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DESIGNING OMNICHANNEL LOYALTY CAMPAIGNS HOW RETAILERS CREATE VALUE THROUGH DATA AND ENGAGEMENT

The growing complexity of retail is redefining the role of loyalty programs (LPs), which can no longer be treated as isolated promotional initiatives. Due to the proliferation of digital touchpoints and rising customer expectations, campaigns are evolving into integrated systems capable of generating commercial, relational, and informational value. In this article, based on empirical research by The Continuity Company (TCC), we analyze the ongoing transformation from an omnichannel perspective, highlighting how experience design comes into play, and how touchpoints, data, and engagement mechanisms are being integrated. Drawing on concrete case studies, we identify three design levers—relevance, differentiation, and growth—that can guide marketers in designing and running loyalty campaigns over time.

LOYALTY//DIGITAL//OMNICHANNEL//GAMIFICATION//CRM//MEASUREMENT



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In retail, loyalty can no longer be treated as a tactical lever or a promotional accessory, separate from the rest of the business. Pressure on margins, rising costs, and the complexity of execution at the point of sale are prompting retailers and brands to view loyalty programs as delivering a broader, demonstrable contribution beyond short-term sales growth. At the same time, customers expect fast, personalized digital experiences: when a program doesn't immediately convey value and doesn't offer tangible benefits, people tend to abandon it quickly.

This dual push is redefining the scope of performance. Traditional KPIs (average receipt value, frequency, redemption) are now complemented by metrics that measure adoption (app usage, card scanning), relationship quality (interaction, CRM), and monetization (sponsored activations, average

retail value, data enrichment). In short, the loyalty campaign is no longer just a cost to be optimized, but an infrastructure that can generate new revenue streams and competitive advantages, if it is designed to work on multiple levers simultaneously.

This article is the product of collaboration with The Continuity Company (TCC), a firm specialized in designing and managing highly digitally integrated loyalty and promotional campaigns. By working on real-world projects with retailers and brands, TCC has gained unique insight into how campaigns are evolving toward an omnichannel approach.

OMNICHANNEL EMBEDDING: FROM DIGITAL ADD-ONS TO INTEGRATED ARCHITECTURE

Many loyalty campaigns are still “digitized” using an additive approach, such as a game, a mission, or in-app content added as an afterthought. But effective omnichannel marketing starts with the campaign’s architecture: It integrates physical and digital touchpoints into a coherent journey, in which every interaction generates value for both the shopper (such as rewards, progression, and simplicity) and the retailer (data, activation, sales, traffic, and monetization). One practical way to understand this transformation is to view the campaign as a value creation cycle: Greater engagement generates more sales and more data; more data improves personalization and measurement; personalization and measurement fuel new commercial opportunities (such as sponsored activations and retail media). In this framework, digital is not just another channel, but the mechanism that connects behavior, relationships, and economic performance.

To ensure the omnichannel approach is more than just a label, design decisions must be aligned with three complementary objectives: relevance, differentiation, and growth. We will explore these in detail in the following sections.

Making the campaign relevant to the shopper

The campaign must first and foremost be useful and easy to use. This means consistently centering on

the customer throughout the entire journey—in-store, in the app, and online—and minimizing the friction that can hinder participation. Onboarding must be immediate, progress always visible, and the redemption logic clear: what to do, how much farther to go to reach the goal, and how and when to collect the reward. Relevance, however, is not the same for everyone. The same incentives do not work the same way across different segments: some customers respond to immediate rewards, others prefer long-term goals, some are motivated by gamified mechanics, and still others want simplicity. For this reason, an effective campaign includes variations in mechanics, rewards, and communication, while maintaining a consistent framework, so that the experience remains recognizable and doesn’t turn into a collection of disconnected initiatives.

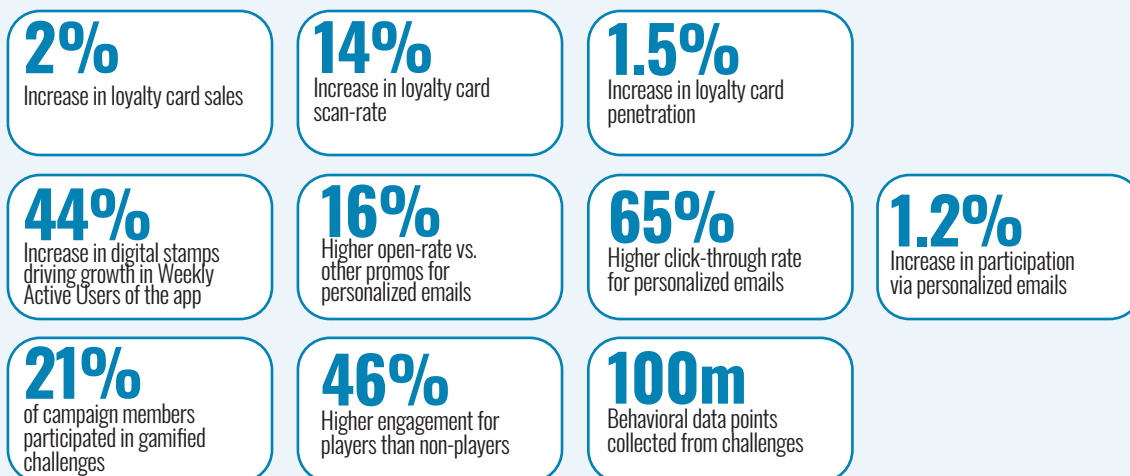
Building distinctive and engaging experiences

Since campaigns often tend to be similar (standard mechanics, comparable rewards, nearly identical communications), differentiation depends not so much on what is on offer, but how the experience is designed. In this sense, gamification, missions, step-by-step paths, in-app content, and community initiatives serve to make the campaign recognizable. These levers work when they help create a simple, repeatable dynamic: The customer takes an action, sees progress, and receives a reward or moves closer to a goal. It is this rhythm that sustains habit and frequency. Furthermore, a well-designed experience allows the retailer and the brands involved to convey value that goes beyond immediate convenience, reinforcing identity and consistency over time.

Driving growth through data and measurement

Growth is the most concrete measure of a campaign’s ability to generate value, beyond mere promotional impact. Performance is clear both in commercial results (incremental sales, program penetration, frequency) and in the adoption and use of touchpoints (increase in scans, active app users, interactions with communications and content). Added to these, another aspect that is moving to the fore: the ability to transform attention and

FIGURE 1. OMNICHANNEL CAMPAIGN PERFORMANCE: THE CASE OF THE NORTH AMERICAN RETAILER



Source: Authors' own work

data into economic opportunities, for example through co-funded activations with brands or retail media initiatives. To sustain growth over time, measurement cannot be an after-the-fact exercise. In fact, indicators and tools are needed to monitor the campaign in real time, identify any friction points, understand the response of different segments, and quickly adjust mechanics, communication, and rewards. In other words, measurement must be developed along with the campaign, not introduced afterward.

FROM FRAMEWORK TO PRACTICE: THREE USE CASES

In recent years, TCC has designed and implemented numerous campaigns in which digital serves as the true engine coordinating touchpoints, data, and measurement throughout the entire customer journey. The cases below demonstrate three distinct approaches which all share a common denominator: the effort to align an effective shopping experience for the shopper with the economic objectives of the retailer and the brand. The goal here is not to propose three recipes, but to highlight the design logic and touchpoint choices that generate different outcomes depending on the context.

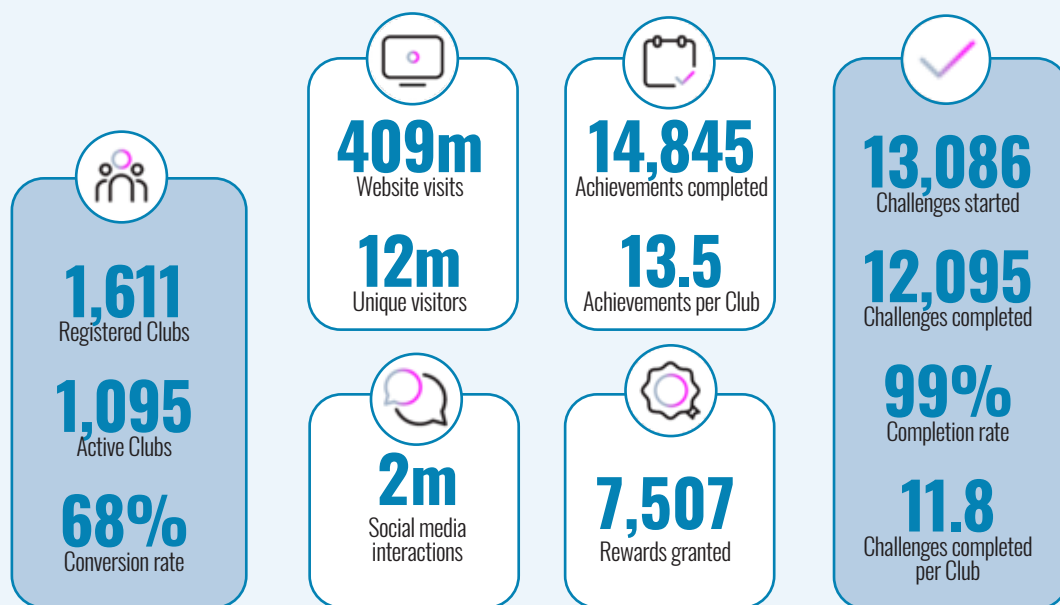
Digital campaigns that drive performance

In a well-integrated omnichannel campaign, data collection (whether physical or digital) is not merely a means of distributing rewards. As evidenced by TCC's collaboration with a North American retailer, this process becomes an activation driver that contributes to the following (Figure 1):

- higher sales among members
- increased scans and program penetration
- growth in active app users thanks to digital stamps/assets
- improved CRM performance through personalized communications tied to participation
- additional commercial opportunities (sponsorships, retail media, leveraging first-party data)

This model is effective when the app becomes the control center for the experience. This is where shoppers can track their progress, figure out what they need to do to move ahead, access missions, and view the rewards they can unlock. Above all, the app must guide them through to redemption, clearly outlining timelines, methods, and steps, to avoid

FIGURE 2. COMMUNITY CAMPAIGN PERFORMANCE: THE CASE OF THE EUROPEAN RETAILER



Source: Authors' own work

frustration and drop-off.

Personalization acts as a multiplier, even without resorting to sophisticated models. In fact, simple rules allow for messages that align with actual behavior. Examples are tailoring communications to people who start a mission but don't continue, or others who are about to earn their reward, or still others who haven't joined the initiative yet. Personalized messages are more relevant and useful than generic promotional communications, and boost participation and engagement throughout the campaign.

Digital campaigns that become local activation platforms

Community campaigns to support schools, sports clubs, or local associations, for example, have a power that is difficult to replicate, as highlighted by a collaboration between TCC and a European grocery retailer. These initiatives do not merely offer a reward; they get the customer involved in a shared goal: contributing to something meaningful for their community. This changes the nature of motivation, because personal benefit is accompanied by social drive, linked to the desire to give back, to feel part of a group, and, in some cases, to be recognized for

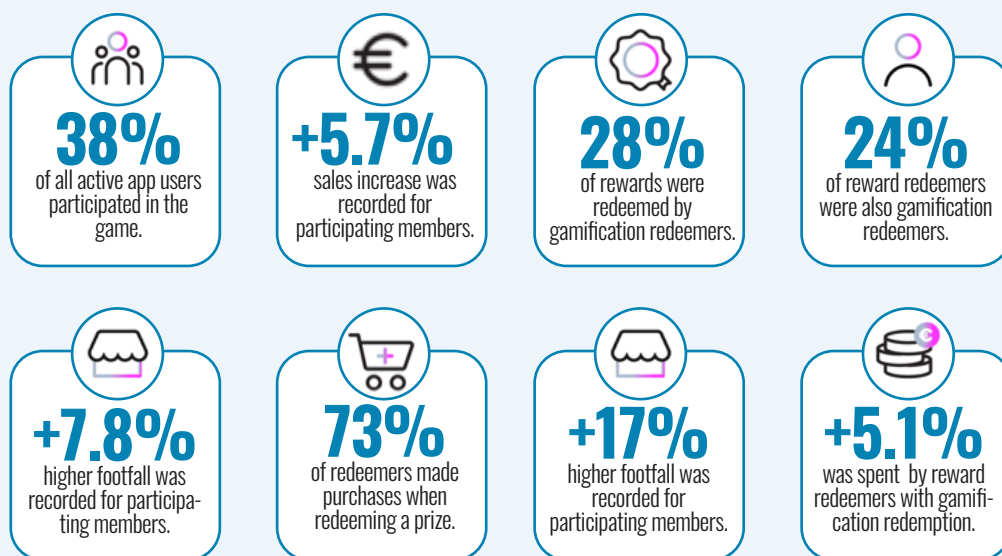
one's contribution. To be scalable, however, digital campaigns must transform into platforms capable of doing the following (Figure 2):

- keeping up the pace of actions (challenges, achievements) without becoming overwhelming
- making the impact transparent (vouchers collected/donated, goals achieved)
- offering mechanics and rewards that can maintain high participation
- generating useful data (engagement patterns) for segmentation and reactivation

In the most advanced projects, the campaign effectively functions as a small platform with two target groups. On one side are the communities (schools, clubs, etc.) committed to mobilizing their networks; on the other are the shoppers, motivated both by personal benefit and the opportunity to contribute to a cause.

The gamification component helps transform this participation into something more transparent and manageable, as it not only ensures players have

FIGURE 3. IMPACT OF GAMIFICATION ON SALES AND TRAFFIC: THE CASE OF THE GERMAN RETAILER



Source: Authors' own work

fun but also allows the retailer to precision-track their journey. For example, marketers can see how many people are participating in the campaign, how often they return, which activities they actually complete, and where they stop (for example, after the first interaction, halfway through, or before making a donation). In this way, the campaign can be evaluated not only in terms of the final results but also the quality of engagement it generates.

Digital campaigns that drive traffic and in-store conversions

The third case, developed with a German retail wholesaler, stems from a very concrete need: to quickly transform a digital interaction into measurable behavior at the point of sale. *Instant-win* mechanics, such as “spin-to-win,” are effective precisely because they minimize the time between stimulus and reward. But these initiatives work under specific conditions: They must be tied to a purchase (or a spending-related trigger) and must include a simple in-store redemption process. This encourages the customer to return to claim the prize and increases the likelihood that they will make in-store purchases when they do.

From a managerial perspective, the value here is twofold. The first is immediate, as the interaction generates traffic and conversion, making it easier to demonstrate the initiative’s return on investment. The second is more strategic, in the sense that this type of campaign yields insights that reveal how different categories and segments react. In particular, it helps to test which departments are less suited to promotions using traditional approaches (such as fresh produce) and to identify which combinations of rewards, play frequency, and access conditions truly generate repeat engagement over time (Figure 3).

THE EVOLUTION IN THE ITALIAN MARKET

In the Italian market, more and more retailers are adopting digital components in loyalty campaigns, but this cannot be interpreted solely as a choice of communication or engagement. Rather, it signals a repositioning of the very purpose of such a campaign: from an initiative centered on data collection and rewards to a project that also aims to boost the use of proprietary touchpoints (apps and digital channels), to become more customer-

centric, and to generate useful data for measurement and personalization. In this context, the tools that are becoming popular, such as quizzes, missions, or micro-games, serve not so much to generate awareness as to build interaction frequency and sustain campaign participation over time.

At the same time, recent experience suggests that not all innovations yield the same results. Some solutions are more complex or require a disruption in the shopping experience (such as immersive environments or technologies perceived as “add-ons”); such initiatives tend to face higher barriers to adoption and scalability. For most shoppers, the decisive factor is still simplicity: quickly understanding what to do, seeing progress, and following a linear path to reap rewards.

Two prevailing approaches moving in an evolutionary direction

The main mechanics we see in this country can be traced back to two design approaches which build motivation and continuity in different ways. The first is based on progression. In other words, the user completes activities (such as missions, quizzes, interactions) and accumulates tokens or digital titles that increase the chances of earning a reward or unlocking benefits. This mechanism works when the experience makes progress visible, rewarding consistency and creating a reason to return regularly. The second approach is competitive. Here participation generates points and rankings, with leaderboards and goals that compare the user's performance to other participants, rather than simply focusing on the individual player. In this case, the campaign tends to engage segments that are more responsive to challenges and social comparison.

Alongside these two approaches, a potential development path emerges: the introduction of a spendable digital currency—that is, credits accumulated through interaction and transparently convertible into rewards or benefits. The main benefit here is greater clarity in the connection between effort and reward, where progress becomes tangible and concrete.

Frequency and rules of participation

As far as the frequency with which shoppers can participate (once a day, or based on spending thresholds, or without limits), this is a design lever that directly influences the behavioral dynamics that the retailers aim to elicit. A set frequency (e.g., one entry per day) fosters habit formation and maintains high engagement without causing saturation. Instead, by linking frequency to spending (one chance per X euros), the connection between purchasing behavior and the benefit is explicit; this tactic also tends to support more direct commercial objectives. Finally, open-ended frequency, typical of scoring or leaderboard mechanics, is better suited for targets with a high propensity for gaming, but this option must be carefully designed to avoid imbalances (such as unfair advantages for people with more time or higher participation).

A key managerial consideration is that the interaction experience creates expectations: When a customer has a clear, rewarding digital journey, they tend to recognize it and seek it out in subsequent campaigns as well. Consequently, rewards and communication cannot be viewed as mere embellishments. Instead, the perception of value, the clarity of redemption, and the quality of support (tutorials, reminders, progress updates) become critical to sustaining participation throughout the entire campaign cycle.

Rewards and operational complexity

In omnichannel campaigns, it's the choice of reward that determines the infrastructure, not the other way around. The reward imposes technical and operational requirements that impact execution, costs, and the quality of the experience. Physical rewards with in-store pickup require robust integrations with physical systems; inventory and exceptions must also be handled (out-of-stock items, substitutions, delivery rules). Digital rewards such as coupons, promo codes, vouchers simplify some in-store activities, but shift complexity to apps, wallet systems, and data reconciliation (assignment, usage, expiration dates, compatibility with promotions). Aspirational prizes via a drawing are often less

demanding in terms of integrations, but they have a structural limitation because they involve a small number of winners. What's more, if these contests don't offer intermediate micro-benefits, they may not maximize engagement frequency.

In summary, marketers must design rewards in tandem with processes and integration; otherwise, the risk is creating a reward that may have a high perceived potential value, but that subjects customers to a frustrating experience.

From paper stamps to digital stamps

There are three main motivations for digitizing stamps: operational efficiency, traceability, and personalization. Automatic crediting reduces errors and checkout times, enables real-time monitoring of the collection process, and facilitates targeted communications (such as specific incentives for customers who are reaching the prize threshold or for those who stop participating). In other words, the digital sticker transforms a traditional mechanism into a measurable and manageable system.

However, adoption is not automatic. In various trials, fully digital models may show lower participation or redemption rates compared to physical versions. This does not necessarily mean the campaign is less effective, but it indicates that the experience and the pool of participants are changing: Access requires an app, an account, attention to the rules, and a certain level of digital familiarity. For this reason, the most robust strategy tends to be gradual, including digital-only pilots at limited number of locations or timeframes so customers can learn and the retailer can fine-tune the mechanism, and hybrid models that allow customers to choose between paper or the app. In such models, it is essential to ensure consistency across touchpoints (traditional physical, self-checkout, online shopping) and establish reconciliation rules for customers who switch between different channels to avoid any friction.

CONCLUSIONS AND MANAGERIAL IMPLICATIONS

Loyalty campaigns are evolving toward an

omnichannel approach. This means that retailers need to move beyond a "promotion-centric" mindset and treat activities as an integrated system, defining objectives, processes, and metrics in advance. When digital is designed as an infrastructure (rather than as an add-on) the campaign can be devised in such a way as to coordinate touchpoints, make the customer journey traceable, and generate insights that are useful for both personalization and performance measurement.

The examples and trends discussed above show that the quality of the design matters at least as much as the choice of mechanics. Initiatives focused on multi-KPI growth, community mobilization, or rapid conversion via instant wins produce different results because they activate different levers: habit and frequency, collective motivations, and the immediacy of the benefit. There is no single formula; instead a coherent system must be built consisting of objectives, mechanics, participation, rewards, and the operational capacity for execution in-store and across digital channels.

This leads to a key point: Measurement must not be a post-campaign activity, but an embedded element in the campaign. Defining value hypotheses, key performance indicators (KPIs), and comparison methods from the outset not only allows marketers to make more robust estimations of impact, but also to optimize the initiative during execution, addressing drop-off, redemption, and performance by segment or store cluster.

Omnichannel strategies also unlock an additional dimension of value: the ability to turn attention and data into business opportunities. Here, too, however, monetization is effective only if it is baked into the design phase, without compromising the simplicity and continuity of the shopper's experience.

In summary, the most effective omnichannel loyalty campaigns are the ones that effectively combine three key elements: relevance to the customer, operational robustness, and rigorous measurement. It is this combination that allows the campaign to evolve from a one-off initiative into a replicable platform, capable of generating insights and economic value over time.