

LARA PENCO
GINEVRA TESTA

FINDINGS FROM A QUALITATIVE STUDY IN RETAIL LOYALTY AND TRUST IN DIGITAL TRANSFORMATION

Digital transformation is profoundly reshaping the logic of customer loyalty management in the retail sector, affecting both customer interaction methods and corporate decision-making processes. In this context, understanding how organizations interpret and contend with these changes is a central issue. This paper presents a qualitative empirical analysis, developed as a continuation of the first phase of the Loyalty Promotion Monitor 2024 conducted by SDA Bocconi School of Management. Our findings offer a managerial perspective on loyalty dynamics within digital transformation processes, helping to clarify the key strategic levers and emerging challenges in customer relationship management

CUSTOMER LOYALTY//RELATIONAL TRUST//DIGITAL TRANSFORMATION//ORGANIZATIONAL GOVERNANCE//CUSTOMER JOURNEY



LARA PENCO

is a Full Professor of Management in the Department of Economics and Business Studies at the University of Genoa. She is Secretary General of the Italian Management Society (SIMA) and SIMA's representative on the Board of the International Federation of Scholarly Associations of Management (IFSAM).

GINEVRA TESTA

is a Research Assistant in the Department of Marketing at Bocconi University. She is a member of the Channel and Retail Lab at SDA Bocconi School of Management. She earned her PhD in Marine Sciences and Technologies, Logistics and Transportation track, from the University of Genoa, CIELI.

During the first phase of the Loyalty Promotion Monitor research, the relationship between digital technologies and loyalty emerged as one of the cardinal points that would guide the research path in 2025. It is now well established, in fact, that digitalization influences how loyalty policies and individual programs are designed, ultimately determining their strategic and marketing effectiveness. More precisely, in this initial phase of analysis, informants unequivocally emphasized the relevance of digitalization, as it produces disruptive managerial impacts from a dual perspective: the demand side and the supply side.

From the demand side, digitalization serves as an enabler for building deeper, trust-based relationships between customers and retailers. In line with this, retailers are investing in digital tools designed to

shore up customer relationships throughout the entire customer journey by eliminating paper and using mobile apps, e-commerce, interface platforms, and digital payments. From the supply side, companies are leveraging both digital data (big data) and advanced tools (such as AI and machine learning integrated into CRM systems) to develop strategies aimed at strengthening loyalty and upgrading the effectiveness of marketing activities.

Although the topic of loyalty in the digital sphere is widely discussed in management, marketing, and information systems research, there are still few qualitative studies that adopt a third perspective – the management side – to provide an in-depth description of loyalty initiatives in the digital context. In recent years, some research has explored the use of technologies such as artificial intelligence and machine learning in decision-making processes; however, these investigations are not always directly linked to the dynamics of loyalty. In contrast, our study stands out by adopting a managerial perspective, which allows us to view loyalty in digital transformation not only as a technological phenomenon but as an organizational and strategic process, which closely ties into decision making as it relates to the cultural and value-based approaches of retail firms.

RESEARCH DESIGN

To explore loyalty within the framework of digital transformation, we adopted a qualitative method based on in-depth interviews to gather a broad, coherent body of information relevant to our research objectives. As affirmed by Corbin and Strauss (2008), this approach allows for a holistic understanding of the phenomenon under investigation—namely, the transformation of loyalty in the competitive digital arena—by considering both the persistence of traditional tactics and the growing prevalence of new digital tools. Therefore, in our case qualitative research is particularly effective in generating practical evidence capable of addressing even complex questions (Finfgeld-Connett, 2014).

We collected our data based on an interview

protocol developed following a review of the literature, which was an integral part of the research. The qualitative methodology is particularly well-suited to exploring the topic of loyalty and its digital evolution from a strategic perspective, highlighting the differences among the types of organizations included in the sample (such as grocery versus non-grocery retailers). The research was conducted following established guidelines in the literature for qualitative methodologies. Table 1 summarizes the steps we took in designing the research and conducting the study.

Overall, the research design we adopted ensures a high level of interpretive depth and reliability, allowing us to capture not only reported practices but also the underlying logic that guides managerial decisions regarding the digitalization of loyalty. By using this approach, the study effectively generated insights relevant to both academic debate and managerial implications.

RESEARCH TOPICS

To select the relevant variables underpinning the design of the questionnaire, we drew from two sources: one field-based and one desk-based. The main insights that emerged during the interviews conducted during the Observatory's first year allowed us to establish digital transformation and loyalty as the thematic core; this would serve as the initial lever for delineating the scope of the investigation and related in-depth analyses. Secondly, through the literature review, we identified tools, enabling factors, and conceptual dimensions of loyalty in a digital environment. Based on these elements, which represent the focus of our qualitative study, our objective was now to answer the following research question: *How do retailers manage loyalty in a context of digital transformation, in terms of identifying the potential for value creation and the challenges of adoption?*

Data collection was primarily conducted using a semi-structured questionnaire, organized into thematic areas and consisting of open-ended

TABLE 1. STEPS TO ENSURE THE ACCURACY AND SCIENTIFIC VALIDITY OF THE RESEARCH

Step	Description	Objective/benefit
1. Compiling the questionnaire	Developed the questionnaire based on the literature (desk phase) and input from retailers and industry experts (grounded phase); review of the draft by academics and professionals with expertise in loyalty and consumer behavior.	Improving the quality and consistency of the questions in relation to the research objectives.
2. Formulating the questions	Eliminated overly complex or leading questions; used clear, impartial, and respectful language.	Obtaining honest responses and reducing bias.
3. Conducting the interviews	Protected participants' privacy in compliance with the GDPR and ethical research principles.	Fostering a climate of trust between the interviewee and the interviewer.
4. Processing responses	Recorded, transcribed, cleaned, and translated responses from Italian to English for analysis.	Facilitating analysis using NVivo 14 to ensure consistency and transparency in identifying relevant items.
5. Verifying/analyzing data	Adopted a double-coding method to ensure that discrepancies were resolved through comparison, following up with participants as needed.	Ensuring the accuracy and consistency of the results.

Source: compiled by the authors

questions, which the interviewer also illustrated by giving examples and suggesting topics to stimulate conversation. The questionnaire consists of four main sections, each focused on specific aspects of the digital transformation of loyalty in retail.

Section 1 – Transitioning loyalty programs from paper to digital

The first section explored how retailers are handling the transition from traditional paper-based loyalty programs to digital models, analyzing the most widely adopted tools (digital cards, apps, online catalogs) and the extent to which they complement or replace physical media. The questionnaire prompted discussion on the factors that facilitate or hinder this transition, both from the consumer's perspective (habits, technological difficulties, privacy) and from the organization's (staff training, organizational structure, and managerial awareness at all company levels, from headquarters to retail locations). Finally, managers were asked to evaluate the advantages and disadvantages of digital technology in formulating loyalty strategies.

Section 2 – Digitalization, consumer journey, and trust

The second section, through interviews with managers, investigated how digital tools influence consumer engagement in each stage of the customer journey (*pre-purchase, purchase, post-purchase*), and how they contribute to generating and growing trust in the brand. The study also delved into the levers of engagement, storytelling, and sustainability, as well as the role of digital technologies in reinforcing the relationship with the brand, highlighting the most effective ways to prevent situations that could potentially lead to mistrust.

Section 3 – Business intelligence and predictive analytics

As mentioned earlier, digitalization permeates every stage of data collection and analysis. In this regard, in the third section we investigated how retailers use data generated by digital loyalty programs to support strategic decision-making and predictive analytics. We paid particular attention to how data can anticipate future consumer behavior and help build trust; we also prompted reflection on how artificial intelligence comes into play. From this perspective, a deeper understanding of the consumer enables retailers to implement more

TABLE 2. DESCRIPTION OF INFORMANTS AND CASES

No.	Role	Company Type
1	CRM Loyalty & Digital Manager	Grocery retailer
2	Director of Marketing and Communications	Grocery retailer
3	Loyalty & Mobile App Manager	Grocery retailer
4	Customer Experience Director	Grocery retailer
5	Marketing Director	Grocery retailer
6	Marketing Department Specialist	Grocery retailer
7	Loyalty and Special Initiatives Manager	Grocery retailer
8	Marketing Director	Grocery retailer
9	Innovation Manager & Digital PMO	Grocery retailer
10	CRM & Customer Care Manager	Grocery retailer
11	Buyer	Grocery retailer
12	Marketing & Loyalty Manager	Grocery retailer
13	CRM & Loyalty Manager	Grocery retailer
14	E-commerce Director	Grocery retailer
15	Loyalty Manager	Grocery retailer
16	Analytics & Business Intelligence	Grocery retailer
17	Head of Customer Marketing & Digital	Grocery retailer
18	Director of CRM, Loyalty & E-Commerce Group	Grocery retailer
19	Digital Marketing, E-Commerce, Social Media, CRM, Omnichannel	Grocery retailer
20	Marketing Manager	Grocery retailer
21	Loyalty Director	Non-grocery retailer
22	Marketing Manager	Non-grocery retailer
23	Sales Manager	Wholesaler/Manufacturer
24	CRM & Loyalty Director	Non-grocery retailer
25	Marketing Director	Non-grocery retailer
26	Digital Marketing Manager	Grocery retailer
27	Social Media & Digital Marketing Manager	Grocery retailer
28	Marketing Director	Grocery retailer
29	Trade Marketing & Loyalty Director	Grocery retailer
30	Loyalty Specialist & Category Management	Grocery retailer
31	Marketing Director	Grocery retailer
32	Chairman of the Board	Non-grocery retailer
33	Chief Marketing Officer	Grocery retailer
34	Chief Executive Officer	Grocery retailer
35	Loyalty & CRM Manager	Non-grocery retailer
36	Sales Director	Grocery retailer
37	Marketing Director	Non-grocery retailer
38	Director of Purchasing, Promotions & Marketing	Grocery retailer
39	Director	Grocery retailer
40	Marketing Director	Grocery retailer

Source: compiled by the authors

effective, personalized loyalty strategies that align with consumer habits and preferences.

Section 4 – New technologies and future developments in loyalty

Finally, we encouraged managers to talk about the emerging technologies that they considered most promising for strengthening loyalty and trust (e.g., AR, digital wallets, NFC, blockchain, AI). The aim here was to discuss possible future developments in digital retail across the entire consumer journey, drilling down into the role of AI in improving personalization, clustering, and churn prevention. In this sense, artificial intelligence, the world of retail media, the use of apps, and gamification will all represent indispensable tools for loyalty in the near future.

Table 2 provides an overview of the company profiles included in our sample, specifying the professional roles of the respondents and the types of organizations they work for.

Data collection followed qualitative methodologies based on interviews and adhered to ethical principles, respecting the confidentiality of personal information (Priporas et al., 2017). The process was considered complete once theoretical saturation was reached, that is, when new information no longer contributed to our understanding of the phenomenon under analysis (Corbin and Strauss, 2008).

CAN DIGITAL REPLACE PAPER?

Our research analyzes how retailers are dealing with the transition from paper-based loyalty programs to digital solutions, assessing the level of integration between the two models. The findings from the interviews paint a generally convergent picture, albeit with some differences between grocery and non-grocery retailers and between cooperatives and traditional business organizations.

Print/digital integration

Over the past decade, digital has taken on a more central role in loyalty strategies. Companies have introduced services that can improve

communication with customers, offering self-service features, and digitization processes that were previously done exclusively in physical form. The transition, however, was approached “gradually, implementing all the strategies needed to help customers use our card digitally” (Informant 40). Since a significant proportion of the customer base of our respondents consists of older people (who are less inclined to use digital tools) the retailers had to proceed with an integrated model combining physical and digital solutions to support the entire customer base through the transition.

Digitalization is viewed as complementary rather than a replacement solution, serving as a tool capable of amplifying touchpoints throughout the entire customer journey. Many retailers have now drastically reduced their use of paper, introducing apps and digital systems that simplify data collection and enhance opportunities for interaction and personalization. With regard to short-term loyalty programs, a recurring challenge is integrating digital touchpoints with physical ones, in addition to the need to preserve the experience of customers who don’t have a card and continue to participate in the programs exclusively through paper-based materials.

The integration of paper and digital represents one of the biggest challenges in the transformation of loyalty programs, as it involves not only technological aspects but also cultural, generational, and brand identity dimensions. A key factor is assessing the orientation of the various governance structures of the organizations in our sample. Cooperatives tend to use digital channels primarily to personalize member loyalty through CRM campaigns based on purchasing behavior and aimed at offering increasingly tailored proposals and benefits. For non-members, however, physical initiatives still prevail. In some cooperative settings, there continues to be a strong preference for paper-based materials, which are considered more consistent with the corporate identity and with a portion of the older clientele. For reasons of inclusivity and alignment with the target audience, these organizations adopt mixed strategies that combine digital and physical tools.

“Digital-first” models and the central role of the app

Some retailers, especially in the discount segment, describe themselves as “digital natives.” They have never used physical loyalty cards and have built an entirely digital relationship with customers from the very beginning based on an app that serves as the catalyst for an ecosystem of services and interactions, linked to the CRM (“We’ve never used paper; we’ve always been digital. Our program is an app,” Informant 38). This enables highly advanced customer segmentation. These models lead to a true digital convergence centering on a single tool: the app is the hub of the loyalty experience, integrating points collection, coupons, gamification, payment services, click & collect, mobile scanning, and advisory services. In other words, loyalty engagement takes place entirely via the app, while newsletters and social media channels play a purely informational role. These models highlight how the digitalization of loyalty is not simply a technological choice, but a true redefinition of the customer relationship model, in which the digital ecosystem becomes the primary space for interaction, value, and trust.

However, the app as a relationship tool takes a different position in sectors where purchase frequency is lower. In the non-grocery sector, where customers do not make repeat purchases, digitalization tends to focus on membership models, designed to keep the relationship active even during periods when customers are inactive. The tools that retailers most frequently cite are:

- the app as a central touchpoint and hub for interaction
- social media suitable for promoting collections and loyalty programs (LPs)
- newsletters, SMSs, and WhatsApp for constant communication
- digital cards that replace or complement physical ones

Retailers view digitalization as a change capable of driving both operational and managerial improvements. In particular, digital technology

makes it possible to overcome the traditional trade-off between efficiency and effectiveness, as it allows for “cost savings” while simultaneously collecting “more data ready for analysis” (Informant 12; Informant 39). In several cases, the gradual reduction in the use of paper is also linked to sustainability goals: “Going paperless is actually a company initiative that we’re slowly trying to implement... we’re practically there” (Informant 12).

Costs, benefits, and challenges of digitalization

Some interviewees emphasized that digital is not cost-free, and in some cases does not even result in financial savings. “Let’s dispel the myth that digital is cheaper... because it isn’t; on the contrary... digital is actually more expensive” (Informant 34). However, digital is a strategic, long-term investment (and now a competitive prerequisite), that serves to strengthen the relationship with the customer by multiplying the number and intensity of touchpoints. In this sense, the main benefits include the possibility of greater personalization of loyalty programs, a higher level of engagement, and a reduction in the use of

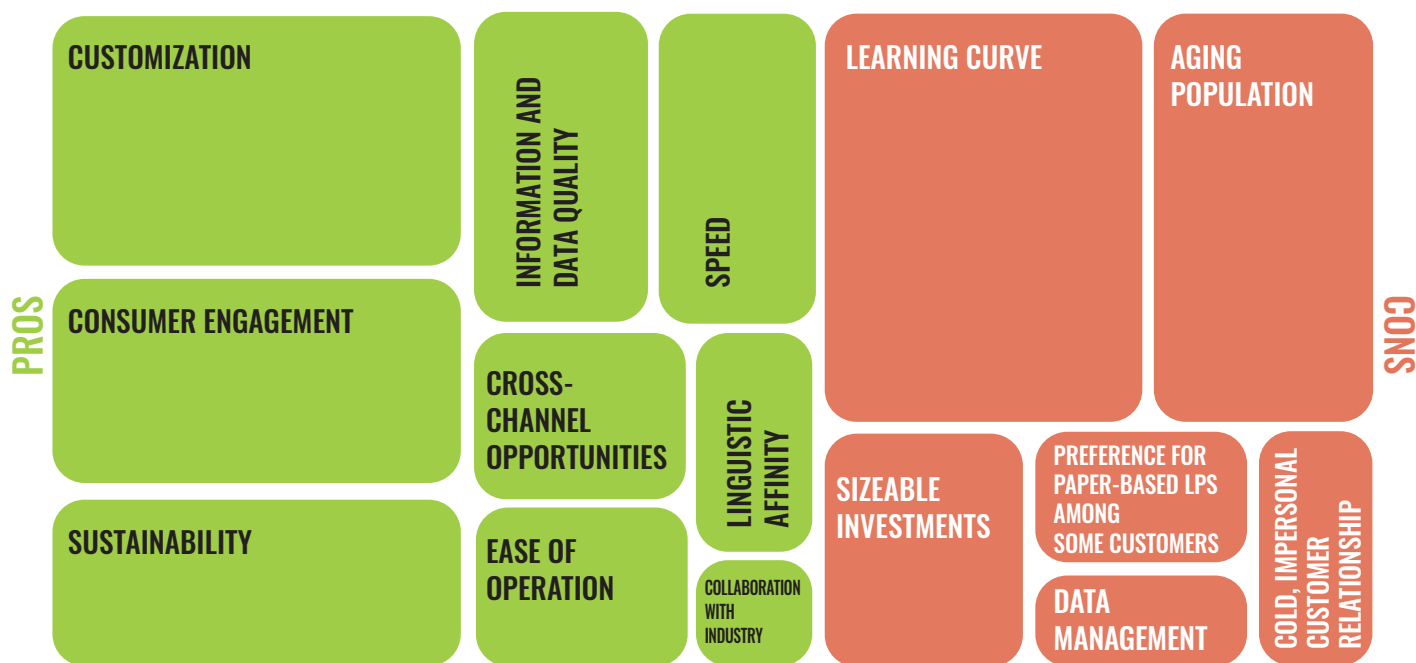
paper and plastic.

As for the disadvantages cited by the informants, several recurring issues emerge: the learning curve for customers and employees, the difficulties faced by an older clientele less accustomed to digital technology, as well as the appreciable costs associated with developing and integrating apps and digital touchpoints, which are essential for ensuring a consistent and seamless experience. Figure 1 summarizes the main advantages and disadvantages of the digital transformation of loyalty. The size of the areas represents the semantic frequency of the responses.

DIGITALIZING THE CUSTOMER JOURNEY AND REINFORCING LOYALTY

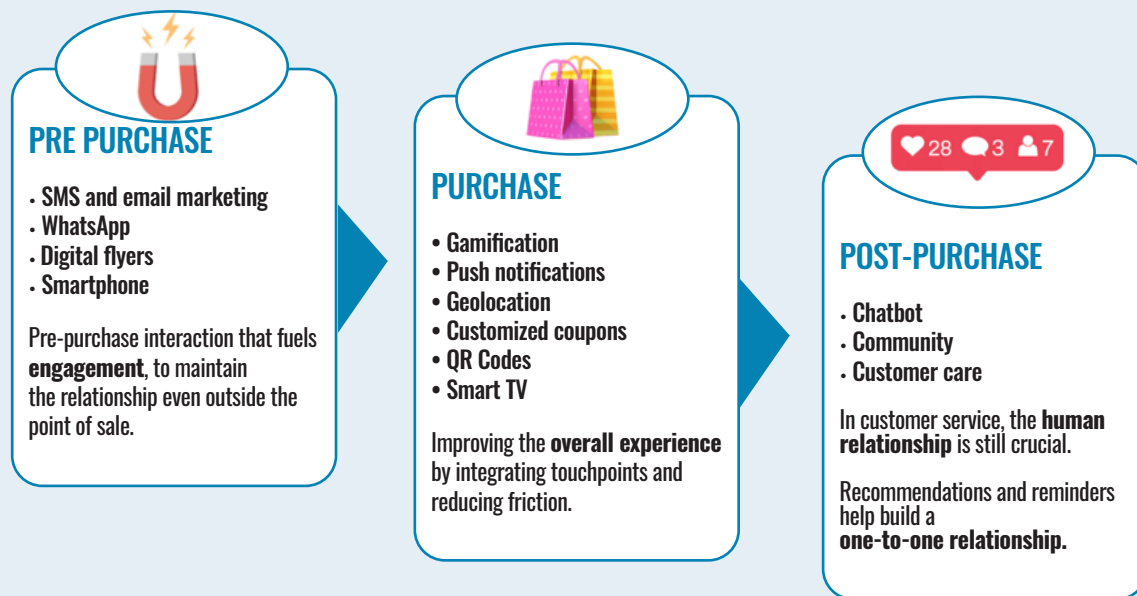
Digitalization serves as a structural element in enhancing the *customer journey* across its three main phases—*pre-purchase*, *purchase*, and *post-purchase*—by expanding and integrating touchpoints within an ecosystemic framework, enabling data-driven personalization, and strengthening relational

FIGURE 1. ADVANTAGES AND DISADVANTAGES OF THE DIGITAL TRANSFORMATION OF LOYALTY



Source: Authors' own work

FIGURE 2. TOOLS AND OBJECTIVES IN RELATION TO THE CUSTOMER JOURNEY



Source: Authors' own work

dynamics and engagement. Figure 2 illustrates the digital tools used in the various phases of the customer journey and the desired objectives.

Omnichannel and digital engagement in the pre-purchase phase

Omnichannel retailing is a trend that is now an integral component of retailers' strategies. With it comes a proliferation of digital touchpoints, including digital flyers, WhatsApp, and push notifications. All this drives an upsurge in engagement during the pre-purchase phase, surpassing the effectiveness of traditional one-way channels, which are perceived as "less direct, less... persuasive" (Informant 10). In addition, push notifications trigger forms of real-time engagement, since "immediate action is expected" (Informant 10), reinforcing the central role of the smartphone as the preferred relational tool: "an extremely personal device...used obsessively" (Informant 38).

Thanks to digital technology, companies can establish prolonged, intensive connections with customers, as it "helps keep the relationship open... and extends its duration" (Informant 31), fostering ongoing interaction. Moreover, gamification practices

generate high-frequency forms of interaction, allowing for "immediate engagement with all customers" (Informant 30) and introducing dynamics of co-creation of experiential value. Access to a growing volume of data enables advanced segmentation and adaptive personalization processes, manifested in "segmented *one-to-one* offers... both standard and dynamic" (Informant 18). This leads to an increase in the customer lifetime value of digitalized customers, evidenced by a "doubled average receipt value" (Informant 26). However, critical issues persist regarding consent governance and information system compliance, both extremely sensitive areas that must be closely monitored during the digitalization process.

The digital experience and value creation during the purchase phase

During the purchase phase, digital technologies are critical, as they enrich the experience and build up the relationship at the very moment value is created. The company app functions as a unifying ecosystem through which "the customer... can see and manage everything" (Informant 23), and promotes experiential continuity, as it is active "24 hours a day... at different times and in different

contexts” (Informant 12). Gamification and the use of geolocation boosts participation levels, as customers who use these tools during the purchase phase “spend 4–5 times as much” (Informant 26). However, as always, it’s essential to avoid excess communication flows. As emphasized by Informant 12, companies must “not overdo it” with messaging (“streamline the messages... striving to deliver high-quality messages”) avoiding over-communication that would be intrusive and potentially counterproductive.

The combination of digitalization and geolocation enables predictive couponing, which can offer highly compelling incentives based on a customer’s past behavior, such as “an incentive... on cat products because they always buy cat products” (Informant 36). Complementary technologies such as QR codes, electronic labels, digital screens help enhance information transparency, especially regarding private-label products, making comparisons between purchasing options and product origins clearer and more immediate. The app serves as the central orchestration platform for reward mechanisms, allowing customers to manage points, rewards, and catalogs, in real time, and facilitating timely, contextual communication.

Relationship quality and customer service in the post-purchase phase

At this point in the process, the importance of the human element of service becomes evident: “The customer still wants to be pampered a bit” (Informant 40), and customer service is “a flagship” for the retailer-customer relationship (Informant 6). This means that the progressive digitalization of support processes must be carefully designed to avoid overly standardized responses that risk eroding the quality and intensity of the relationship. The primary forms of automation are chatbots, for example on WhatsApp, “trained on the knowledge base” (Informant 13), integrating *augmented customer service* logic. At the same time, digitalization enhances *feedback intelligence*, transforming traditional practices—“from slips of paper in a box... today they feed a text database” (Informant 16)—and creating the conditions for faster, more effective

forms of two-way communication (Informant 28). This lessens the operational burden associated with responding to the most frequent requests.

Post-purchase recommendation systems enable *predictive follow-up* strategies, such as, “If you buy the printer, I’ll send you an ink cartridge offer in a month” (Informant 36). Or, “If you bought flour, I’ll send you a pizza recipe” (Informant 36). Reminders about when points or rewards expire, along with the activation of online communities, help shore up trust, retention, and long-term relationships. What all these considerations reveal is that, despite the opportunities offered by digital tools, the direct contribution of staff is still crucial in the post-purchase phase, especially for addressing qualitative rather than quantitative aspects. At the same time, initial experiments are being done with automation, for example, “WhatsApp chatbots trained on the knowledge base so that they know exactly what answers to give because they draw from something we’ve already written to customers previously” (Informant 13). These serve as complementary tools to upgrade the timeliness and consistency of responses without compromising the value of human interaction.

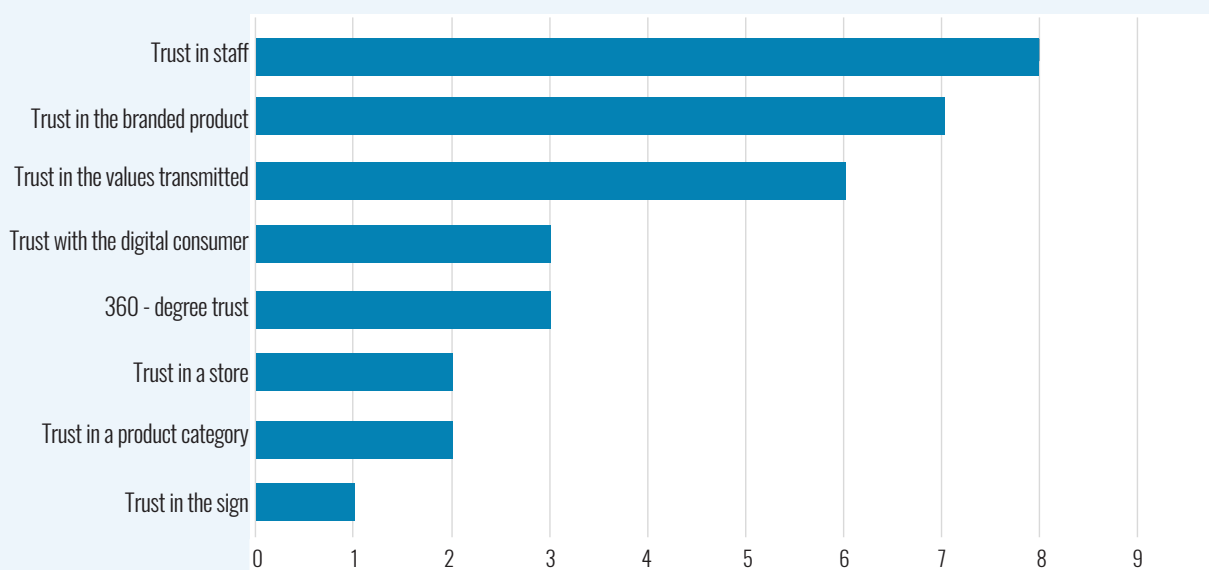
THE EFFECTS OF DIGITAL TRANSFORMATION ON LOYALTY AND TRUST

Academic research based on empirical evidence confirms that a customer is cognitively and emotionally loyal not only because they tend to repeat their purchase, but above all because they place trust in the company, which they perceive as reliable and consistent over time. In the absence of trust, the relationship weakens and the customer will more readily switch brands or stores disputable (“...They come back because they have no alternatives, and then maybe tomorrow a discount store opens next door, and then we discover they’re much less loyal than we thought.”, Informant 31).

Digital as an enabler of trust

As we have seen, digital touchpoints are essential for

FIGURE 3. TYPES OF TRUST ENHANCED BY DIGITAL TECHNOLOGY



Source: Authors' own work

building trust—even before loyalty—throughout all stages of the consumer journey. The informative value of digital channels can generate trust when they ensure that the company actually delivers on its promises (Informant 39), and in doing so, avoids “misleading customers” (Informant 34). Websites, digital platforms, apps, and newsletters are designed to ensure transparent information, nurturing trust and engagement and allowing the consumer to clearly see the consistency between communication and the offer; this is particularly pertinent in the pre-purchase phase. From this perspective, consistent communication regarding loyalty policies across different channels is crucial.

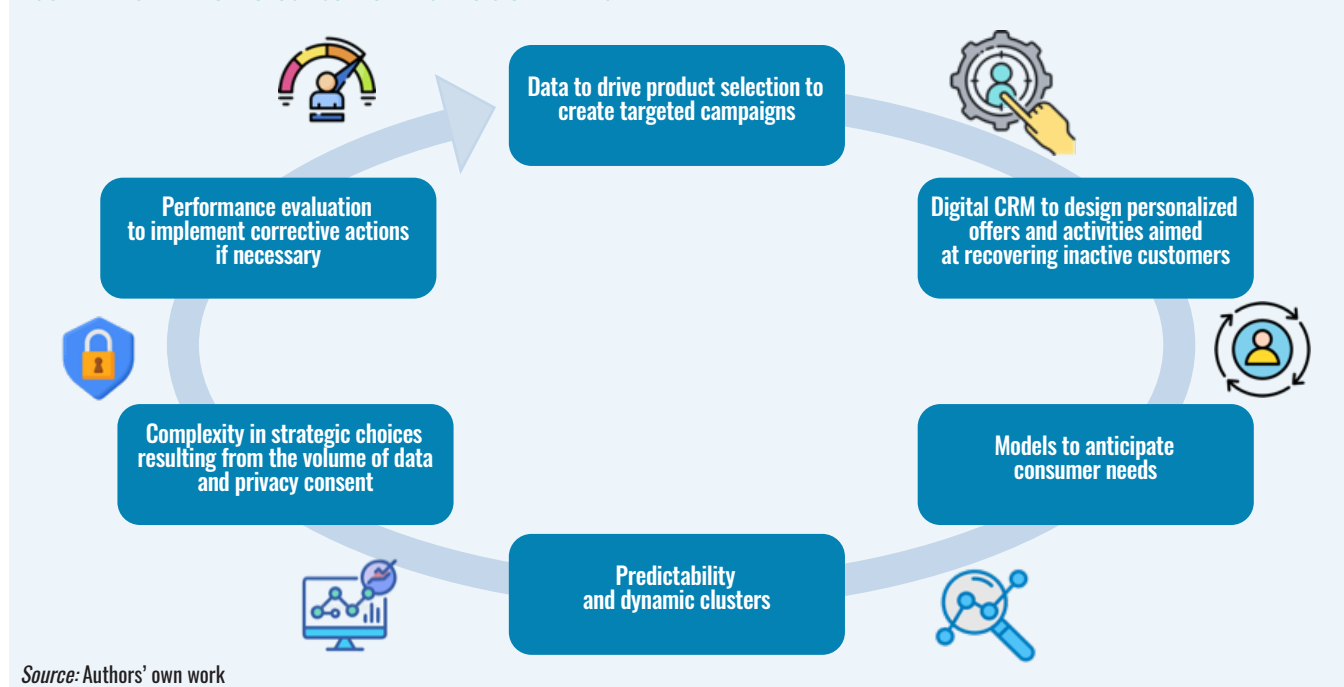
The app, in particular, emerges as the primary touchpoint, realizing its potential at every stage of the customer journey (“Because if we include the app in your customer journey, you feel even more confident, knowing you have dedicated offers and that it knows what you buy,” Informant 34). Digital represents a tool and an opportunity to engage the consumer, making them “feel part of a community, of a well-rounded experience” (Informant 4). This translates into higher levels of loyalty: “Customers

engaged digitally are much more loyal, with a lower risk of churn compared to a non-digital customer” (Informant 4). Therefore, the digital customer tends to generate greater value for the organization.

Digital technology can foster various kinds of trust, as we can see in Figure 3, which highlights the three types that are relevant here: trust in staff, trust in branded products, and trust in the values conveyed by the company.

What clearly emerges is that trust remains “closely tied to the relationship the customer has with the store owner and with the staff working in the store” (Informant 2). This means that the kindness and helpfulness of the staff are key. Digitalization, consequently, should not depersonalize this relationship, but rather amplify its value. What’s more, staff can educate customers on digital tools and get them engaged by encouraging them to adopt new digital touchpoints; this helps to build a stronger customer relationship. Digital technology emerges as a powerful enabler of trust, but not as a substitute for it. In fact, technology enhances the relationship only to the extent that it is supported by consistency, authentic content, and credible organizational behavior.

FIGURE 4. DIGITAL TECHNOLOGY SUPPORTING DECISION MAKING



Values and trust in digital loyalty

The digitalization of loyalty programs also acts as a lever for trust in branded products. This is fundamental, as is upholding and communicating certain established values, thanks to digital tools such as QR codes on products. With these tools, consumers can access detailed information on the origin of raw materials, production processes, and control systems, creating greater awareness of product quality. This is particularly important for organic and/or fair-trade branded products, which clearly promote the brand's core values and consolidate the trust-based relationship with the consumer. As also highlighted in Informant 33, "Digital is a medium, but it depends on the values you convey. ... Content makes the difference." In other words, while digital is a powerful channel, it requires content that is consistent and grounded in values to generate authentic trust.

Digital loyalty is not built through technological innovation alone, but through the company's ability to translate its values into concrete, recognizable experiences for the consumer.

DATA, AI, AND DECISIONS ON LOYALTY

Loyalty is now widely regarded as a central element of business. Indeed, according to the companies in our sample, it is "the essence of strategy" and the driving force behind retail; it helps create, maintain, and generate revenue, but more importantly long-term corporate competitiveness (Castaldo, 2024). The digitalization of loyalty not only strengthens the relationship with the consumer and fosters mutual trust, but also feeds into a database that is essential for informing strategic decisions.

Figure 4 illustrates how digital technology supports decision-making, from collecting and analyzing data to formulating targeted, personalized offers. Digitization has exponentially expanded the quantity and quality of available data, which is instrumental in strategic decisions focused on *customer centricity*: "Data is the key both to understanding the customer and to improving business actions. ...It's the heart of every loyalty program" (Informant 33). Behavioral data collected via loyalty cards allows retailers to cluster customers and implement retention strategies (Informant 12), while data from non-loyal

customers serves to inform acquisition strategies through targeted campaigns (e.g., flyers, short-term promotions). Digitization also makes it possible to collect *geomarketing* data, which are useful for enriching business intelligence and supporting territorial decisions, such as identifying locations for new stores (Informant 38). In addition, by monitoring digital KPIs (social interactions, flyer views, etc.) companies can assess communication effectiveness. However, “the use of digital behavior KPIs is currently underutilized in terms of customer loyalty” (Informant 8).

Despite the wealth of information, there is still a problem with the actual usability of the data. As one informant put it: “Too much information risks misinforming” (Informant 39). In addition, there isn’t always adequate internal expertise for managing big data. According to Informants 19 and 20, more intensive in-house training on the potential of data at all levels of the organization could foster the dissemination of a stronger, more widely shared data-driven culture. The predictive use of data is also key: “Loyalty will be driven by increasingly sophisticated predictive algorithms capable of anticipating customer needs even before they are explicitly expressed...and of managing dynamic clusters in real time.” In this scenario, the ability to integrate digital tools, data, and managerial expertise emerges as a crucial strategic lever for long-term competitiveness in retail.

Against the backdrop of growing data availability, artificial intelligence plays a central role in analysis and decision-support processes: “Since the volume of data is enormous, we need a tool...that reads the data, interprets it, and clearly returns outputs that a human can understand” (Informant 13). AI can therefore help achieve a major competitive advantage, provided that organizations are able to structure and leverage the data. According to Informant 18, in fact, data must be normalized, cleaned, and organized in a coherent manner; the next step is to build dashboards that dynamically respond to contextual needs and that users can read in a timely manner. This means retailers must adopt appropriate internal tools and develop skills in data integration and interpretation to then rapidly circulate analyses throughout the organization. One possible setback here, however, is

that some contextual variables are difficult to predict and hard for AI to evaluate.

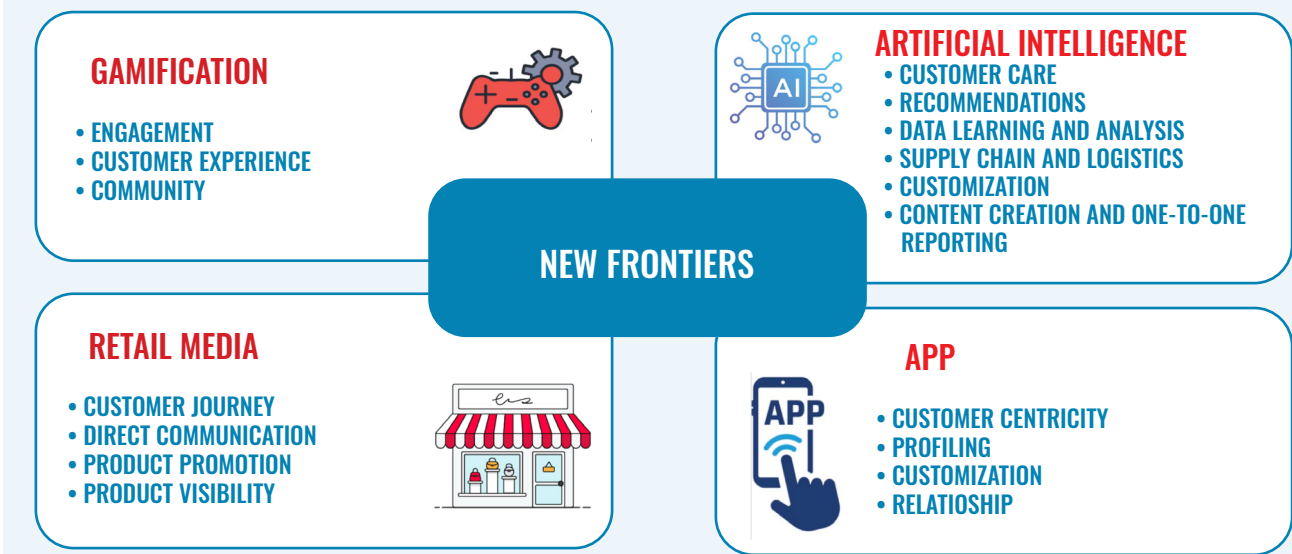
WHAT ARE THE NEW DIGITAL FRONTIERS OF LOYALTY?

Various touchpoints, both physical and digital, must be viewed as complementary elements, since “the coexistence of both worlds is the recipe for success” (Informant 34). New technologies offer the advantage of developing a more integrated communication cycle with consumers, for example through “communication messages delivered via a network of screens in the point of sale” (Informant 16). Digital communication is becoming more and more personalized, moving closer to a *one-to-one* model, thanks in part to the use of fast, ubiquitous tools such as WhatsApp. Furthermore, platforms like Meta allow companies to stake out increasingly specific target audiences, shifting away from *mass marketing* toward targeted segmentation (Informant 12).

Figure 5 illustrates the main initiatives implemented through emerging technologies in the loyalty landscape, including artificial intelligence, gamification, retail media, and the expanding role of apps.

In the past, some emerging technologies did not fully realize their potential. According to Informant 31, for example, augmented reality was initially considered a key driver of innovation, but did not produce the expected results, partly due to the difficulty in clearly identifying its benefits. Experience suggests that the value of technologies lies not only in their novelty but whether they can be integrated with other tools, and if they can make a real contribution to the customer experience. Precisely for this reason, it is essential to assess the benefits of different solutions before implementing them, so as to fully leverage the advantages they can offer. Our research suggests that the digital transformation of loyalty is not a uniform path, but an adaptive process that requires companies to balance innovation and inclusivity, while preserving human relationships.

FIGURE 5. NEW FRONTIERS OF LOYALTY IN THE DIGITAL CONTEXT



Source: Authors' own work

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

As our findings underscore, the digital transformation of loyalty is not a linear process of technological replacement, but an adaptive journey involving organizational, cultural, and relational dimensions. In particular, what emerges from our research is that trust is a critical element, not only as the outcome of the relationship but as a condition that guides its development throughout the entire customer journey. Our evidence shows, in fact, that the effectiveness of digital tools depends on how well they can be integrated with consistent relational practices, and whether organizational systems are in place that support their adoption.

For management, this means treating the digital transformation of loyalty like an organizational change process that calls for investing not only in technology and data, but also in skills, governance, and internal alignment.

In this sense, the challenge lies not so much in introducing new touchpoints as in ensuring consistency between the promise and the experience, preventing the proliferation of digital interactions from leading to fragmentation or a loss of trust. In conclusion, building loyalty involves striking a dynamic balance between automation and human connection, where the value of digital lies in its ability to amplify—not replace—the quality of the customer relationship.



REFERENCES

- | | | | |
|---|--|---|--|
| Castaldo, S. (2024). <i>Customer Loyalty: Theory, Measurement, and Management</i> Egea. | Techniques and Procedures for Developing Grounded Theory (3rd ed.). Sage Publications. | knowledge-building and theory-generating qualitative systematic reviews." <i>Qualitative Research</i> , 14(3), 341–352. | N., Fotiadis, A.K. (2017). "Generation Z consumers' expectations of interactions in smart retailing: A future agenda." <i>Computers in Human Behavior</i> , 77, 374–381. |
| Corbin, J., Strauss, A. (2008). <i>Basics of Qualitative Research:</i> | Finfgeld-Connett, D. (2014). "Use of content analysis to conduct | Priporas, C.V., Stylos, | |