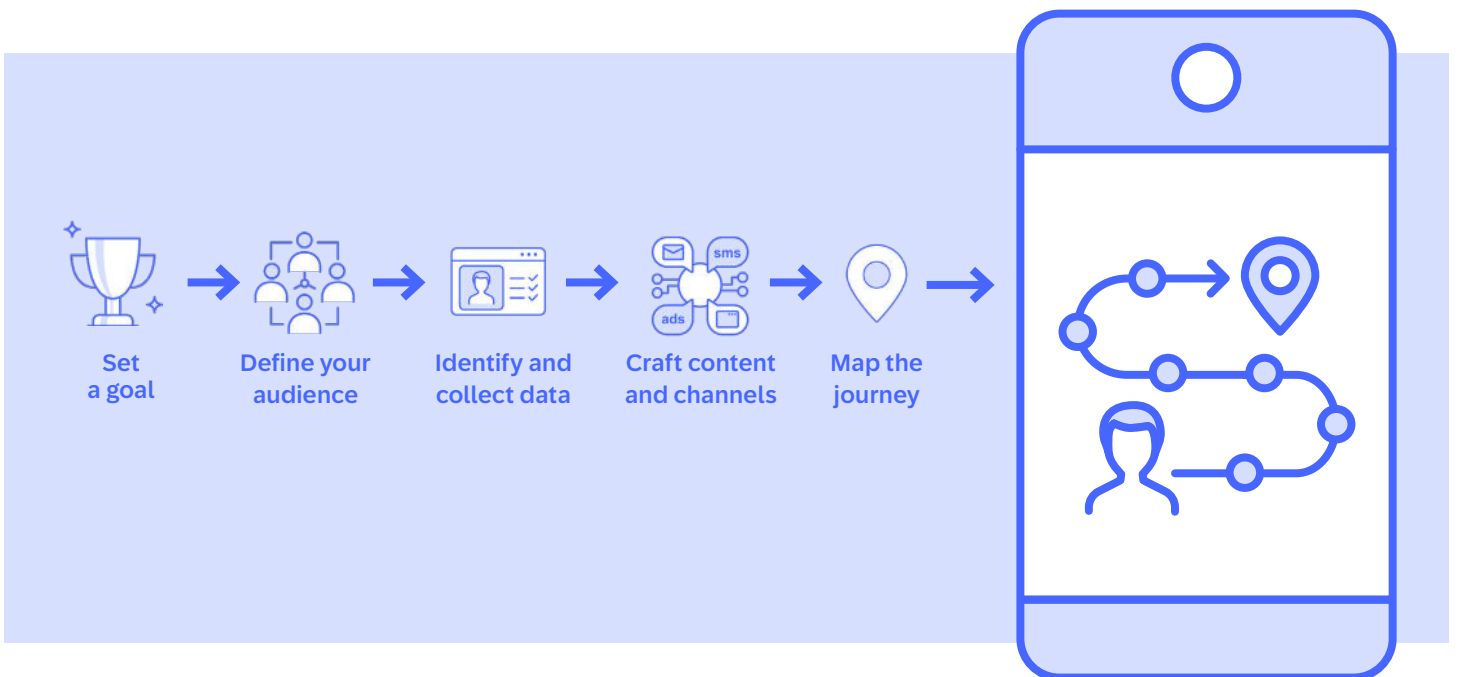
Once you've mapped this out, you can start to identify where there may be gaps and what data is needed to power particular areas in order to

enhance the customer experience and improve loyalty and retention.

## Steps in mapping customer journeys

Mapping customer journeys is actually the final step in a process that is outlined as follows:

- Set a goal
- Define your audience
- Identify and collect data
- Craft content and channels
- Map the journey



## 1. Set a goal

When setting realistic goals, let specificity be your guide. High-level goals are important in terms of guiding overarching strategy, but they need to be broken down into specific, achievable goals to get results.

**Example:** Boost loyalty program engagement by 20% for members who signed up a year ago and have x number of unspent loyalty points.

## 2. Define your audience

Putting your customers at the center of everything you do is a surefire way of improving retention and loyalty. So first understand who they are, including their goals, motivators, and habits.

### Questions to ask:

- Who is your audience? Who does your message reach now, and who else would you like to reach?
- What do your customers want from you? Why did they seek you out initially, and what keeps them coming back?
- What information are your customers missing that you want them to know about? Are they missing out on any great products or services?

**Pro tip:** Ask team members for their insights about your audience. A different point of view can help you better understand how your customers think and feel.

## 3. Identify and collect data

To measure the success of your customer experience and in turn, your retention and loyalty efforts, you need intuitive and actionable data about your customers and campaigns.

**Pro tip:** Start small. A name and an email address are a starting place, then aim to build on that data over time until you have:

- Basics
- Demographics
- Purchase history
- Browsing behavior
- Email engagement
- Preferences

### Questions to ask:

- Do you know what customer data you have?
- Does your strategy build trust?
- Do you have a value exchange strategy in place?

## 4. Craft content and channels

Customer loyalty forms in the moments that your brand connects meaningfully with your customers by sharing the right content at the right time in the right channel.

Empowering your audience with helpful information, or fun resources can make all the difference. Workshopping content is a great way to dream up new ideas.

### Questions to ask:

- What kind of content helps your customers discover and understand your brand?
- Do you support and inform your customers with your content? Do they see you as a valuable resource?
- What content do your customers want or consume most?
- What drives the most interaction with your brand? How can you expand on it?

“...the customer journey is no longer linear, but it’s more like a big assortment of matrix touchpoints. And I think that everyone can relate to this being consumers themselves. So it’s our goal ultimately to be connecting these commerce channels across the full spectrum, or from web to SMS to email to social. This is going to help you create those really exceptional and engaging experiences.”



Claire Williamson, Commercial Marketing Manager, Brisbane Airport



From a channel perspective, your customers expect you to meet them where they are by reaching out on the platforms they use every day — whether on email, mobile, social, or web.

#### Questions to ask:

- What channels are you using that perform the best?
- In which channels is engagement a challenge?
- What channels would you like to use, but need help getting started?
- What are the moments that matter in your interactions?
- When can you make the biggest impact? Be sure to consider cross-channel experiences.

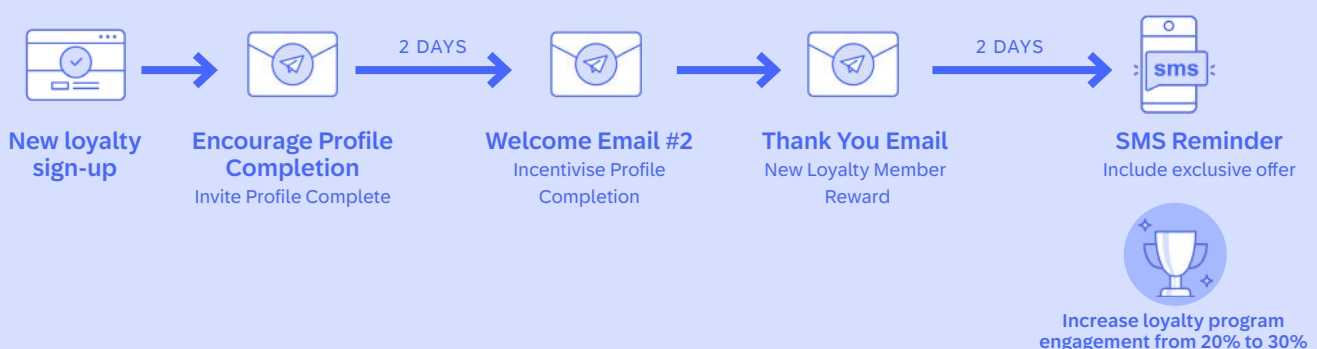
## 5. Map the journey

In simple terms, a customer journey map tells the story of the customer’s experience with your brand.

Though this may seem like a daunting task at first, if you begin by focussing on that one key moment that addresses your goal, the task becomes more manageable.

There is no right or wrong way to map customer journeys. Some teams get tactile and use sticky notes and whiteboards, some prefer going digital and using tools like Miro or Mural to map their journeys.

Here’s a helpful example of a customer journey map:



# Create customer segments to power personalization

Segmentation plays a huge part in determining the success or failure of your loyalty strategy. And as any marketer worth their salt knows, effective campaigns start with smart segmentation.

In the context of loyalty and retention, customers are typically segmented by:

Recency, frequency and monetary value (RFM)	<ul style="list-style-type: none"><li>• Loyal customers</li><li>• Valuable customers</li><li>• Active customers</li><li>• At-risk customers</li></ul>
Lifecycle stage	<ul style="list-style-type: none"><li>• Awareness</li><li>• Consideration</li><li>• Decision</li><li>• Conversion</li><li>• Renewal</li></ul>
Behavior	<ul style="list-style-type: none"><li>• Product affinity</li><li>• Average order value</li><li>• Lifetime spend</li><li>• Browsing behavior</li></ul>

Customer advocacy is another impactful loyalty segment. Segmenting by advocacy is an increasingly popular way to reward customer loyalty.

The logic here is sound: rather than reward customers according to how much they spend and how frequently they shop, advocacy-based segments allow you to reward customers based on how many people they refer.

By adopting this tactic, 20% of nutritionally complete food brand Huel's new customers are currently being driven by customer referrals.

Regardless of how you choose to segment your customers, segmentation is crucial to the success of any loyalty campaign because it ensures that rewards and messaging are personalized and relevant to different customer groups.

“What’s really exciting is that we can take that first-party referral data, import it into SAP Emarsys, and then use it to support our segmentation... we might have a customer who in our original segmentation is a lapsed customer, but we see that they’re referring all of their friends who are then buying from us. So that changes the way we perceive the value of that customer and changes the way we want to communicate with them.”



David Witts, Senior CRM Manager, PUMA Europe



## Automate customer journeys to scale always-on loyalty

**Master the art of setting up automated workflows and real-time triggers to ensure your loyalty programs never go quiet.**

When you're consistently personalizing across all your channels and delivering the seamless 1:1 experiences customers want, you'll notice your relationships with customers maturing.

As your database grows, you're responsible for more and more customer relationships, and you'll need to provide each and every customer with the personalized experiences they deserve.

So to help your business scale without sacrificing the quality of your customer engagement, you'll want to lean on automation.

Automation ensures that you're consistently sending out the right personalized content at the right time and on the right channel to make the most impact on the customer, wherever they're at in their journey with your brand.

Some examples of automated tactics that are commonly used with loyalty campaigns include:

- [Loyalty sign-up](#)
- [Loyalty welcome](#)
- [Loyalty points about to expire](#)
- [Win back website visitors](#)
- [Refer a friend](#)
- [Upgrade to a higher loyalty tier](#)
- [Close to next tier](#)

“...when we do automate or when we do wrap up the engagement, we tend to see very great results. And this has been, you know, different. So since we automated very simple, automation programs, we saw a rapid increase for our leads. I believe 53% since launch. Our website clicks as well, 70% growth year on year, which is pretty insane for us.”

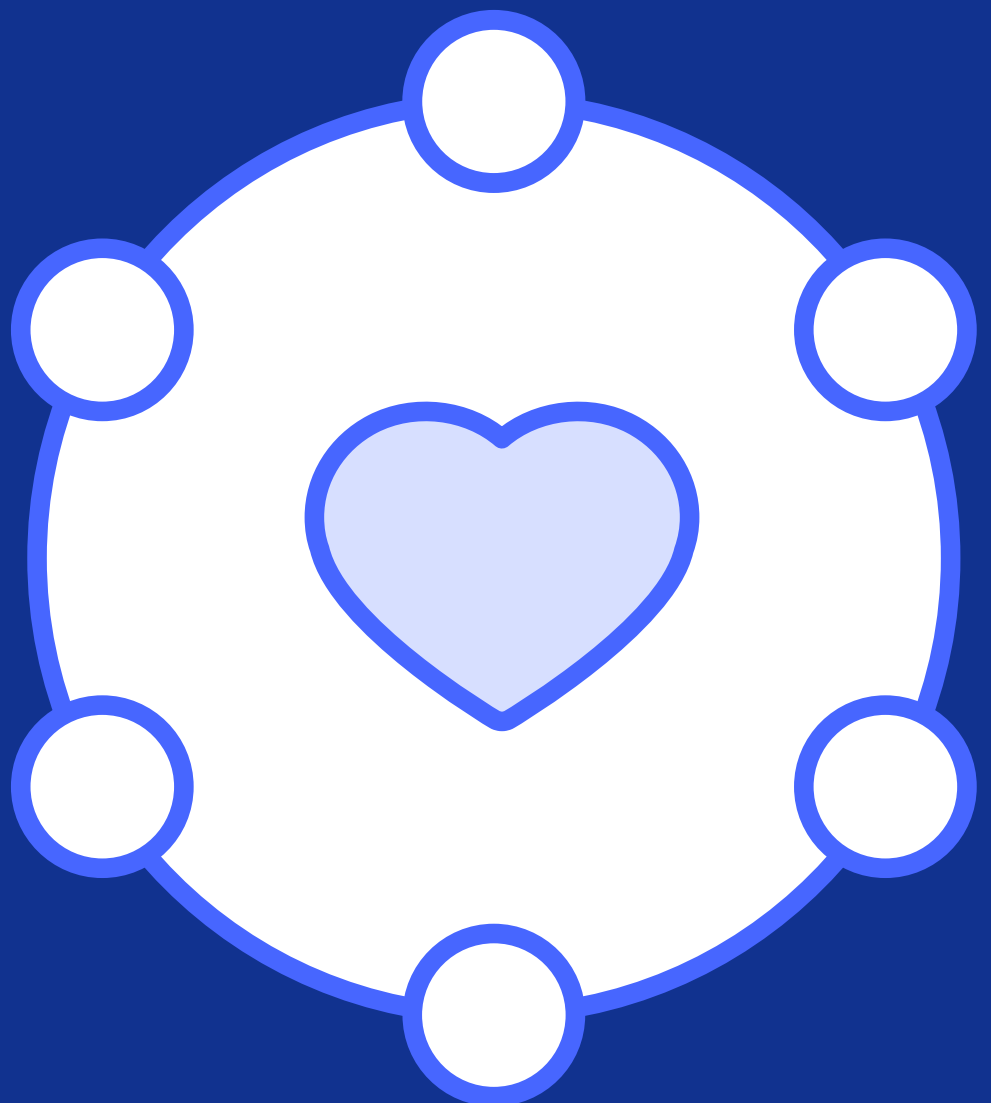


Caroline Figueiredo, eCommerce and Digital Solutions Manager, Krispy Kreme





# Omnichannel retention and loyalty in action





## How AO drove 45% of its revenue using automation

As the UK's most trusted electrical retailer, customer satisfaction is at the heart of everything AO does as a business. It's an ethos embodied by their CRM team, too.

With a constantly-expanding product range, AO faced three key challenges:

- Growing their first-party database
- Ensuring content was both engaging and products communicated were relevant
- Reactivating dormant customers with limited data.

AO needed to engage both first-time and returning buyers during lengthy sales cycles, with a focus on building trust, authority, and loyalty.

[Read the full success story here](#)

“ We have a really good partnership with SAP Emarsys over the last 4 or 5 years, which has really allowed us to challenge ourselves and delve into our key issues and problem areas within our email and CRM channels. Our overall message, which you'll see across all AO marketing, is that we are the UK's most trusted electrical retailer. We pride ourselves on being really customer-focused and having the best customer journey within our industry. ”



Craig Hogan-Farnsworth, Head of CRM, AO.com



+14%

opt-in database  
growth from SAP Emarsys  
Web Channel

+150%

newsletter email  
engagement  
(click-to-open)

+45%

of revenue driven  
by automation

+12%

average order value

Working with SAP Emarsys Services, AO devised a comprehensive solution to address loyalty and retention challenges. The key components of the solution included:

## The solution

### Lead generation powered by web channel

- Launched a sign-up campaign that capitalized on site traffic from their PPC investments to grow its database
- Improved the efficiency of acquisition and retargeting

### Beating the competition with scaled automation

- Optimized customer-centric omnichannel journeys
- Ensured the right product, expert advice and deal reached subscribers at the optimal time to engage and convert

### Call-To-Action with an email template toolbox

- Optimized email work process and email templates
- Achieved omnichannel consistency
- Unlocked new interactive template capabilities with elevated storytelling and relevancy



## Levi's data-fuelled strategy to improve customer retention and repurchase rate

Levi's is a brand that needs no introduction. They invented jeans - the things you are most likely wearing right now.

The downside of a brand that has a 170+ year heritage is that in regions like Brazil, their largest audience is consumers aged 30+.

However, the brand globally has identified the need to increase its relevance with Generation Z.

When looking for a customer engagement solution, their goal was to increase customer loyalty, improve customer retention and repurchase rate, and create a strategy to move purchasers away from price sensitivity and waiting for a sale.

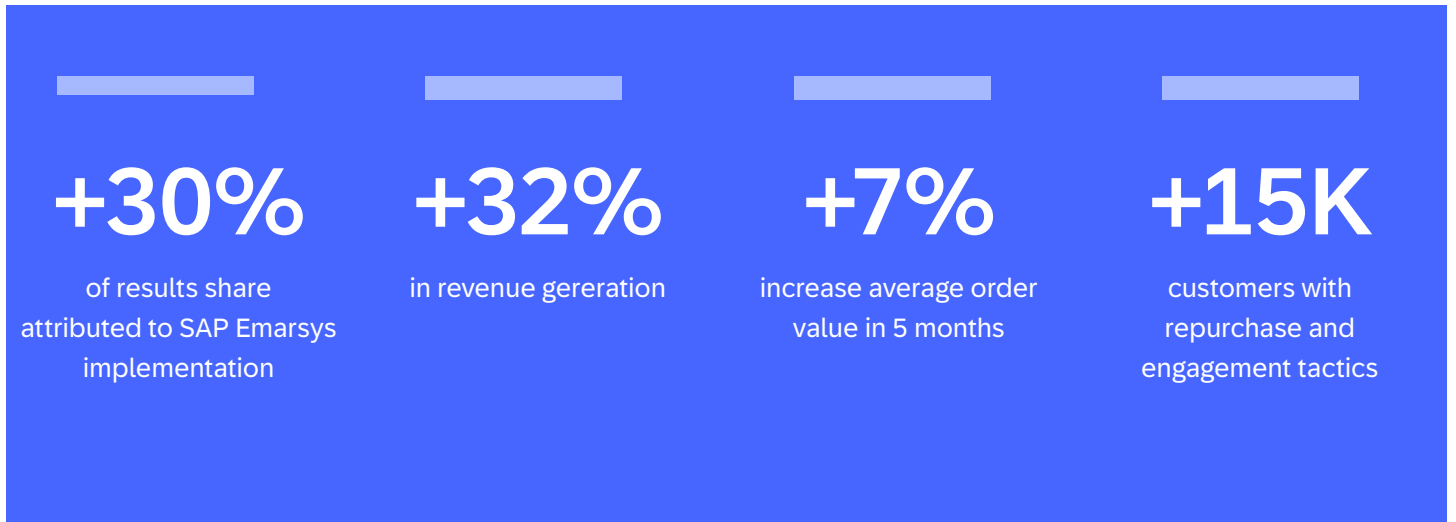
[Read the full success story here](#)

“With SAP Emarsys, we've been able to adopt features and functionalities and get new campaigns out the door faster than anticipated. Because SAP Emarsys is an all-in-one platform and the partnership here is important, now when we need to make something run, it's always fast.”




Juan Jose Arciniega, Ecommerce Senior Director at Levi Strauss & Co.








Levi's Brazil partnered with SAP Emarsys and Driven.CX to better understand customer preferences and behavior, to integrate automation strategies, increase revenue and maximize customer data to inform better strategy and execution.

## The solution

 **Integrating various sources of data**  
By integrating browsing behavior with data from a variety of sources gave the Levi's team in Brazil rich options for segmentation and personalization

 **Automations led to increased revenue**  
Levi's Brazil improved revenue and retention by adding Welcome Email, Abandoned Browse, Abandoned Cart, Back in Stock and Price Drop tactics

 **Personalizing customer engagement at scale**  
Created a personalization strategy for Black Friday. The segmentation capabilities and first-party data created helped fuel growth year over year

 **Easy SMS marketing**  
SAP Emarsys' SMS capabilities mean that Levi's no longer has to rely on a third-party company to buy a package of SMS messages to send



## How Petco keeps pet lovers coming back for all their pet-care needs

Petco is a category-defining health and wellness company focused on improving the lives of pets, pet parents and Petco partners.

Though the business had ambitions of delivering a seamless, omnichannel customer experience for their shoppers, they were up against a number of challenges, including:

- [Connecting online and offline data](#)
- [Omnichannel customer engagement](#)
- [Automating personalized campaigns at scale](#)

They had previously used Mailchimp, but it couldn't keep up with their growing business. As a small team tasked with the big responsibility of delivering more meaningful moments with their shoppers, they needed a strategic advisor to support them along the way.

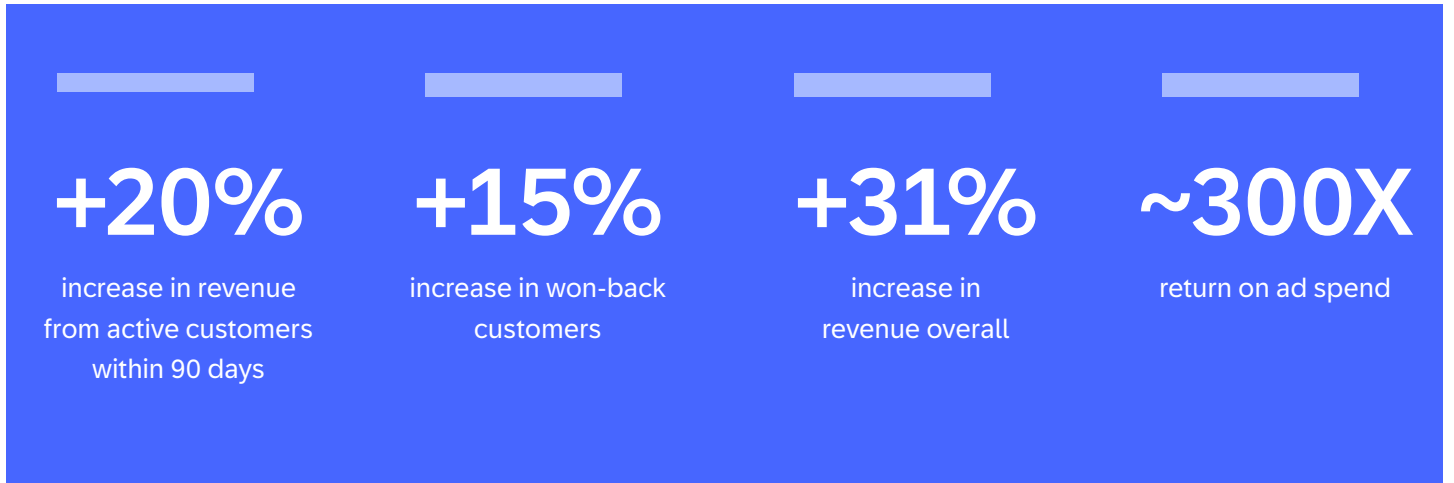
[Read the full success story here](#)

“The advantage of centralizing all our communication channels in SAP Emarsys is not only limited to the ability to segment and react, but also allows us to observe user trends and preferences at each stage. This makes it easier for us to make more informed decisions about which channel to use to communicate with each of our users within the base. In short, we manage to offer a completely personalized and omnichannel experience.”



Dulce María Aguilar, Site Conversion & Pricing Specialist, Petco Mexico





With SAP Emarsys' support, Petco connected their channels for an omnichannel customer experience which spans across email, web, digital ads, and their mobile app. They also have connected their loyalty program, which accounts for 92% of purchases.

## The solution



### A connected approach led to omnichannel customer engagement

Petco was able to improve their conversion rates with active customers by 20% within 90 days.



### Reducing customer churn

15% increase in the number of churning customers that were won back.



### Integrating online and in-store data

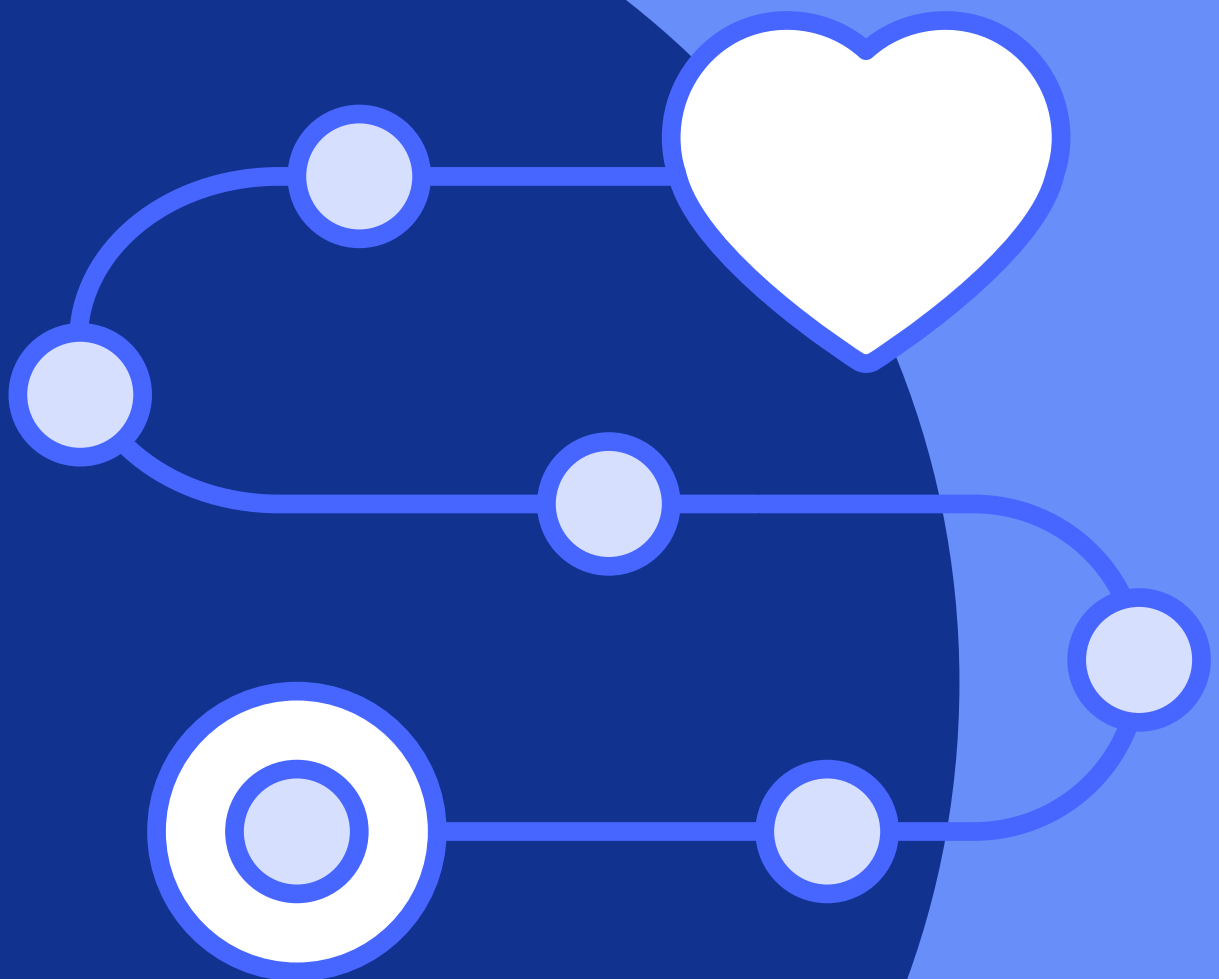
With ERP integration, Petco could better understand high-value customers and create more meaningful and revenue-driving customer engagement.



### Personalizing message content at scale

With SAP Emarsys Visual Content Editor and Personalization tools, Petco could quickly create messages that were personalized but delivered at scale.

# The path to true customer loyalty





# The path to true customer loyalty

## Key takeaways from this guide

### 1. True loyalty is experience-led:

True customer loyalty goes deeper than just points and prizes. It's about offering customers unique experiences that make them feel valued and that create an emotional connection with your brand.

Examples of experience-led loyalty strategies include:

- Access to exclusive events
- Early access to new products or access to exclusive / rare products
- Invitations to directly influence product development
- 'Meet and greet' sessions with brand influencers or celebrities
- Sending personalized gifts
- Access to exclusive content

### 2. Ethics matter

As the data from our recent Customer Loyalty Index shows, Ethical Loyalty has grown from 24% to 30% since 2021.

When a brand consistently acts in line with ethical principles, such as fair labor practices, sustainable sourcing, or corporate transparency, it demonstrates integrity, which in turn builds trust.

Just be careful not to stray into politics though, as 23% of respondents say staying out of political issues positively impacts loyalty.

### 3. Always think omnichannel

Companies that lead with an omnichannel loyalty and retention strategy enjoy:

- Higher margins
- Improved customer interactions
- Stronger customer loyalty and retention

If there's one thing to take away from this guide, it's this:

When you prioritize omnichannel, it leads to greater ROI, increased retention and loyalty, and, most importantly, happier customers.



## See how SAP Emarsys powers omnichannel retention & loyalty

Discover how SAP Emarsys can help your brand increase customer retention and loyalty at any scale through personalized omnichannel customer engagement.

[Learn More](#)

## About SAP Emarsys

SAP Emarsys is the customer engagement solution of Intelligent CX from SAP, empowering businesses to deliver personalized, AI-driven, omnichannel experiences. Built for scalability and extensibility, Intelligent CX from SAP integrates commerce, sales, service, marketing, and customer data, enabling businesses to exceed customer expectations with real-time, relevant engagement. From digitally native disruptors to global enterprises, SAP Emarsys helps bring out the best CX in every business by meeting customers where they are with the products, information, and experiences they need, exactly when and where they need them.

For more information, visit [www.emarsys.com](http://www.emarsys.com)



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