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From Check-Ins to Checkouts: The New Era of Restaurant Loyalty Programs

How Modern Loyalty Programs Are Transforming the Restaurant Industry

Case Study Summarized Key Points:

In today's market, over half of U.S. diners participate in loyalty programs—but traditional approaches are falling short. Many are underperforming due to app fatigue, lack of personalization, and poor engagement. Tronic addresses these issues head-on by eliminating barriers to participation and using real-time customer data to power personalized, gamified experiences.

Recent results from a multi-location restaurant group underscore the performance advantage:

- +19% increase in visit frequency

- +11% growth in average ticket size

- 6× higher opt-in rates compared to legacy app-based programs

What sets Tronic apart:

- **No App Required:** Rewards and offers are delivered through Apple and Google Wallets for instant access and high adoption

- **AI-Driven Personalization:** Offers and experiences adapt in real-time based on customer behavior

- **Gamified Engagement:** Dynamic journeys, badges, and tiering keep guests active and emotionally invested

- **Operational Simplicity:** Seamless integration at check-in and checkout drives ROI without staff burden

As loyalty becomes central to restaurant growth strategies, Tronic offers a modern, data-informed platform built to engage more customers, more often—without relying on costly discounts or app installs.

In the ultra-competitive restaurant landscape, customer loyalty can make the difference between a thriving chain and empty tables. Yet traditional loyalty programs – the punch cards, generic discounts, and siloed mobile apps – are struggling to deliver genuine loyalty. Membership in restaurant rewards programs is at an all-time high (over 50% of consumers use at least one), but **engagement is low:** consumers belong to ~15 loyalty programs on average yet actively use less than half of them. In fact, **54% of loyalty memberships are inactive,** suggesting many restaurant programs fail to keep customers interested. Restaurants are pouring resources into loyalty initiatives, only to see app downloads stall and rewards go unredeemed.

Why the disconnect? Simply put, many legacy programs haven't kept up with changing guest expectations. Today's diners are

inundated with rewards apps and email offers – causing what industry leaders call *"app fatigue"*. Even Portillo's, a fast-casual brand, recently acknowledged this trend, launching a new loyalty program via digital wallets specifically to avoid requiring another app. Traditional programs often offer **static, one-size-fits-all rewards** (e.g. "buy 10 get 1 free") with little personalization. The result is a **lack of emotional connection** – points and coupons alone rarely make a guest feel valued or understood. A Harvard Business Review analysis notes that too many programs fail because they aren't tailored to individual customers and don't align with what truly drives loyalty. In short, *generic programs yield generic results*.

Figure 6A
When loyalty programs succeed and when they fail
Share of consumers who used restaurant loyalty programs, by type of restaurant

Figure: Share of U.S. consumers who use restaurant loyalty programs, by segment (QSR vs. full-service). Adoption has been rising, with 51% of consumers using at least one restaurant's loyalty program in 2023 (49% in quick- service, 34% in full-service), up from 45% a year prior . However, rising enrollment doesn't equal engagement – over half of memberships are inactive, reflecting the challenge of keeping members interested beyond sign-up.

Moreover, poorly designed programs can even hurt the bottom line. Restaurants rightly worry about *"rewarding unprofitable behavior"* – for instance, over-discounting to the point it erodes margins . If a loyalty scheme is too shallow (e.g. only offering minor discounts) or too complicated, customers either won't bother or will game the system for freebies without increasing their spend. The **failure to deliver personalized value** is a top culprit. Studies show 80% of consumers are *more likely to engage* with brands that offer personalized experiences , yet many restaurant programs still send identical offers to everyone on the mailing list. The outcome is predictable: customers disengage, and "loyalty" becomes just another word for a coupon program.

The *old playbook* for restaurant loyalty – stand-alone apps, static points, and periodic mass promotions – is no longer sufficient. As we enter a new era, restaurant brands are reimagining loyalty from the ground up, focusing on deeper engagement rather than just transactions. The following insights explore how and why restaurant loyalty programs are evolving, and how pioneers are achieving breakthrough results by moving from check-ins (mere visit tracking) to **checkouts** – tangible increases in visit frequency, spend, and true brand devotion.

Insight #1: Why Traditional Restaurant Loyalty Programs Are Failing

Not long ago, a restaurant's loyalty strategy might begin and end with a punch card or an app that logs visits. The problem? Static programs with generic rewards are *failing to cultivate real loyalty*. Several pain points have become clear:

- **Low Personalization:** Traditional programs treat all customers the same. This ignores a massive opportunity – 63% of consumers prefer rewards that cater to their needs. Programs that don't leverage customer insights (purchase history, preferences) end up pushing irrelevant rewards. The result is disengagement; as one industry report put it, *"generalizing the experience will leave customers disinterested and eager to try a competitor's program."* If a pizza lover keeps getting offers for salads, or a light spender is instantly offered a high-tier VIP club they can't reach, the program misses the mark.

- **Static, Transactional Rewards:** Many legacy programs focus on "earn and burn" – spend $X, get $Y off. These *discount-focused programs* can train customers to chase deals rather than genuinely love the brand. Even Thanx, a leading loyalty provider, cautions that overly static, discount-centric programs can be *expensive and brand-devaluing*. When every reward is a coupon, customers may perceive the program's value solely in monetary terms, with no emotional loyalty. They'll switch to a competitor as soon as a better discount appears. In fact, **78% of consumers say they are retracting loyalty faster than a few years ago** (jumping between brands for the best deals) , a clear sign that points and discounts alone aren't fostering stickiness.

- **Lack of Engagement Beyond Transactions:** Traditional programs rarely incentivize engagement outside of purchases. Yet encouraging non-transactional interactions – social media follows, reviews, referrals, feedback – can deepen loyalty. Programs that *fail to evolve* beyond simple transactions often see a fade in interest after the initial novelty. As Antavo's Global Loyalty report notes, one major pitfall is letting the program get stale and not continuously optimizing it over time. Many companies launch a "successful" program and then let it plateau for fear of changing it, leading to declining engagement as customers lose interest in the same old routine.

- **App Fatigue and Friction:** Perhaps the biggest practical failure of old loyalty initiatives is *making loyalty a hassle*. Consider the steps: download an app, fill out a form, remember to scan or check in on each visit, manage yet another login – all for a free dessert on your birthday. It's no surprise many guests never even complete the sign-up. *"Consumers are approaching app fatigue,"* admits Michael Osanloo, CEO of Portillo's . For many restaurant-goers, especially infrequent visitors, the effort of maintaining a separate app isn't worth it. If sign-up or redemption is cumbersome, customers abandon the program (or never join at all). **Enrollment rates tell the story**: a typical app-based program might only enroll a single-digit percentage of total customers. The *vast majority* of guests remain untapped by traditional programs due to these friction points.

- **Low Retention and Activity:** Even when customers do sign up, keeping them active is an uphill battle for poorly executed programs. On average, **54% of loyalty members become inactive,** and less than one-third of consumers even participate in their favorite brand's loyalty program regularly. This indicates that many programs fail to provide ongoing value or excitement. Often after redeeming an initial sign-up offer, members have little incentive to keep engaging (especially if rewards accrual is slow). A Bain & Company study (via HBR) found that *59% of customers feel no significant improvement in their experience* even after joining a loyalty program – a damning indictment of programs that exist in name but not impact.

Crucially, *a failing loyalty program isn't just ineffective – it's a lost opportunity*. Restaurants without a compelling program (or with one that customers ignore) leave money on the table. Loyalty members can be powerful drivers of revenue – if they're truly loyal. But if the program is poorly designed, a restaurant ends up with dormant members and unredeemed rewards (known as "breakage"), which is essentially wasted marketing spend. It's telling that even as more restaurants launch loyalty

initiatives, only 47% of diners are enrolled in *any* given restaurant's program. Customers are selective – they'll participate in one or two programs that provide real value and drop the rest. The gap between membership and active usage is the clearest sign that traditional approaches aren't resonating.

The failures of first-generation loyalty programs set the stage for a new approach. Restaurants are learning that loyalty can't be bought with just points or forced through an app install. Instead, it must be earned through customer-centric experiences – personalized rewards, convenient touchpoints, and engagement that makes the guest feel truly valued. The next insight explores how modern programs are flipping the script, and highlights data showing the huge *untapped upside* when loyalty is done right.

Insight #2: Driving Frequency and Spend – The Payoff of Next-Gen Loyalty

While outdated programs stumble, innovative loyalty strategies are proving they can deliver impressive returns. The key is to go beyond the old playbook and design programs around *customer experience and data-driven personalization*. Restaurants embracing this new mindset are seeing customers visit more often, spend more per visit, and stick around longer. Let's look at what happens when loyalty programs evolve:

First and foremost, personalization and relevance drive revenue. Rather than blanket discounts, next-gen programs leverage customer data (like past orders, favorite items, visit frequency) to tailor rewards and communications. This matters because consumers respond when they feel understood. According to Epsilon, 80% of consumers are more likely to engage with brands that offer personalized experiences. In the restaurant context, that could mean suggesting a user's most-ordered dish as a reward, or sending a surprise offer that aligns with their preferences (e.g. a free dessert for a dessert lover, versus an appetizer for someone who never orders sweets). These *seemingly small touches* have a big impact on loyalty. As McKinsey found, personalization can significantly boost customer satisfaction and loyalty metrics across hospitality sectors. The data is compelling: one study showed loyalty members spend 32% more annually than non-members at the same restaurant when the program is well-executed. Members also visit ~20% more frequently than non-members. In other words, an effective loyalty program doesn't just reward existing behavior – it *changes behavior*, prompting guests to come back more and increase their tab.

A powerful example is Chipotle's rewards program, which has grown to over 31 million members. Chipotle's CEO noted that their program has become more sophisticated by serving members *"relevant content, targeted offers and gamified badging"* – efforts specifically aimed at driving incremental transactions. This investment in personalized engagement paid off: Chipotle saw a 20% increase in rewards membership in 2022 and an uplift in frequency as gamified challenges kept customers coming back. It's not just about retention, but spend uplift too. Paytronix data (via PYMNTS) shows 57% of loyalty members are willing to spend more on a restaurant's offerings if they're part of a compelling program. And in one survey, consumers said they would boost their spending by 35% if a restaurant's loyalty program felt *truly rewarding*. These figures underscore an important point: diners *value* a good loyalty program and will reward restaurants with greater share-of-wallet when they feel the program provides real benefit.

Crucially, modern loyalty programs are demonstrating strong ROI. According to industry benchmarks, well- implemented restaurant loyalty programs yield an ROI of 2X to 5X – that is, $2–5 in revenue for every $1 in cost – with payback periods often under 12 months . This contrasts with the view of loyalty as a cost center or giveaway. When members visit more and spend more, the program quickly pays for itself. In fact, companies following loyalty *best practices* are 1.6× more likely to see double-digit revenue growth than their peers . Done right, loyalty programs don't just retain customers – they *grow* them into more profitable customers.

Tronic's own client data exemplifies these gains. In a recent deployment for a **22-location restaurant brand**, Tronic's Smart Wallet™ loyalty program drove a **+19% increase in visit frequency** and an **+11% increase in average ticket size** among members, compared to pre-program baselines. Perhaps most striking, the program achieved a **6× higher opt-in rate** than typical sign-up methods (thanks to its frictionless mobile enrollment). This means far more guests engaged with the loyalty program than is normal with legacy approaches – a broader base to drive returns. The impact on the business was significant: more repeat visits and higher spend per visit translate directly into revenue growth. Figure 1 illustrates these outcomes, indexing the improvements against the baseline.
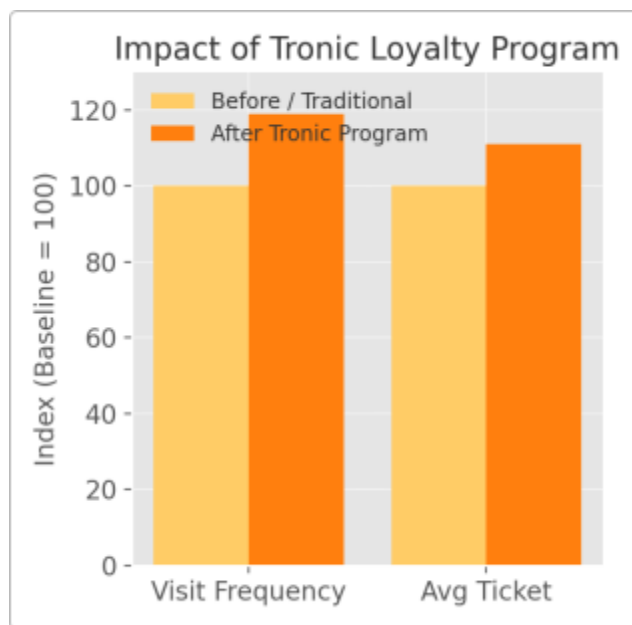
Figure: Tronic's Smart Wallet program delivered tangible lifts in customer behavior. Internal analysis at a 22-location restaurant group showed that after launching the program, visit frequency jumped to 119% of the previous baseline, and average spend per visit rose to 111% of baseline. In practical terms, loyalty members started visiting more often and spending more each time – a direct revenue win.

Beyond the percentages, real-world stories show what next-gen loyalty can do. A Texas- based bar & grill chain, launched its rewards program using Tronic's platform in 2024. By replacing paper punch cards with a digital Smart Wallet pass and personalized offers, this restaurant chain saw thousands of customers join within weeks of launch. These loyalty members demonstrated higher engagement – frequent check-ins at the bar and redemptions of exclusive perks that were delivered via SMS and wallet notifications. The chain's marketing director noted that *opt-in rates far exceeded expectations*, and early data showed a clear uptick in repeat visitation on traditionally slower nights, thanks to targeted loyalty promotions. In short, the program is turning once-occasional patrons into regulars. While traditional approaches struggled to even get customers enrolled, this restaurant chain achieved **rapid adoption (6× typical opt-in)** by meeting customers where they are – on their phones, with an easy sign-up and enticing, personalized rewards.

It's important to highlight **what** these modern programs are doing differently to achieve such results:

- **Making It Easy and Instant:** Frictionless enrollment and redemption encourage more participation. For instance, Tronic's Smart Wallet approach allows guests to join by simply tapping their phone (via Apple/Google Wallet) or

scanning a QR code – *no app download, no forms, no passwords*. Offers and rewards live in the customer's digital wallet and update in real time. This ease of use is a game- changer. (It's the same philosophy behind Portillo's new app-less program, which integrated with Apple Wallet to boost sign-ups without adding steps.) When joining a program is as simple as scanning a code on a receipt or tapping an NFC tag at the counter, **enrollment rates skyrocket** – hence Tronic seeing 5–6× the opt-in versus legacy methods. And when redemption is seamless (e.g. cashier scans your wallet pass, reward applied), customers are more likely to redeem and engage regularly, rather than forgetting about points in an app.

• Personalized, Dynamic Rewards: Next-gen programs leverage **AI and real-time data** to customize the customer journey. Instead of "one reward fits all," the program might reward *behaviors* (e.g. trying a new menu item, visiting on a weekday) and tailor offers to each guest. If a member usually visits at lunch, they might get a personalized nudge to try dinner – with an incentive on a dinner entrée, for example. Modern loyalty platforms (including Tronic's Brand Journeys™ engine) use algorithms to identify opportunities like a lapse in visits (trigger a "We miss you" offer) or a pattern of favoring certain menu categories (trigger a tailored offer related to that preference). This predictive personalization can markedly improve outcomes – restaurants using AI-driven loyalty see higher offer redemption rates and can pre-empt churn by re-engaging at-risk customers. The bottom line: *relevance boosts results*. Members feel the program truly *knows them*, which increases their attachment to the brand. As evidence, one study found **31% of loyalty members are less likely to switch to a competitor** based on price if they feel the program is delivering personalized value. They're not just there for the cheapest deal; they appreciate the tailored experience.

• Engagement & Gamification: The new wave of loyalty programs turns engagement into a fun, game-like experience. This can include **challenges, badges, tiers, and surprise perks** that keep customers interacting beyond transactions. Gamification has been shown to increase active participation – programs with strong gamification see **37% higher active participation rates** than standard point systems . For example, Tronic's platform enables "journeys" where a customer might earn a badge (and bonus) for visiting 3 different locations of a restaurant group, or unlock a secret menu item after a certain number of visits. Brands like Starbucks and Jimmy John's have also added gamified elements – Starbucks periodically runs mobile app games and challenges, while Jimmy John's "Achievement Badges" rewarded various behaviors – which drive buzz and social sharing. **Crucially, gamification adds** *entertainment value* to loyalty. It's no longer just "buy 10 get one free"; it's "level up to unlock new perks" or "compete with fellow fans for the top tier." This creates an emotional hook. As one Antavo report noted, *if customers feel a sense of achievement or competition, they stick with the program* . The loyalty program becomes less of a marketing tool and more of a branded experience in its own right.

• Value Beyond Discounts: Modern programs often provide **exclusive benefits or experiences** that go beyond the traditional discount. This might include VIP event access, invite-only menu tastings, priority reservations, or merchandise for top-tier members. Thanx, for instance, emphasizes rewards based on *access and status* rather than just dollars off . This strategy taps into customers' desire for special treatment. A free appetizer is nice, but a members-only chef's table event creates a memory and a story the customer will tell. These unique perks can significantly increase a guest's *emotional loyalty* – they feel part of an exclusive club. Restaurants like Olive Garden have offered wine tastings for members; fast-casual chains have toyed with secret menu items for loyalty members. The data shows customers perceive **higher value** from restaurants with loyalty programs that offer such extras – 81% of consumers say restaurants with rewards *provide better value* than those without. The more value they perceive, the more likely they are to concentrate their dining spend with those brands.

To sum up this insight: next-gen loyalty programs aren't about giving away freebies indiscriminately – they're about **strategically fostering more profitable customer behaviors**. By using data and technology to personalize offers, by removing

friction to encourage participation, and by engaging customers in new ways (fun challenges, meaningful perks), restaurants can transform loyalty from a cost center into a **profit multiplier**. Members become true fans who visit more often and advocate for the brand. The results – higher frequency, higher spend, greater retention – speak for themselves. In the next section, we'll explore how the competitive landscape is shifting and why app-less, wallet-based loyalty and other innovations are setting the stage for a new era of restaurant loyalty.

Insight #3: The Competitive Landscape – App-Free and Data-Driven Loyalty Takes Center Stage

The restaurant tech space is crowded with loyalty and marketing solutions, but not all are created equal. Understanding the competitive landscape can help highlight what sets the new era of loyalty apart. Traditional loyalty providers and newer platforms are converging on a common realization: customers demand *convenience, personalization, and integration*. Here's how some well-known players stack up and how Tronic's approach compares:

- Legacy App-Based Platforms (and Their Evolution): A few years ago, a company called LevelUp was a pioneer in mobile payment + loyalty apps for restaurants. Consumers could use one app to pay at various eateries and earn rewards. However, after Grubhub acquired LevelUp, the service for individual restaurant brands was largely shut down in 2023, leaving many restaurants scrambling for an alternative . The demise of LevelUp underscores a shift: one-size-fits-all loyalty apps fell out of favor, and even enterprise-grade custom apps have proven costly to maintain. Restaurants saw that forcing guests into a proprietary app creates friction and dependency on continual app engagement – a tall order unless you're a Starbucks with daily rituals. Thanx, a leading loyalty/CRM platform, emerged in this vacuum to capture former LevelUp clients by promising a *"less discount- oriented platform"* that focuses on customer data and engagement without relying on heavy discounts or clunky hardware . Thanx provides branded mobile apps or web interfaces for loyalty, but its philosophy (like Tronic's) is that loyalty is about customer lifetime value, not just couponing. The takeaway from the legacy phase is clear: many restaurants invested in standalone loyalty apps and found adoption lacking. The future is heading toward more integrated, frictionless solutions that don't necessarily require a dedicated app at all.

- Restaurant CRM & Marketing Suites: PopMenu is an example of a platform taking a broader approach – it's primarily known for online ordering, websites, and digital marketing for restaurants. PopMenu helps restaurants gather guest data and send promotions (like email campaigns and AI- driven menu suggestions). While not a traditional loyalty program (no points or tiers by default), PopMenu's value prop is owning the guest relationship digitally. They've showcased results like restaurants earning tens of thousands in revenue from automated email offers. This underscores that *data-driven engagement* – even outside a formal "loyalty program" – can drive sales. However, the limitation of generic CRM marketing is that it may not create the same stickiness as a true loyalty program where customers feel they are accumulating status or rewards with a specific brand. PopMenu addresses aspects of loyalty (e.g., identifying frequent visitors and targeting them with deals), but it doesn't inherently provide the game-like progression and reward structure that dedicated loyalty platforms do. In essence, it's great for engagement and re-marketing, but less so for giving the customer a *sense of belonging* to a rewards program. Tronic's approach actually marries these concepts – using CRM-style data and outreach (e.g., SMS/email/push campaigns) within a structured loyalty framework (challenges, tokens, tiers). This ensures that marketing messages are not one-off blasts but part of a cohesive journey that the customer is on.

- Modern Loyalty Specialists: Aside from Thanx, other notable competitors include platforms like Paytronix, Punchh, and Incentivio, which offer digital loyalty solutions often tied into POS systems. These typically still rely on either a mobile

app or phone-number entry at checkout, and many are **points-based programs** enhanced with analytics. They certainly can be effective – for example, Paytronix powers the loyalty programs of chains like Panera Bread (Panera's program, which includes a popular coffee subscription, has driven daily visit behavior from members). The edge that Tronic seeks is in *rethinking the medium* of loyalty. Rather than plastic cards or apps, Tronic leverages **Smart Wallet passes** that reside in the customer's Apple or Google Wallet. This subtle shift has big implications: no separate app to open means higher engagement (the pass can show up on the lock screen when you arrive at the restaurant, for instance). It also opens the door to **real-time, location- based triggers** and easy updates. Competing platforms are now beginning to explore app-less options too – for instance, some loyalty providers allow linking a credit card (so no app scan needed). Tronic's wallet pass method achieves similar convenience with the benefit of a visible, brandable card in the customer's phone and support for push notifications through the wallet. This approach directly addresses the *app fatigue* we discussed. As Portillo's illustrated with their new program, tying into the wallet and offering "no apps to download or passwords to remember" was a selling point to entice customers to join . The industry is clearly moving toward lower-friction loyalty, and Tronic is at the forefront of that trend

- Differentiating Features – Tokens and Interoperability: Tronic's platform introduces a novel concept of **tradable tokens** and a network of *Brand Channels™*. Instead of merely issuing points, Tronic can reward customers with tokenized value – points that function like currency and potentially could be used across partner brands or traded in a marketplace. While still an emerging idea in restaurants, this nods to blockchain-based loyalty in travel and retail industries. For example, **Singapore Airlines** leverages blockchain to allow frequent flyer miles to be used in everyday purchases. In the restaurant world, we're beginning to see experimentation like Starbucks' NFT- based loyalty extension (Starbucks Odyssey). Tronic's system is built to be **flexible and connected**, meaning a restaurant group could, say, partner with a local brewery or sports team and allow loyalty tokens or rewards to be used cross-promotional – driving mutual benefit. Most traditional loyalty competitors haven't yet delved into this level of interoperability; their focus remains on one brand's program at a time. By designing for connectivity (and having a secure infrastructure for it), Tronic is anticipating a future where loyalty **ecosystems** might form (imagine a dining passport that spans multiple restaurant brands, all via one wallet). While that future is still unfolding, having a *tech-forward, future-proof architecture* is a competitive edge over older platforms that were essentially digital punch card systems.

- Analytics and AI: Virtually all modern providers tout analytics and AI, but there is nuance in capabilities. PopMenu and Thanx both highlight using AI for things like automated messaging and predicting customer behavior (e.g., identifying lapsed customers). Tronic's Brand Journeys engine similarly uses AI to adapt in real-time to customer actions. The key difference is how tightly integrated these analytics are with the engagement channels. Because Tronic's solution ties directly into wallet passes and messaging, it can trigger instantaneous responses (like an offer that appears in your wallet when you walk by a location, or a celebratory badge when you hit a milestone). Many traditional systems are still rule-based ("if customer hits 100 points, send reward email") which, while useful, don't fully capitalize on the real-time data exhaust customers generate. By contrast, **AI- driven personalization** in advanced platforms can decide not just *what* offer to send but *when* to send it for maximum impact. As restaurants grapple with "big data," the winners will be those who can **translate data into timely, meaningful actions** for each guest. This is an area where competition will be intense – and it's worth noting that restaurant brands themselves are investing in their own AI personalization (e.g., McDonald's acquiring Dynamic Yield in 2019 for drive-thru personalization). A specialized platform like Tronic has to stay ahead by offering best-in-class data capabilities out of the box.

In summary, the competitive insight is this: *The new era of loyalty is defined by low-friction customer experiences and high-impact data utilization.* Brands like PopMenu focus on digital engagement, Thanx emphasizes CRM integration and reducing discount dependency, and legacy app models are falling by the wayside. Tronic differentiates by delivering a **wallet-based, gamified, personalized loyalty experience** that aligns with these emerging trends. The approach is to combine

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the best of all worlds – the rich data and communication of a CRM, the incentive structure of a loyalty program, and the seamless user experience of native phone wallet technology – under one roof. The result is a program that customers enjoy using and one that marketers can continuously optimize.

Industry Trends Shaping Restaurant Loyalty in 2025

To put everything in context, let's highlight a few broader trends in restaurant loyalty that are influencing strategies in 2025 and beyond:

- **App-Less and Card-Less Loyalty:** As noted, app fatigue is real, and restaurants are responding. Expect to see more brands adopt app-less loyalty solutions – whether via wallet passes, phone number identifiers, or card-link systems. *Portillo's Perks* (wallet-based) is likely the first of many. Similarly, many restaurants are integrating loyalty directly into payment or ordering flows (for example, linking a credit card so that simply paying with that card earns rewards, no extra steps). The goal is to reduce customer effort to virtually zero. The easier it is to join and participate, the larger the member base and the more data collected.

- **Subscriptions and Paid Loyalty:** Taking inspiration from Panera Bread's successful Unlimited Coffee subscription, more restaurants are experimenting with subscription-style loyalty programs. These involve a monthly or annual fee in exchange for benefits (e.g., free daily item, delivery perks, or exclusive menu access). The trend recognizes that some loyalists are willing to pay upfront for VIP treatment and consistent value. For the restaurant, it generates recurring revenue and guaranteed visits. Taco Bell's *Taco Lover's Pass* (one taco a day for $10/month) and Olive Garden's past *Pasta Pass* were early forays. This trend complements traditional loyalty by creating a tier of super-loyal customers who effectively pre-commit to patronage. It's a model to watch, as it can coexist with points: subscribers might get accelerated earnings or special rewards on top of their included benefits.

- **Experiential and Surprise Rewards:** Beyond transactional rewards, restaurants are incorporating experiential rewards to differentiate their programs. This can range from cooking class invitations, meet-and-greet events with a chef, to off-menu dishes for members only. Such experiences create memories and emotional bonds far stronger than a $5 coupon. In addition, the element of surprise is being used to delight members – for example, a loyalty member might receive an unexpected free appetizer "just because" on a random visit. Research shows surprise rewards can sharply increase customer satisfaction and program goodwill. We're seeing brands build these into their loyalty strategy to keep the program feeling fresh and generous. After all, *loyalty is a two-way street*: if the brand shows unexpected generosity, customers often return the favor with increased loyalty.

- **Unified Loyalty Across Channels:** Restaurant consumers now interact with brands across dine-in, takeout, delivery, and even retail product channels. A clear trend is the push for omnichannel loyalty – ensuring customers earn and burn rewards no matter how they order. This means integrating loyalty with online ordering systems, delivery marketplaces, and POS for in-person. Brands that can track and reward a customer's entire journey (from mobile order at lunch to dine-in dinner to grabbing a branded item from the grocery store) will have a fuller view of loyalty. Technology integrations are critical here – e.g., linking DoorDash or UberEats orders to loyalty accounts (some brands have started doing this with API partnerships). The more channels covered, the more opportunities to engage and the less "leakage" (spend that isn't captured in the program). Expect loyalty programs to become increasingly embedded in every customer touchpoint, largely invisible but always working to record behavior and enhance the experience.

- **Privacy and Value Exchange:** With data personalization comes the responsibility of privacy. Customers are growing

more conscious of the data they share. Successful programs will be those that maintain **trust and transparency**, clearly communicating the *value exchange* – i.e., *"you share your preferences with us, and we deliver you better service and rewards."* According to one study, 57% of restaurant loyalty members are willing to share personal info if it leads to more personalized rewards. But any misuse or excessive frequency of messaging can turn customers off. Thus, brands are balancing data-driven marketing with restraint and respect for customer preferences (e.g., allowing opt-outs for certain communications, using data securely). Regulations like GDPR and CPRA also require diligence. In 2025 and beyond, the *ethics of loyalty data* will be as important as the tech – the winners will be brands that customers *trust* with their information, because they consistently deliver value back and safeguard the data.

These trends all point to a common theme: **loyalty programs are becoming more holistic, customer- centric, and tech-enabled.** They are no longer an afterthought or a siloed initiative; they are at the heart of restaurant customer strategy. In the final section, we wrap up the discussion and emphasize why acting on these trends – and embracing the new era of loyalty – is crucial for restaurant brands.

Summary

Restaurant loyalty programs are at an inflection point. The old model of locking customers into a static rewards app or counting punches on a card is giving way to a smarter, richer paradigm – one that meets customers where they are and turns casual patrons into devoted regulars. As we've explored, **traditional programs often failed** because they were inconvenient, impersonal, and ultimately forgettable. Simply put, today's guest expects more. The new era of loyalty is rising to that challenge by making programs *fun, easy,* and **deeply rewarding** on a personal level.

For restaurant group executives and marketers, the implications are clear: a well-designed loyalty program is no longer a nice-to-have add-on – it's a strategic necessity for driving growth and maintaining competitiveness. Done right, loyalty programs boost visit frequency, increase average spend, and improve customer lifetime value, all while strengthening the brand connection. They also generate a goldmine of first-party customer data, which is invaluable in an age where knowing your guest (and being able to reach them directly) is key to driving traffic. In an environment where third-party delivery apps and aggregators often stand between restaurants and their customers, a robust loyalty program is one of the best tools to **own the guest relationship** and encourage direct business.

We've seen that restaurants investing in modern loyalty see substantial ROI – often **2-5x returns** – and those that excel at loyalty are more likely to enjoy *double-digit revenue growth*. Conversely, brands that ignore the evolution in loyalty risk falling behind. As more consumers gravitate toward restaurants with appealing rewards (45% of consumers actively choose dining options that offer loyalty programs), not having a compelling program means leaving potential visits on the table. And as competitors upgrade their programs (or launch new ones) with the latest tools – from AI personalization to digital wallet integration – guest expectations will continue to rise. The bar for "loyalty" is being set higher by innovative brands; those who don't rise to meet it may find their once-loyal customers drifting away in search of greater value and recognition.

In this whitepaper, we highlighted **Tronic's approach** as a case study in next-gen loyalty: by eliminating app friction, leveraging Tronic Smart Wallets™, and focusing on personalized, gamified engagement, Tronic-powered programs have achieved outsized gains in guest frequency, spend, and enrollment. These results aren't magic; they are the product of aligning a loyalty program with what guests *truly want*: convenience, relevance, and delight. Whether via surprise and delight offers, status tiers that make members feel like VIPs, or challenges that turn visits into a rewarding game, the new loyalty programs turn customer interactions into more than transactions – they become *experiences* in their own right.

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As restaurant leaders, now is the time to ask tough questions about your loyalty strategy. Is your program growing visits by double digits? Is it easy for guests to join and engage without jumping through hoops? Does it leverage modern tech to personalize rewards and communicate in real time? And importantly, can you clearly measure its ROI? If the answer to any of these is uncertain, it's a signal that your loyalty program might be due for a refresh or a reimagining. The good news is that solutions are readily available – the technology and know-how exist to transform a lagging loyalty program into a star performer for your brand.

From check-ins to checkouts, loyalty in the restaurant industry has evolved into a sophisticated science – and an art. It's about understanding the journey each customer takes and adding value at every step, so that they choose to journey with *you* again and again. Brands that embrace this new era – that leverage data smartly, engage creatively, and remove friction – are already reaping the rewards in higher sales and stronger customer bonds. Those that stand still, relying on yesterday's tactics, risk being left behind as consumers flock to experiences that *feel fresh and rewarding*.

The message is clear: loyalty has moved beyond the punch card. It's now a dynamic, digital, and delightful part of the dining experience. Restaurants that innovate in this space will not only see improved metrics – more visits, bigger tickets, higher retention – but will cultivate something far more valuable in the long run: genuine loyalty born out of customer love for the brand.

Ready to usher in a new era of loyalty for your restaurant brand? Tronic's team is here to help you make it happen. Our Smart Wallet™ platform and Brand Journeys™ engine are purpose-built to deliver the kind of personalized, frictionless, and high-impact loyalty program described in this paper. Contact us for a demo or consultation to see how we can tailor a next-gen loyalty experience for your business. Let's turn your check-ins into checkouts – and every customer into a regular.

👉 Schedule a demo today at tronic.app or email us at sales@tronic.app to start building loyalty that lasts. Your best customers are waiting – let's delight them together.

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