



# Rethink Loyalty From Transactions to Connection

## AGENDA

**Welcome & Introductions**

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**Why Loyalty Matters – Right Now**

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**The Transaction Trap**

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**Rethinking Loyalty: Our POV**

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**Salesforce Loyalty Management**

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**Wrap Up**

## MEET THE TEAM



**James Riess**

Loyalty & CRM  
Merkle



**Christy Hardin**

Loyalty & Promotions Strategy  
Merkle



**Peter Mitchelmore**

Retail Product Marketing  
Salesforce

# Why Loyalty matters right now

**Rising  
CPA**

**60%**

Increase in customer acquisition costs in the past 5 years

- Berkshire Hathaway

**1PD  
challenge**

**37%**

of US brands say their greatest concern or challenge is having enough first-party data for targeting, activation, etc.

- IAB

**Trading  
down**

**82%**

Consumers are cutting costs and trading down.

- McKinsey

**Click &  
mortar**

**84%**

of consumers believe retailers should be doing more to integrate their online and offline channels

- RetailNext

**Trust as brand  
currency**

**60%**

of Gen Z consumers prefer to buy from brands that reflect their personal values.

- Statista

**BRAND MANDATE**

**Refocus on  
driving growth  
from base.**


**Incentivize data  
sharing at the  
individual level.**

**Create value  
prop. that goes  
beyond product  
or service.**

**Recognize and  
reward consumers  
across touchpoints.**

**(Re)define brand  
based on human  
values.**





**“ One in three businesses without a loyalty program today will establish one by 2027 to shore up first-party data collection and retain high-priority customers. ”**

*- 2023 Gartner Market Guide for Loyalty Program Vendor*

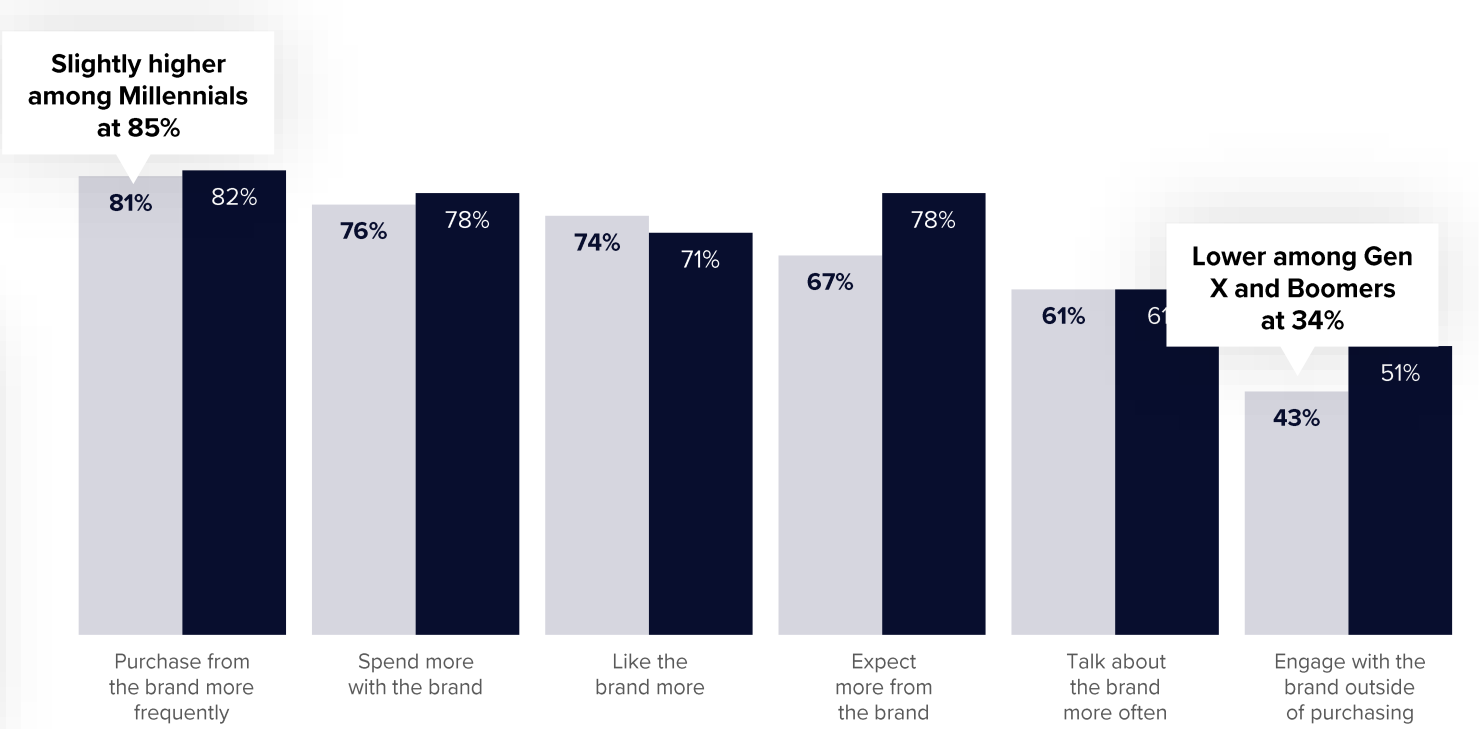
Now more than ever, Human Loyalty<sup>®</sup> is a brand's most valuable asset



Survey Question

Indicate your likelihood to do the following things because of your participation in a free loyalty program or paid loyalty program. (Top two box)

Free Paid



- Merkle 2024 Loyalty Barometer

# The Transaction Trap

# Today's programs are losing ground

## Over-reliance on discounting



- Programs center around monetary value
- Reduces margin and commoditizes the experience

## No emotional connection



- Consumers expect personalization, relevance and recognition
- Missing belonging and brand purpose

## Same model, different logo



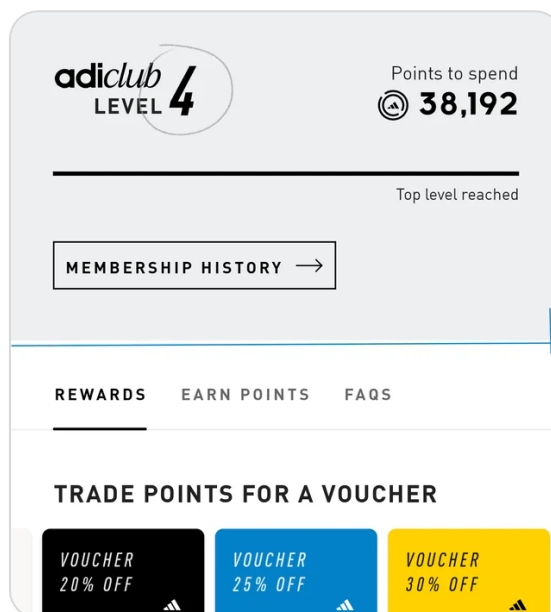
- Consumers engage with the brand only when there's something to earn
- Little innovation across categories unless there's a disruptor



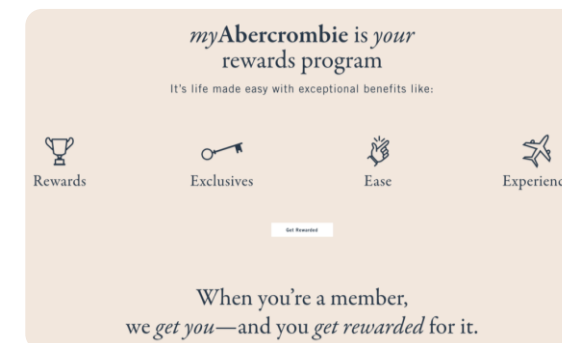
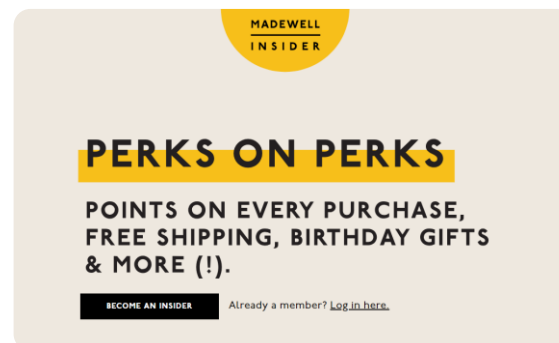
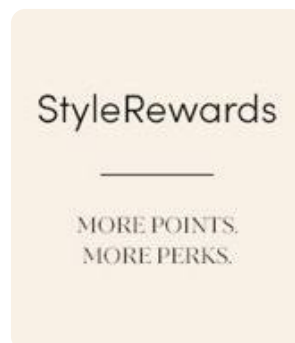
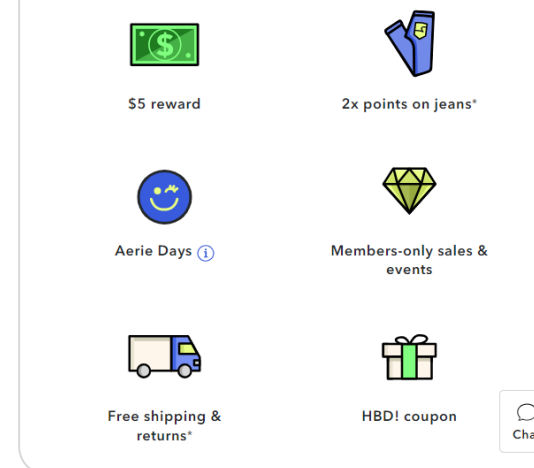
Many loyalty programs look the same and are based on a transactional value exchange.

#### CATEGORY INSIGHTS

- Points and tiers are prevalent
- Shipping benefits, members-only offers, and early access are baseline expectations
- *Perks* is the common language used



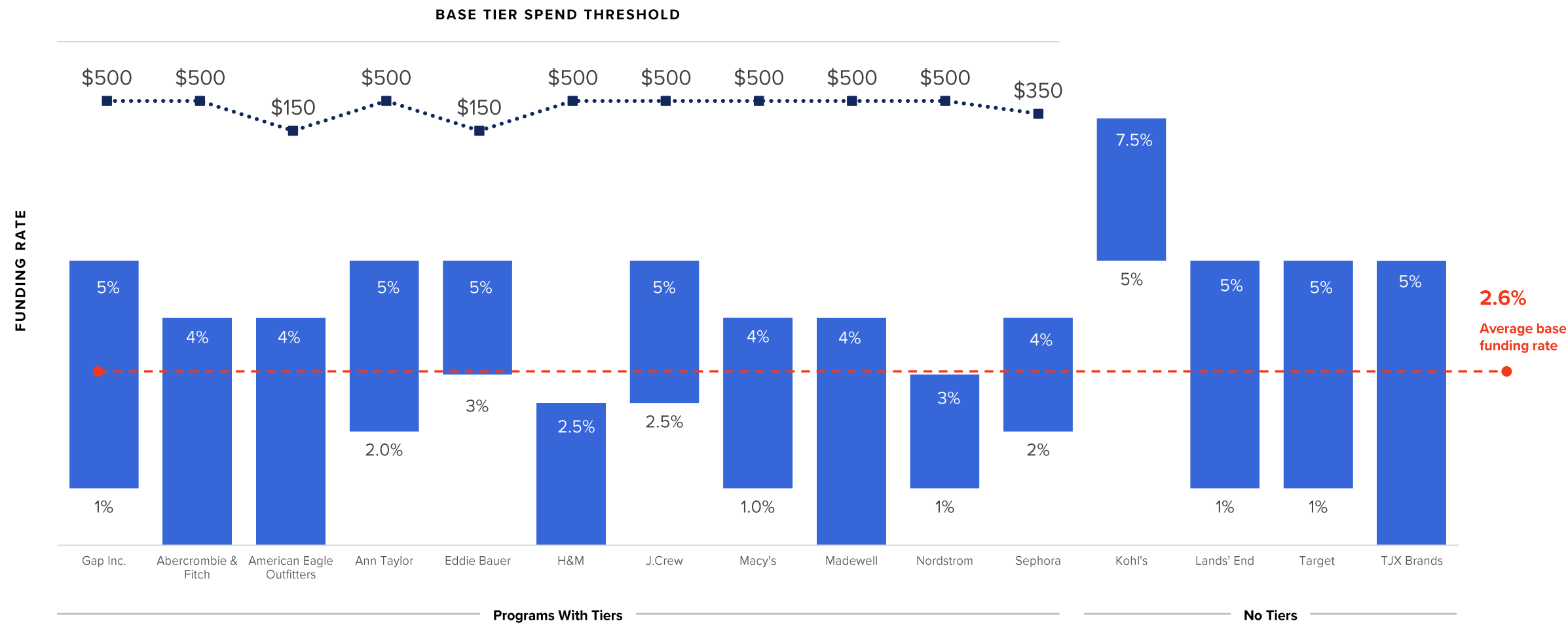
Fast, easy perks. That's what makes them **REAL**.





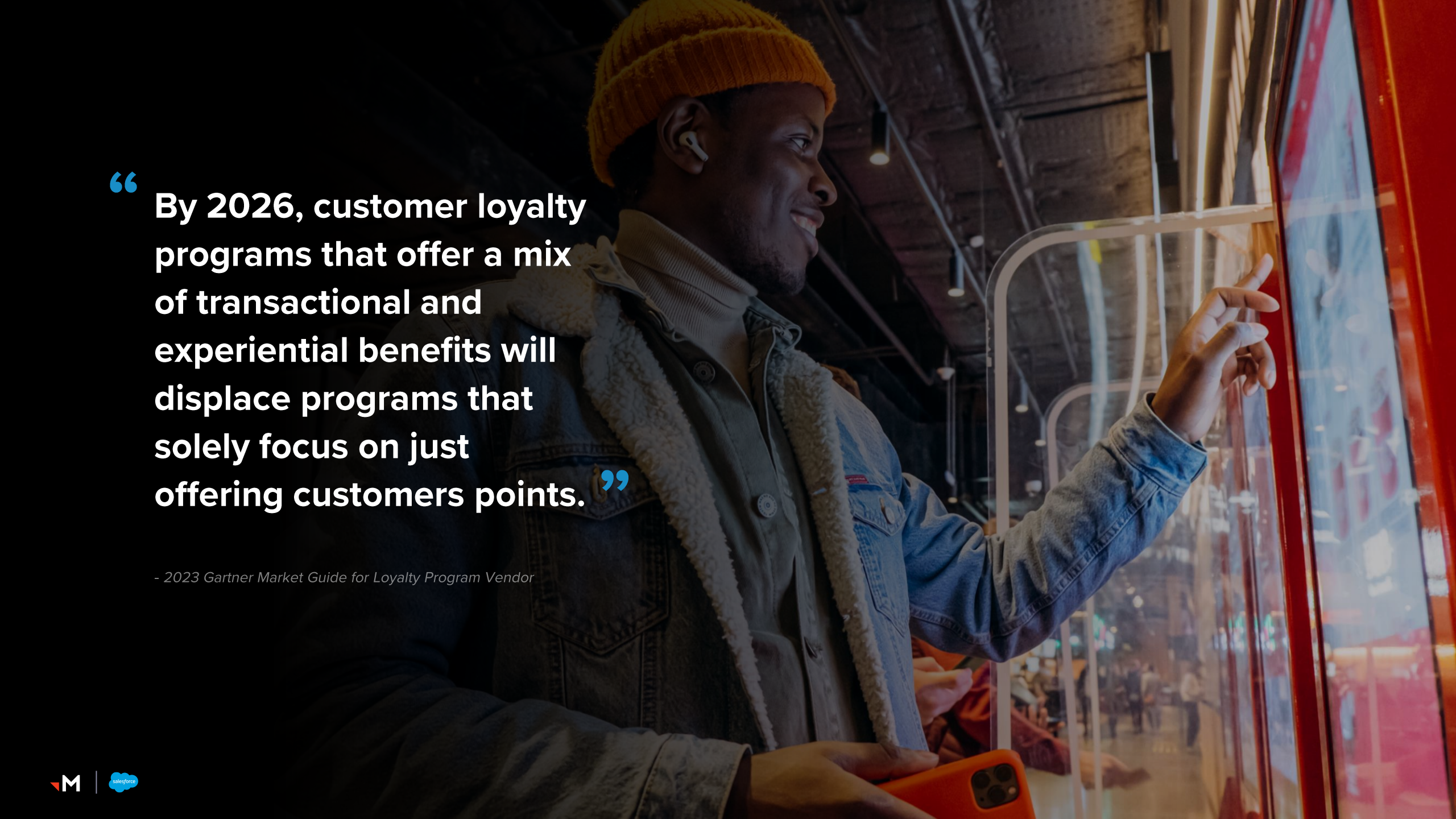
# Funding rates and tier thresholds are consistent among retailers

Brands shouldn't try to compete here. Focus on value-added benefits and services instead.



Retail brands are setting customer expectations, creating value beyond transactions, and capitalizing on emerging trends.





**“ By 2026, customer loyalty programs that offer a mix of transactional and experiential benefits will displace programs that solely focus on just offering customers points. ”**

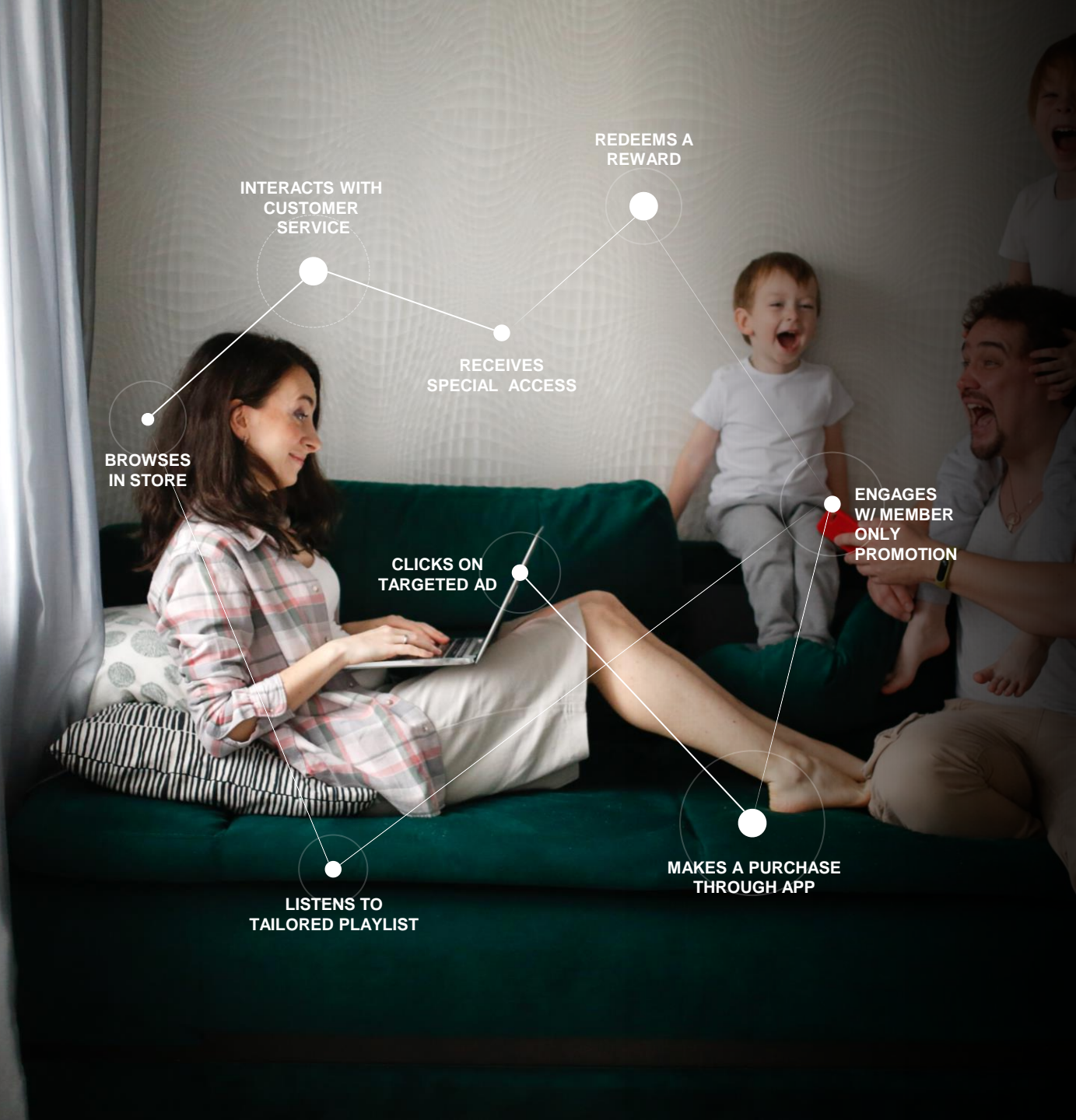
*- 2023 Gartner Market Guide for Loyalty Program Vendor*

# Rethinking Loyalty



Human  
Loyalty<sup>®</sup> is...

The outcome  
of every  
experience  
that we have  
with a brand.





# Human Loyalty<sup>®</sup> is both behavioral and emotional

# 77%

of transactional loyalty programs  
fail within the first 2 years.

-CapGemini

## TRANSACTIONAL LOYALTY

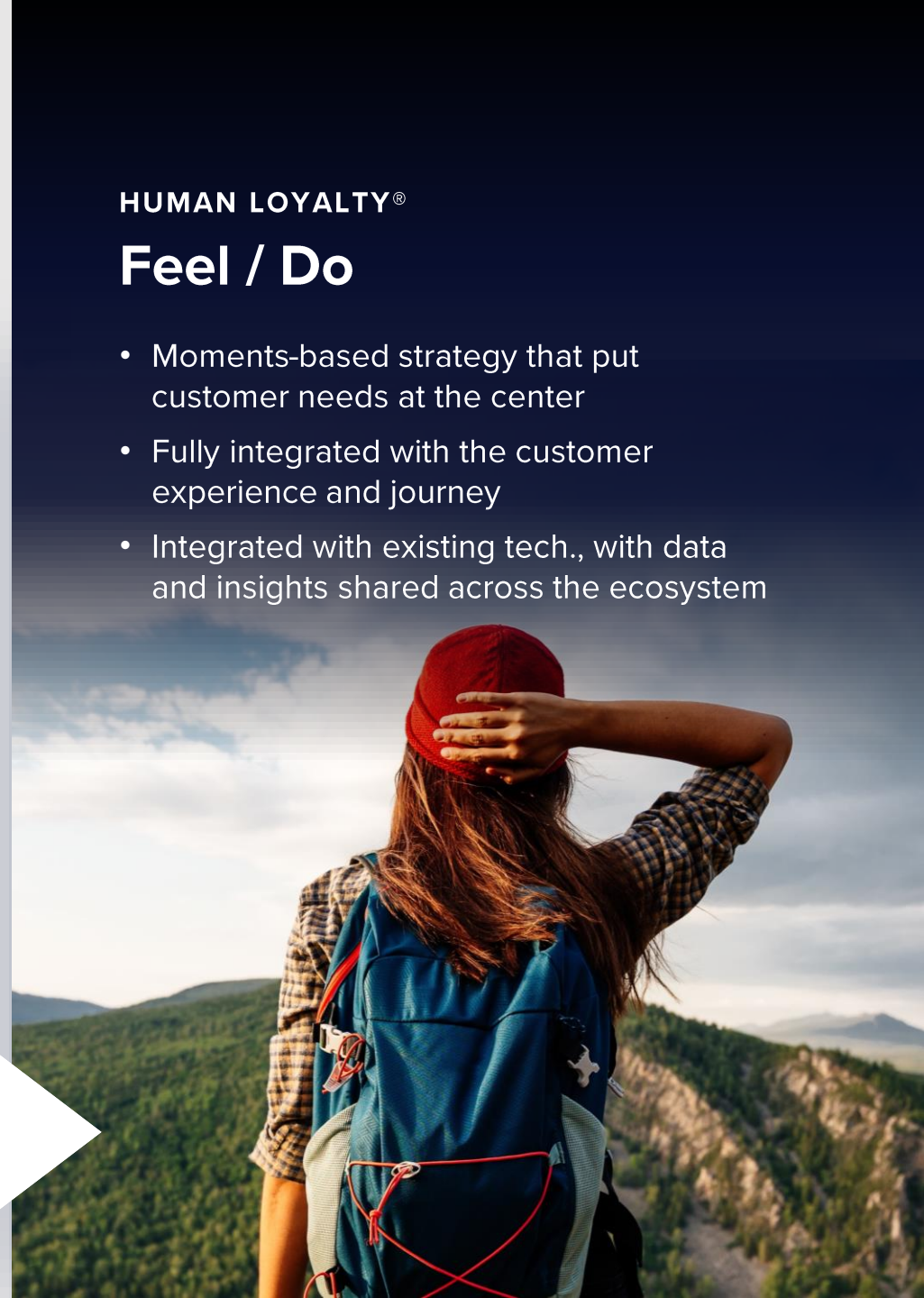
### Do / Get

- Siloed program
- Only behavior based
- Rewards transactions

## HUMAN LOYALTY<sup>®</sup>

### Feel / Do

- Moments-based strategy that put customer needs at the center
- Fully integrated with the customer experience and journey
- Integrated with existing tech., with data and insights shared across the ecosystem



HUMAN LOYALTY®

## Feel / Do

- Moments-based strategy that put customer needs at the center
- Fully integrated with the customer experience and journey
- Integrated with existing tech., with data and insights shared across the ecosystem

# Our approach focuses on the three essential ingredients for Human Loyalty®

### HEAD

## Rational Value

- Value exchange
- Program structure
- Partner ecosystem

### HEART

## Emotional Connection

- Exclusive access
- Shared values
- Community

### HABIT

## Repeat Engagement

- Personalization
- Gamification
- Triggers





# 5 ways to increase Human Loyalty<sup>®</sup>

- 1 GAMIFICATION**  
to motivate behavior
- 2 PARTNERSHIPS**  
improve the value proposition
- 3 PERSONALIZATION**  
to create relevance
- 4 COMMUNITY**  
to create consumer attachment
- 5 PYGITAL EXPERIENCES**  
to deepen engagement



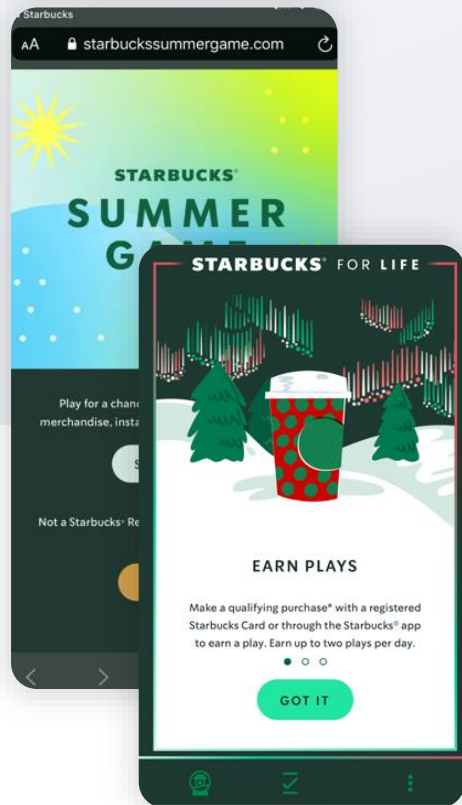
Gamification puts customers in the driver's seat by **using emotional motivation to make them *want* to engage** with your brand.



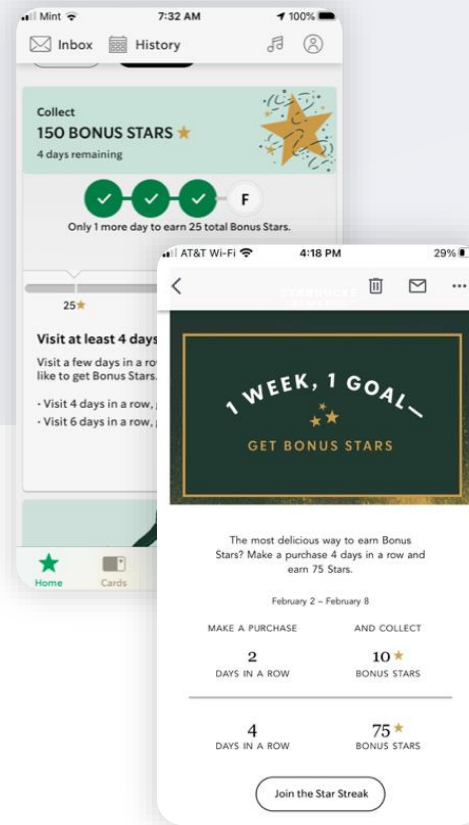


# Brands using gamified moments to drive engagement and motivate behaviors

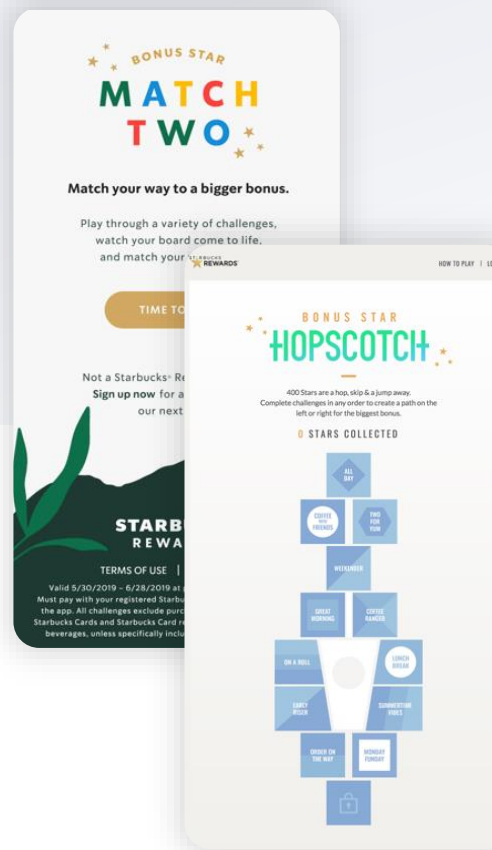
## Pillar Promotions Drive Attention Year After Year



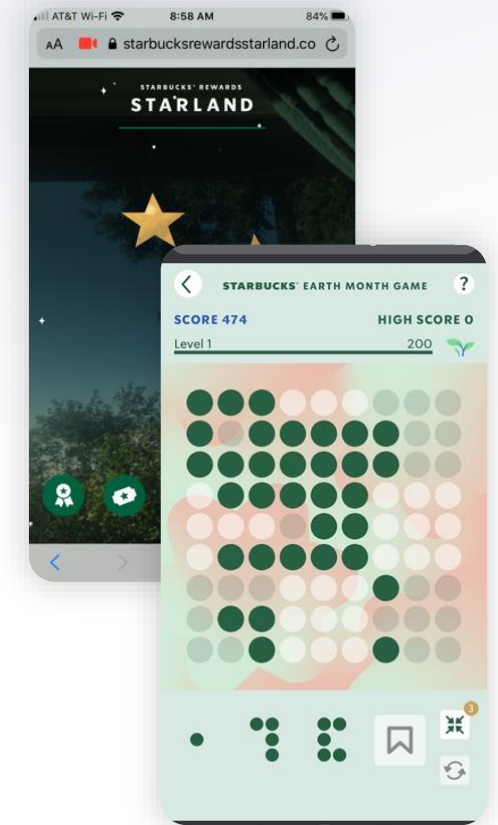
## Challenges Drive Purchase and Frequency



## Segmented Games Drive Specific Behavior



## New Formats Break Through to Engage





**Starbucks  
uses gamified  
loyalty to create  
community  
around shared  
values.**



**Richard Ghemigian**  
@ghemigian

Hey @Starbucks can you please bring back the Play & Plant puzzle game? It was simple but addicting and a great addition to your monthly games.

9:29 PM · May 1, 2021

2 0 0 Share this Tweet

**Meghan H**  
@megtalla

#Guys I have been playing the @Starbucks earth month game nonstop for the last month and I honestly just a visceral reaction to realizing that it's gone now 😭

#starbucksearthmonthgame

11:39 AM · May 1, 2021

4 1 0 Share this Tweet

**Old Pal™ Melly-Zamo**  
@RobsOldPal

Sad that Starbucks earth month puzzle game is gone :(

7:32 PM · May 1, 2021

4 0 0 Share this Tweet

**abigail ✨**  
@abigailcoleee

Hey @Starbucks can I have the play and plant game back pleaseeeeeee

11:34 PM · May 1, 2021

2 1 0 Share this Tweet

**Geo B - Get Vaccinated - I did!**  
@geo\_b42

@Starbucks I need the Earth Month Game back - loved playing it!

5:24 PM · May 1, 2021

1 0 0 Share this Tweet

**Jamie**  
@jamienicole7

help what do i play now that the @Starbucks play and plant puzzle game is gone 🙄

2:46 PM · May 1, 2021

2 0 0 Share this Tweet

**Jenn Loyola**  
@jennloyola

@Starbucks What do I do with my life now that the Earth Month game is over? Please bring it back! #starbucks

1:32 PM · May 1, 2021

0 0 0 Share this Tweet

**Healthy Academic**  
@HealthyAcademic

@Starbucks will the puzzle game (part of Earth Month) be coming back? I could play that game all day and miss it already!

2:35 AM · May 2, 2021

2 0 0 Share this Tweet



# Accelerating loyalty through strategic partnerships

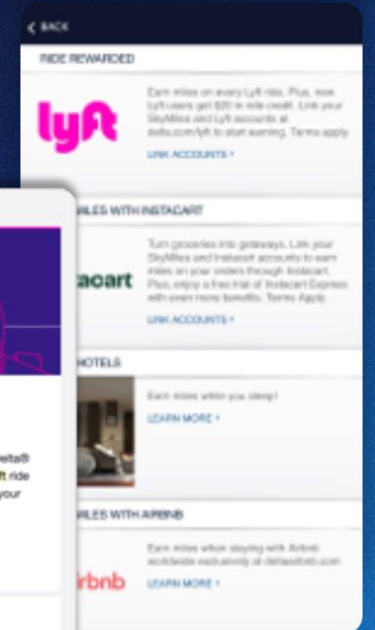
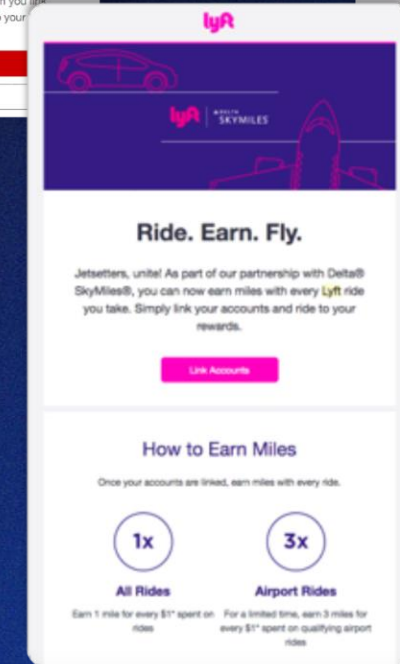
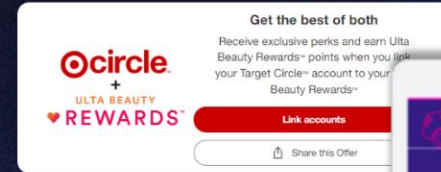
To create loyalty programs as dynamic as the members they serve, brands are turning to partnerships. In crowded categories, partnerships help brands stand out, delivering value that goes beyond the specific product or service they offer.

In 2024, investing in partnership-based marketing was one of the top 5 trends that brands were planning to invest in.

Open Loyalty,  
Loyalty Trends 2024

77% of CMOs agree that in the future, brands will be built in partnership between brands, creators and platforms.

Dentsu Creative  
2024 CMO Report





**Highly personalized and relevant communications are enabled by a data-forward loyalty program that activates data to deliver a compelling experience.**

Customer engages via purchase or other engagement levers

INPUT DATA

Synthesize data to inform personalized experiences

PERSONALIZE EXPERIENCE

BETTER OFFERS

Deliver next-best products, relevant offers, and experiences

Customer experience is elevated by anticipating personal needs

ELEVATED EXPERIENCE



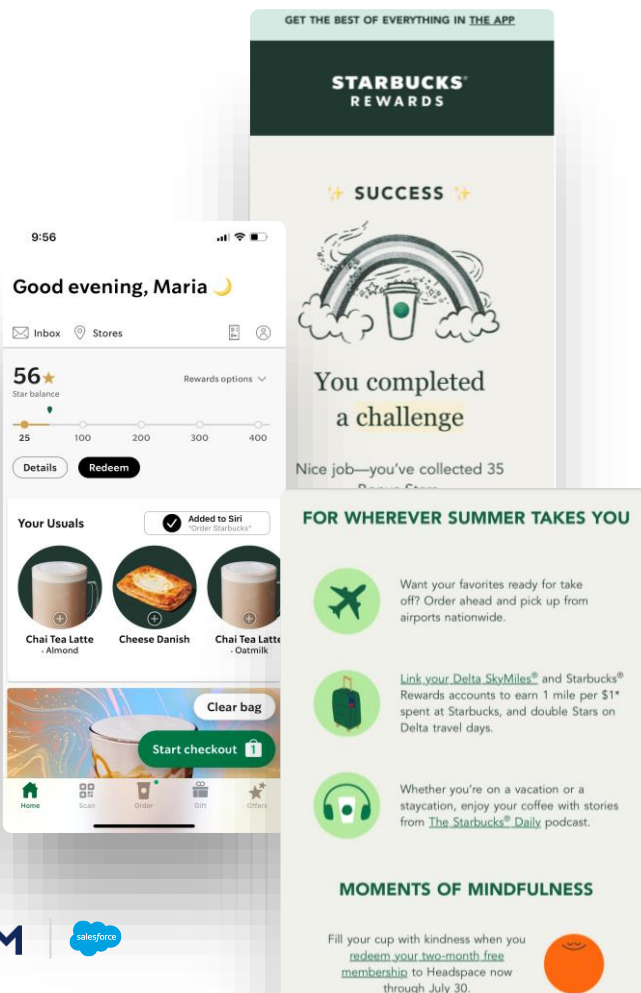
**“Currently, 78% of US B2C marketing executives concede that their marketing and loyalty technologies are siloed. In 2025, leaders will merge loyalty and marketing technology stacks to increase efficiency and meet consumers’ need for continuity across customer experiences.”**

- Forrester 2025 Predictions Guide for B2C Marketing and Customer Experience

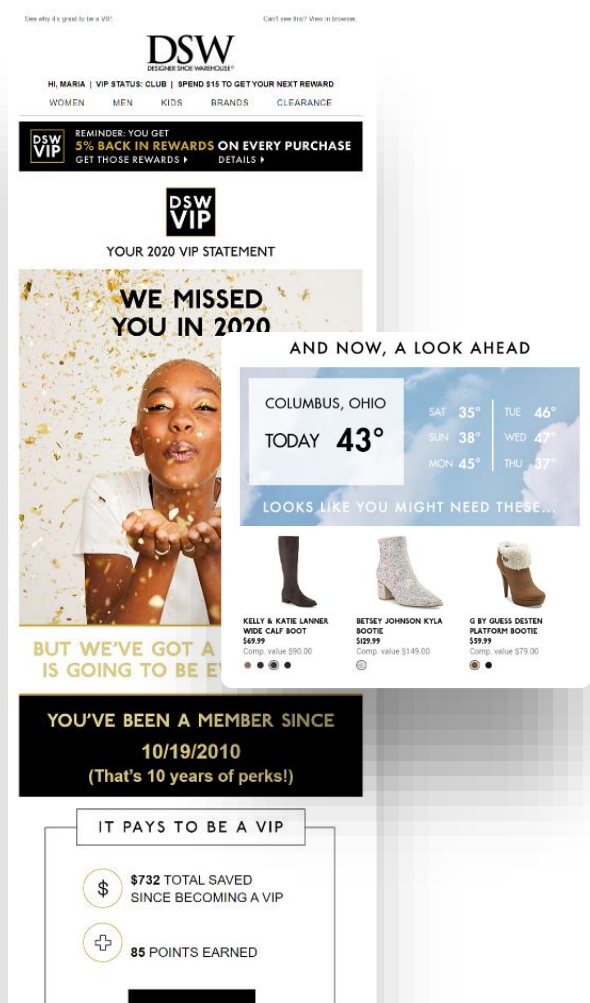


# Three ways stand-out brands leverage loyalty data in its messaging

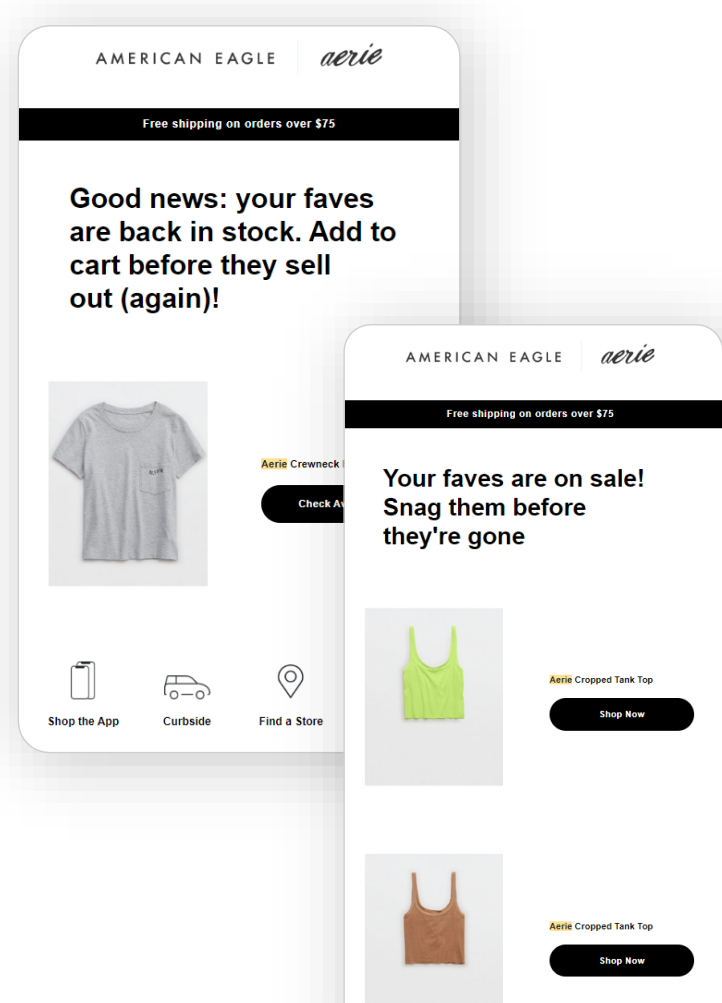
## CONNECT ALONG THE JOURNEY



## DELIGHTING WITH DATA



## POWERED BY CUSTOMER PREFERENCE





# Building Community Loyalty From Points to People

Customers are increasingly seeking more meaningful connections with the brands they support, integrating community-based elements—such as social interactions, shared experiences, and peer recognition—to significantly amplify program engagement and lifetime value.

These programs foster loyalty by recognizing the customer as more than a shopper—they become a valued member of a vibrant network.

**Create shared activities and events**

**Facilitate member interactions and storytelling**

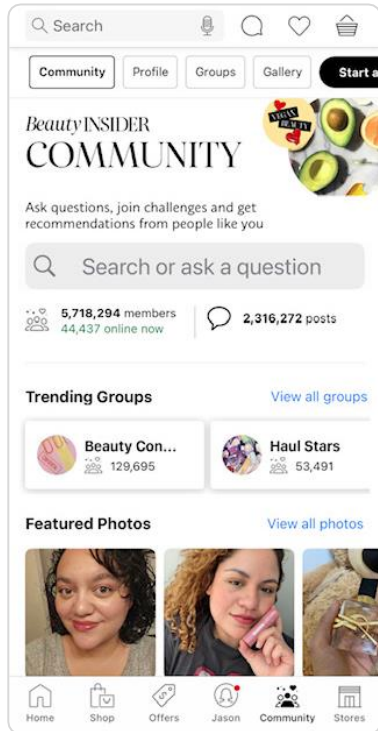
**Use exclusive access as a differentiator**

**Recognize and reward community contributions**



## COMMUNITY

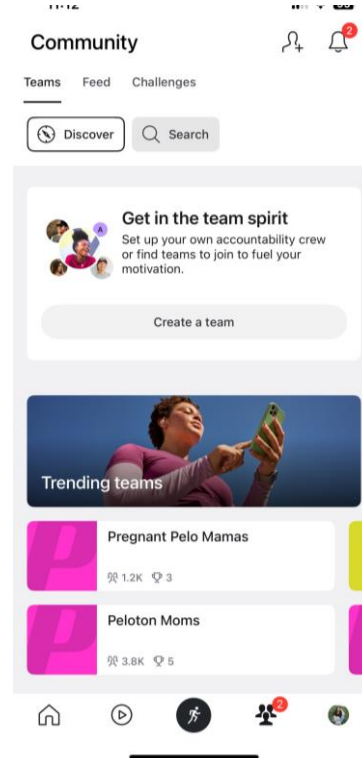
Leading brands across industries, from beauty to apparel to wellness, are harnessing community as a competitive differentiator.



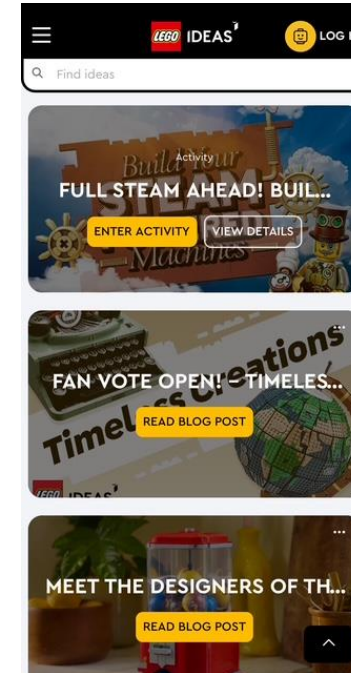
Sephora's 6M beauty obsessed members with 2.3M posts swap tips and share looks in virtual forum.



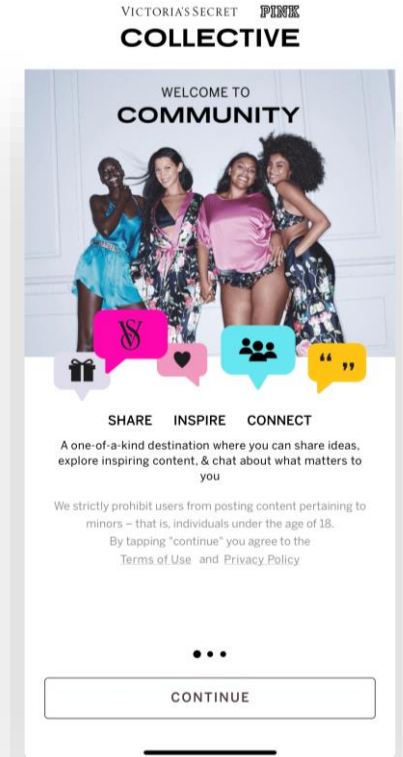
AnthroPerks members participate in exclusive events and parties



Subscribed Peloton members can join Teams for shared motivation and connection



LEGO Insiders can submit their own designs and vote on others' ideas



Live polls, product feedback and preference data curate a unique Victoria's Secret experience



# Capture Shopping Behaviors and Customer Data via Phygital Touchpoints

**Phygital touchpoints integrate physical and digital elements in retail environments to enhance the customer experience.**

“As the retail industry continues to adapt to the changing landscape, there's a growing need for effective in-store customer data capture solutions.

Traditional loyalty programs, while still valuable, may not be sufficient in providing a comprehensive understanding of customers.

Including phygital technologies in data capture strategies can help enhance the customer experience, improve data collection and increase customer retention.”

SOURCE: Beyond Loyalty Programs: Using Phygital Touchpoints For In-Store Data Collection, Forbes. (2023).



## Kiosk

In-store digital displays that can be used to collect customers' product preferences, research products, and access reviews



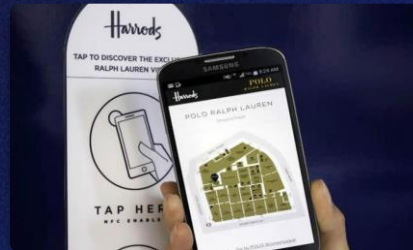
## QR Code

Scanning a code enables unlocks digital content or lets customers make purchases



## Virtual Try-On

Interactive kiosk that offers a virtual try-on experience when a customer shares their photo



## Near-field Communication

Near-field communication (NFC) technology allows customers to interact with the products at the shop and after the purchase



## Livestream

Live shopping events where viewers can see and learn about products from a live host and purchase items on the stream



## AR/VR

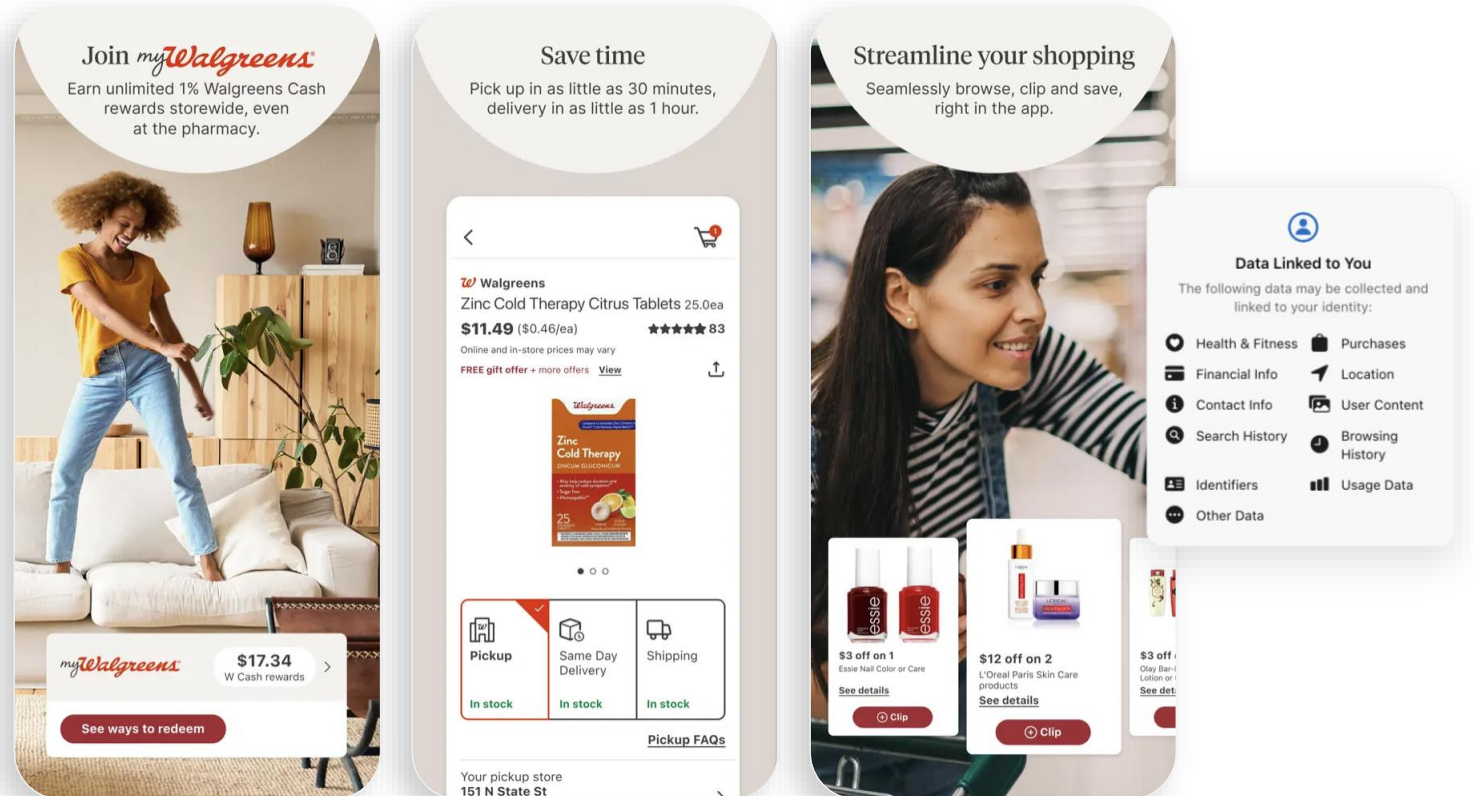
Using a headset to create an immersive digital environment with AR augmenting real-world scenes and VR as a virtual one



# Brands are using mobile loyalty to make shopping (and health) seamless



Walgreens has integrated its myWalgreens loyalty program with Apple Wallet, allowing customers to add their loyalty cards directly to the Wallet app on iOS devices. This integration enables a seamless checkout experience, where customers can earn and redeem rewards by simply tapping their iPhone or Apple Watch at the point of sale. Additionally, Walgreens' mobile app offers features like prescription management, pill reminders, and personalized offers, enhancing the overall customer experience.



# Salesforce Loyalty Management

# Loyalty Management



salesforce

## A Modern Loyalty Solution Harnessing Data And AI

Engage customers with **timely, personalized** rewards and promotions

Deploy **AI Agents** to streamline program creation process and improve productivity

Deliver **consistent omnichannel** member engagement across the customer journey

Power program decisions with **intelligent** dashboards & predictive recommendations

**SHOE CARNIVAL**  
20% Increase in member revenue

**+30%**  
Increase in customer retention

**Loyalty Management** Home Loyalty Program Setup **Insider Program**

**Loyalty Program**  
**NTO Insider Program** View Program Setup →

Status	Currency	Tier Group	On-going Promotions
Active	Reward Points	Status Tier Group (5 Tiers)	12

Dive into these key areas and grow your business.

- Create a Promotion**  
Create and manage your promotions in one place
- Gamification**  
Create fun Game, Badges and Engagement Attributes.
- Create a Voucher**  
Create and deploy vouchers with a few simple clicks
- Create a Widget**  
Create widgets to engage members
- Manage Partners**  
Create and manage Partners
- Loyalty Process**  
Create a Loyalty Process

My Referrals

**Refer a Friend and Earn**  
Invite your friends and get a voucher when they shop for the first time.

Friend's Email Address →

Separate emails with commas

Or Share Via

Facebook Instagram WhatsApp X Share

84KFF7GHSLJKL81 TAP TO COPY

Share the referral code above in any other way

Done

**Promotions Calendar**

Su	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8

**IHG** **TD Bank** **Pizza Hut**



# Loyalty needs the right data and tools to build lasting customer relationships



salesforce



# Salesforce Loyalty Management Momentum

The fastest growing modern platform on the market





## 4 years

And already over 300 customers globally across 12 industries.

In 2021, we launched the Loyalty Management solution, our purpose-built offering designed to help brands improve customer satisfaction and create revenue-generating loyalty programs.

RETAIL

CG

COMMS.

TTH

MFG

FSC

HLS

## Industry Innovation

3x releases annually 9 Product releases

## Strong Analyst Recognition



Ranked a **"Leader"** in the June 2024 "IDC MarketScape for Worldwide Retail & CPG Loyalty Software Providers"



Ranked a **"Technology Leader"** in the market, by SPARK Matrix™ for Customer Loyalty Solutions, Q2 2023 & 2024



Ranked a **"Strong Performer"** on Debut In The Forrester Wave™: Loyalty Technology Solutions, Q1 2023



Ranked a **"Leader"** in the 2024 Gartner® Magic Quadrant™ for Customer Data Platforms

## Customer Success

300+ customers globally across 12 industries





# Together we enable enterprise loyalty at scale.



A **Salesforce Partner** for 20 years

# **1** Global Agency Partner

**Top 8** Worldwide Partner

# **1** Partner in Loyalty

**3,800+** Salesforce-trained staff globally

**40+** loyalty and cross-cloud program Blueprints annually

Merkle accelerates Salesforce CRM outcomes through AI and hyper-personalization powered by a deep understanding of consumer identity.

## Power Users

of the Salesforce Loyalty Management Platform

## Loyalty Consulting

packaged offerings for Salesforce industries

## Weekly Connect

with Salesforce loyalty product owners

## Investing

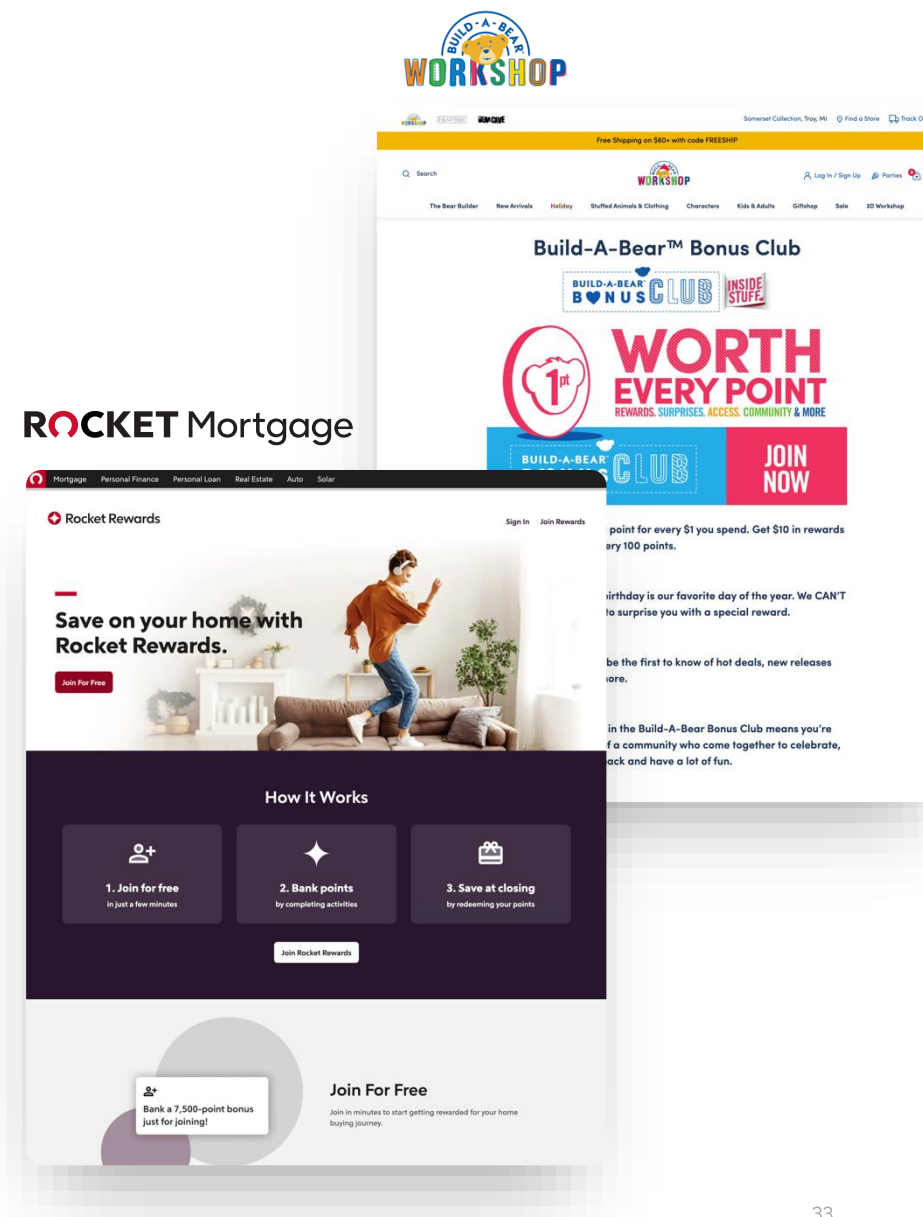
in the development of complementary solutions

## Early Access

to new SFLM features and capabilities

## Mobile Accelerators

Pre-configured integration with Airship to enable mobile app, push and wallet capabilities.





# Getting started

# Quick to market, three-step path to loyalty program strategy and activation

- 1** Complete a questionnaire about your business goals and program needs
- 2** Join Merkle and Salesforce strategy and implementation experts for a hands-on program design workshop
- 3** Work with Merkle to implement the program across your brand channels





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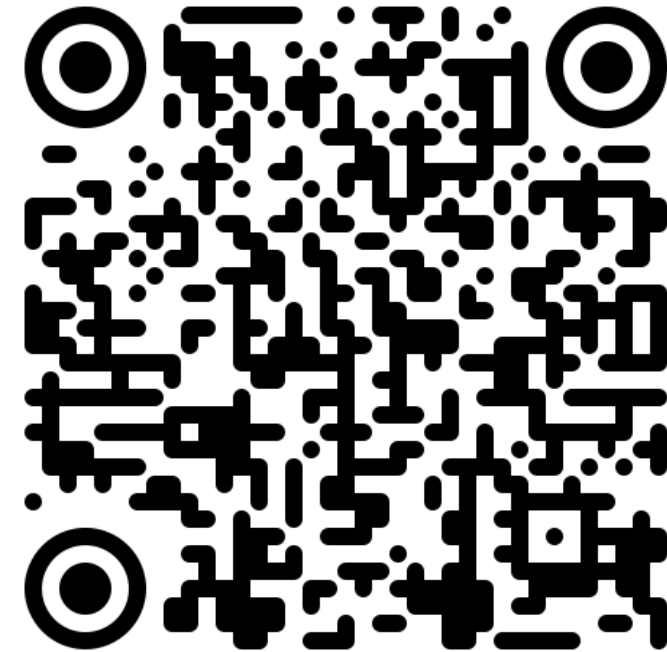
## Transform Your Loyalty Program into a Profit Engine

Join Merkle at CNX to explore how our Human Loyalty® approach can elevate your loyalty strategy — turning customer relationships into measurable growth.

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## Schedule a Meeting with our Loyalty Experts

Connect with Merkle's strategy and technology leaders to define your brand's loyalty opportunity — from structure and mechanics to high-impact use cases.



### **BONUS:** Win a Free Loyalty Workshop

All registrants will be automatically entered to win a customized loyalty workshop led by Merkle's top experts.

# Thank you!

With Salesforce & Merkle

JUNE 2025

 MERKLE

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