paytronix
an access company

# The 2026 Loyalty Report

## Capturing Deeper Guest Loyalty in the Experience Economy

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# Executive Summary

The single most important number in this report is 95%. That's the return rate after a guest's fourth visit.[lix] First-time guests come back less than half the time. But get them to visit four times, and they become regulars.[lix]

That fourth visit is where loyalty is built or lost. And the programs that worked five years ago aren't getting guests there. So it shouldn't come as a surprise that the brands pulling ahead in 2026 have stopped competing on points and started building personalized experiences their competitors can't replicate.

## Key Industry Shifts: Unified Experiences, Convergence, and AI Maturation

- **Industry convergence is accelerating.** RaceTrac's $566 million acquisition of Potbelly signaled a new era in which c-stores and restaurants are merging into unified guest experiences.[xxi] That shift is already playing out at the consumer level: 72% of consumers now view c-stores as viable alternatives to QSRs, up from 56% a year ago.[xxiii]
- **AI has matured from experiment to essential.** AI-enabled loyalty programs can deliver 20% to 50% increases in guest lifetime value, while predictive churn modelling now operates at 95%+ accuracy.[xlviii,xxx]
- **First-party data has become the new competitive moat.** With Safari and Firefox blocking third-party cookies by default and Chrome phasing them out, loyalty programs are becoming the primary vehicle for first-party data collection.[xxxii]

## Paytronix's Category Leadership in Guest Engagement Solutions

We've spent over 20 years building the most comprehensive and feature-rich guest engagement platform in the restaurant and c-store industries, serving 1,800+ client brands, 35,000+ locations, 225 million guest profiles, driving 40 million monthly transactions.

Our platform handles everything from AI-powered personalization to omnichannel ordering to predictive analytics to fraud prevention, all in one integrated system. We're not a point solution vendor. We're a strategic partner built for the unified loyalty future.

### 90-Day Loyalty Member Active Rates by Segment

Your enrollment numbers only tell half the story. Paytronix data across nine restaurant and c-store segments shows that the 90-day window after signup is where loyalty is either built or lost. Frequency-driven concepts held active rates between 66% and 72%, while occasion-driven segments struggled, with Casual Dining dipping below 50% for the first time. The gap between "joined your program" and "became a regular" is widening.

## Paytronix's Category Leadership in Guest Engagement Solutions

**Loyalty programs across the restaurant and convenience industry told an interesting story in 2025.** The concepts best built for frequency (Beverage & Snack, Specialty, and Sandwich/Mexican) held their ground or improved, with active rates between 66% and 72%. Snack concepts had the breakout year, jumping 18 percentage points in active rate and nearly doubling their share of high-engagement members.

**Family Dining quietly held flat, which is its own kind of win.** This signals higher-end operators are finding ways to make loyalty feel relevant despite low visit frequencies.

**The harder story is in the occasion-driven and high-footprint segments.** Bar & Grill dropped 13 percentage points in active rate, with nearly three in four new members never returning within 90 days. Gasoline brands saw a 22-point decline, though the context matters: their total membership base grew by more than 1.5 million, suggesting rapid enrollment outpaced onboarding, rather than existing members walking away.

**Casual Dining dipped below the 50% active rate benchmark for the first time,** a signal worth watching as it shows programs that are enrolling members but not yet giving them a compelling enough reason to come back.

The through line across all nine concepts is the same challenge in different forms: **signing people up is only half the job.** The 90-day window after enrollment is where loyalty is either built or lost, and the gap between joined a program and became a regular remains the most consequential.

> Concepts that are winning have found ways to make that window feel personal, rewarding, and worth returning for, and the data suggests the gap between those programs and everyone else is widening.

# Tables by Concept

## Bar and Grill

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Active Rate (1+ visits in 90 days)** | 40.3% | 27.6% | ▼ 12.7 pts |
| **High Engagement (5+ visits)** | 4.8% | 2.1% | ▼ 2.7 pts |
| **Power User Rate (10+ visits)** | 2.2% | 0.7% | ▼ 1.5 pts |
| **Avg. Visits per Member** | 1.3 | 0.6 | ▼ 0.7 |

## Beverage and Snack

**Note:** This category experienced significant active rate growth despite noticeable decreases in engagement, power users, and average visits. This typically indicates a growing user base that hasn't returned to engage in a while, not necessarily red flags for program health.

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Active Rate (1+ visits in 90 days)** | 66.1% | 71.6% | ▲ 5.5 pts |
| **High Engagement (5+ visits)** | 20.9% | 16.9% | ▼ 4.0 pts |
| **Power User Rate (10+ visits)** | 10.8% | 7.5% | ▼ 3.2 pts |
| **Avg. Visits per Member** | 4.2 | 3.0 | ▼ 1.2 |

## Casual Dining

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Active Rate (1+ visits in 90 days)** | 58.3% | 51.9% | ▼ 6.4 pts |
| **High Engagement (5+ visits)** | 5.4% | 4.3% | ▼ 1.1 pts |
| **Power User Rate (10+ visits)** | 1.3% | 1.0% | ▼ 0.3 pts |
| **Avg. Visits per Member** | 1.3 | 1.1 | ▼ 0.2 |

## Family Dining

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Active Rate (1+ visits in 90 days)** | 61.0% | 61.1% | ▲ 0.1 pts |
| **High Engagement (5+ visits)** | 3.7% | 3.5% | ▼ 0.2 pts |
| **Power User Rate (10+ visits)** | 0.7% | 0.8% | ▲ 0.1 pts |
| **Avg. Visits per Member** | 1.2 | 1.1 | ▼ 0.1 |

## Fine Dining

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Active Rate (1+ visits in 90 days)** | 46.7% | 53.3% | ▲ 6.5 pts |
| **High Engagement (5+ visits)** | 1.9% | 2.0% | ▲ 0.1 pts |
| **Power User Rate (10+ visits)** | 0.4% | 0.4% | — |
| **Avg. Visits per Member** | 0.8 | 0.8 | ▲ 0.1 |

## Gasoline

**Note:** This category experienced significant active rate growth despite noticeable decreases in engagement, power users, and average visits. This typically indicates a growing user base that hasn't returned to engage in a while, not necessarily red flags for program health.

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Active Rate (1+ visits in 90 days)** | 67.8% | 45.7% | ▼ 22.2 pts |
| **High Engagement (5+ visits)** | 36.5% | 25.0% | ▼ 11.6 pts |
| **Power User Rate (10+ visits)** | 24.0% | 16.3% | ▼ 7.7 pts |
| **Avg. Visits per Member** | 8.3 | 5.5 | ▼ 2.8 |

## Fine Dining

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Active Rate (1+ visits in 90 days)** | 66.2% | 65.7% | ▼ 0.5 pts |
| **High Engagement (5+ visits)** | 8.9% | 9.2% | ▲ 0.3 pts |
| **Power User Rate (10+ visits)** | 2.9% | 3.0% | ▲ 0.1 pts |
| **Avg. Visits per Member** | 2.6 | 1.9 | ▼ 0.7 |

## SNACK

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Active Rate (1+ visits in 90 days)** | 37.2% | 55.4% | ▲ 18.2 pts |
| **High Engagement (5+ visits)** | 6.2% | 11.1% | ▲ 4.9 pts |
| **Power User Rate (10+ visits)** | 2.5% | 4.3% | ▲ 1.8 pts |
| **Avg. Visits per Member** | 1.2 | 1.9 | ▲ 0.8 |

## Specialty

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Active Rate (1+ visits in 90 days)** | 75.7% | 70.9% | ▼ 4.8 pts |
| **High Engagement (5+ visits)** | 11.2% | 11.6% | ▲ 0.3 pts |
| **Power User Rate (10+ visits)** | 3.2% | 3.3% | ▲ 0.1 pts |
| **Avg. Visits per Member** | 2.1 | 2.1 | — |

# The Modern Loyalty Revolution

## Leading the Industry Beyond Traditional Loyalty

Your loyalty program isn't just a nice-to-have anymore; it's practically your revenue engine. But the challenge is that the programs that worked five years ago are rapidly losing ground to something more sophisticated, more personalized, and more valuable to the guests you're trying to keep.

The industry is at an inflection point. 90% of companies with loyalty programs plan to revamp them in the next three years.[i] The brands winning in 2026 are the ones that offer experiences their competitors can't replicate instead of simply more points.

## Overview of Key Points

### 1. Experience-Driven Loyalty Is Overtaking Points-Only Programs

**The transaction-focused loyalty program is dying, and the data shows us why:**

a. Loyalty has become commoditized. **More than 90% of companies now have some form of loyalty program.** Guests average 19 loyalty memberships but only 9 are active.[i] Points alone won't differentiate you.

**b. Economic pressure is forcing smarter strategies.** Loyalty economics are now under scrutiny. Brands are designing reward structures with margin and long-term value in mind, moving away from purely discount-based incentives.[ii]

c. Guests want more than cashback. **About 50% of consumers want loyalty points or cashback, but 28% want seamless experiences across all interactions.** Early access to sales (60.1%) and new products (50.8%) rank as the top two non-discount benefits.[i]

### 2. Personalization Is No Longer Optional

**Generic programs leave money on the table, and your guests know it:**

a. 80% of consumers are more likely to do business with companies offering personalized experiences. Unfortunately, only about a quarter of guest experiences are perceived as truly personalized.[i,iv]

b. Personalization drives incremental revenue. 49% of guests made impulse purchases after receiving personalized recommendations.[i]

### 3. Emotional Loyalty Delivers Exponentially Higher Value

a. Guests with emotional relationships to brands have **306% higher lifetime value** and are **71% more likely to recommend the brand.**[i]

b. Retention compounds profit. A 5% increase in guest retention correlates with a 25–95% increase in profit. Acquiring a new guest costs 5 to 25X more than retaining an existing one.[v,i]

### 4. Modern Loyalty Programs Are Revenue Engines

**a.** **65% of a company's revenue comes from repeat business of existing guests.** Members of loyalty programs generate 12–18% more incremental revenue growth per year than non-members.[i]

**b.** **90% of loyalty program owners reported positive ROI, averaging 4.8x.** Top-performing programs boost revenue 15–25% annually from guests who use them.[i]

c. Investment is accelerating. **77% of executives say loyalty programs are of top importance to their leadership team**, according to HBR Analytic Services research. 80% of companies plan to increase investments in guest loyalty over the next three years.[vi,i]

## The Evolution: From Points Banks to Experience Engines

Your guests don't care about your points. They care about what those points unlock and how you make them feel.

Points-only programs are static. Guests earn, redeem, and repeat. Experience-driven programs are dynamic in that they learn, adapt, surprise, and delight based on individual behavior.

But loyalty is fragile. 68% of consumers remain loyal to certain brands, but 49% say price increases damage loyalty and 54% say lower quality weakens it. **77% now retract loyalty more quickly than three years ago.**[iii,i]

This is a mandate to build loyalty offers that are resilient to price pressure. You do that by offering what competitors can't replicate.

## What Modern Loyalty Looks Like in Practice

**Starbucks Rewards** has 38 million active members representing 53% of all U.S. store spend.[i] They're launching a reimagined three-tier system (Green/Gold/Reserve) in March 2026 with experiential rewards including paid trips to Tokyo, Milan, and Costa Rica.[vii]

Deep Brew AI personalizes the mobile app using purchase history, time of day, location, and weather patterns.[viii]

**McDonald's MyMcDonald's Rewards** has 185 million 90-day active users, targeting 250 million by 2027. The same guest who visited 10.5 times per year before joining now visits 26 times after.

That's a 150% frequency increase.[ix] They're expanding beyond food: members can now redeem points for Snapchat+ subscriptions.[x]

**Chipotle Rewards** has 40 million members, with sign-ups surging 14% year-over-year.[xi] Their "Rewards Exchange" expanded from entrée-only redemptions to 15 options including merch and charitable donations.[xii]

They became the first national restaurant brand to launch badge-based gamification, attracting 5 million participants. AI-driven welcome journeys led to a 46–47% increase in engagement.[xiii,xi]

**Casey's Rewards** has 6 million members across 2,400 stores. Members "visit more frequently, spend more per transaction, spend more annually, and deliver more profit."[xiv]

They send 200 million personalized communications monthly, with 30% of revenue driven by Salesforce marketing channels. One-third of all transactions come from loyalty members.[xv,xiv]

**Wawa Rewards** has an estimated 12 million members driving a business that's doubled revenue to an estimated $19 billion since 2014. Morning meal traffic surged 5% year-over-year at food-forward c-stores versus just 1% at QSRs.[xvi] AI-driven forecasting reduced fresh-food waste 10–15% in test markets.[xvii]

**7-Eleven's Gulp Media Network** monetizes loyalty data across social, display, connected TV, in-store signage, and pump video at 2,900+ Speedway sites. They've brought digital advertising measurement into physical stores paired with guest behavior data.[xviii]

**Sheetz My Sheetz Rewardz** offers a gamified ranking system (Fan → Friend → Freak) with fuel savings integration (3¢/gal on every fill-up) and a revamped co-branded Visa credit card offering up to 10¢/gal off at pumps. Sheetz has 720 stores across six states.[xix]

These programs share common threads: **tiered systems, gamification, AI-powered personalization, and beyond-food rewards**. They've moved from rewarding transactions to orchestrating experiences.

**But not every brand is getting it right.** Dunkin' made significant cost-cutting changes in October 2025, increasing point requirements for most redemptions (cold brew jumped from 500 to 950 points) and adding one-year point expiration where there previously was none. As a result, they received significant guest backlash on social media.[xx] It's a reminder that devaluing loyalty breaks trust fast.

## The 5-Layer Guest Engagement Suite

Paytronix doesn't design loyalty programs for clients, unless this service is purchased in addition to software. We build guest engagement suites: **integrated platforms that turn loyalty from a standalone rewards tracker into "connective tissue" for every guest interaction across all touchpoints.**

## Layer 1: AI-Powered Personalization Engine

Your guests get real-time, contextual experiences adapting to each guest's behavior, preferences, and purchase history. This goes well beyond batch-and-blast email. It's dynamic offer generation considering what a guest ordered last time, when they typically visit, and what incentives have driven past behavior.

## Layer 2: Experience Builder Tools

Our experience building tools offer customizable journeys for different guest segments. High-frequency visitors need different engagement than occasional guests. You're running dozens of tailored experiences under one brand umbrella.

## Layer 3: Unified Data Platform

Our customer data platform, the Paytronix Guest Intelligence platform, gives you a single view of your guest across all touchpoints. A unified data platform is not a guest data platform (CDP).

| Guest Data Platform (CDP) | Unified Data Platform (UDP) |
|---|---|
| Collects and stores guest information from all your systems | Collects, unifies, and activates guest information across all your systems in real time |
| Creates detailed guest profiles you can analyze later | Creates a single, always-current guest profile that triggers immediate action |
| Built for your data or analytics team to run reports | Built to feed your marketing, operations, and loyalty tools simultaneously |
| Requires IT support to integrate and maintain | Connects natively to your POS, ordering, and engagement tools without custom integration |

A CDP gives you the data. A unified data platform lets you *act on it instantly.*

When a guest places an online order, your UDP triggers a personalized upsell, applies a targeted discount, updates loyalty balance, and queues a follow-up message, all in real time.

## Layer 4: Omnichannel Orchestration

Seamless engagement across ordering, loyalty, and messaging. Your guests expect one coherent experience regardless of how they interact with your brand.

A guest can start an order on your mobile app, modify it on your website, pick it up in-store, and earn loyalty points unlocking a reward they redeem on the next visit, without friction or broken handoffs.

### Layer 5: Predictive Analytics

Predictive analytics anticipate your guests' most likely needs before they arise. This tool identifies guests at risk of lapsing before they lapse, surfaces high-value items to guests likely to order them, and determines optimal timing for re-engagement offers.

**Technology layers are only valuable when they work together as a unified system.** The real competitive advantage isn't having these capabilities; it's how seamlessly they integrate to create guest experiences that feel effortless rather than fragmented.

Our client data reveals exactly how this integration plays out in practice, and why operators who embrace multiple platform capabilities see much better results than those running standalone point solutions.

**Technology layers are only valuable when they work together as a unified system.** The real competitive advantage isn't having these capabilities; it's how seamlessly they integrate to create guest experiences that feel effortless rather than fragmented.

Our client data reveals exactly how this integration plays out in practice, and why operators who embrace multiple platform capabilities see dramatically better results than those running standalone point solutions.

## Total Products Used by Percentage

Looking across 800+ Paytronix clients in this dataset, product depth tells a clear story about how operators are engaging. While adoption patterns vary, the center of gravity sits firmly in the middle: **most clients are using between two and five products, with two products (25.4%) and four products (17.7%) representing the largest single cohorts.**

This suggests a healthy progression model. Many brands start with a focused footprint and then expand into adjacent capabilities over time.

**More than half of clients within our dataset (52.0%) are now using four or more products, and nearly two-thirds (65.3%) use at least three.** That level of multi-product engagement indicates that once operators establish value in one area, they tend to layer in additional capabilities that extend loyalty, marketing, ordering, and payment into a more connected ecosystem.

At the high end, **17.3% of clients are running six or seven products,** which is a strong indicator that full-platform adoption is both achievable and already happening at meaningful scale.

**34.7% of clients currently use one or two products,** which is a clear invitation to expand Paytronix solution usage. These operators already trust the platform in at least one core area, creating a strong foundation for future cross-product growth as operational priorities, integration capacity, and strategic focus evolve.

## Total Products Used Distribution, All Clients In Dataset

| Total Products Used | # of Clients | % of Client Base |
|---|---|---|
| **1** | 80 | 9.3% |
| **2** | 219 | 25.4% |
| **3** | 114 | 13.2% |
| **4** | 152 | 17.7% |
| **5** | 147 | 17.1% |
| **6** | 129 | 15.0% |
| **7** | 20 | 2.3% |

## Key Benchmarks:

- **3+ products:** 65.3% of clients
- **4+ products:** 52.0% of clients
- **6–7 products (near/full platform):** 17.3% of clients
- **1–2 products:** 34.7% of clients

# Guest Experience First: The Paytronix Advantage

## ROI: Suite Vs. Standalone Solutions

Cobbling together endpoint solutions is expensive, inefficient, and limiting. When your loyalty platform doesn't talk to your ordering system, you can't trigger personalized offers based on basket contents. When your CRM doesn't share data with your POS, you can't reward in-store behavior with online incentives.

**Integrated guest engagement suites deliver better outcomes:**

- **Faster time to value:** One platform, one implementation, one client support relationship
- **Lower total cost:** Licensing, integration, and maintenance fees compound quickly across five systems
- **Better data quality:** Unified platforms eliminate discrepancies and sync issues
- **Higher guest satisfaction:** Seamless experiences across channels

## Future-Proofing Through Integration

Paytronix is built on integration-first architecture. Our platform connects with leading POS systems, payment processors, third-party delivery platforms, and marketing automation tools.

When new capabilities become table stakes, your loyalty program supports them without massive, time-consuming upgrades.

# Action Steps for Restaurants and C-Stores

## Immediate Assessment (Week 1-2)

- **Audit your current loyalty tech stack:** Document every guest touchpoint. List the systems storing guest data. Identify data silos. Calculate true program costs including hidden integration fees and staff time managing vendor relationships.
- **Benchmark against modern loyalty standards:** Compare your program against the five-layer framework. Can you deliver personalized offers in real time? Can guests earn and redeem rewards seamlessly across all channels?

## Strategic Planning (Month 1)

- **Define your experience-driven loyalty vision:** Move beyond "we need a points program" to "what unique experiences can we offer that competitors can't replicate?" What non-discount benefits do your guests value most? Send a survey if you need more data to work off of.
- **Map guest journey touchpoints:** Identify every interaction from awareness to advocacy. Where does loyalty currently integrate? Where are friction points causing guests to abandon transactions?

## Technology Evaluation (Month 2)

- **Evaluate unified vs. standalone solutions:** Calculate ROI differences between integrated guest engagement suites and managing multiple point solutions. Consider licensing costs, integration expenses, ongoing maintenance, and data quality issues.
- **Assess AI-powered personalization readiness:** Determine your capability to leverage real-time, contextual experiences and predictive analytics. Do you have the data infrastructure? The marketing team bandwidth?

## Implementation Planning (Month 3)

- **Design custom guest segments and journeys:** Create personalized paths for different guest types; aim for 1:1 personalization whenever possible, which is doable with Paytronix. High-frequency guests need different engagement than new members. Big spenders respond to different incentives than budget-conscious visitors.
- **Plan omnichannel integration strategy:** Ensure seamless guest engagement across POS, mobile apps, online ordering, and messaging platforms. Map where each system needs to share data and where real-time triggers fire.

## Future-Proofing (Continuous)

- **Build inflation-resistant value propositions:** Develop experiential rewards and brand-unique benefits maintaining perceived value during economic uncertainty. Exclusive access, early product releases, and member-only experiences cost less than discounts and create differentiation competitors can't replicate.
- **Establish predictive analytics framework:** Implement systems to anticipate guest needs, prevent churn, and optimize engagement timing. A 5% increase in guest retention correlates with a 25–95% increase in profit.[v]

# Industry Convergence: The New Loyalty Landscape

## When C-Stores and Restaurants Unite

The lines between convenience stores and restaurants are blurring, and it's happening fast. What used to be separate industries with distinct business models are now converging into a unified guest experience.

C-stores are launching fresh food programs that rival fast-casual restaurants. QSR brands are testing convenience retail formats. And in the most dramatic signal yet, major players are acquiring each other outright.

This convergence isn't a side trend. It's a fundamental restructuring of how guests expect to eat, shop, and interact with food brands, and it has massive implications for loyalty programs.

## The Convergence Trend

### The Deal That Changed Everything

**In September 2025, RaceTrac, a convenience store operator with 800+ locations across 14 states, acquired Potbelly Corporation for $566 million.[xxi]** It was the most surprising deal of the year. Convenience store chains often engage in franchising partnerships with restaurants, but outright acquisitions of branded restaurant chains are uncommon.[xxi]

RaceTrac paid $17.12 per share, a 47% premium over Potbelly's 90-day volume-weighted average. They weren't buying Potbelly for its real estate or its supply chain. **They were buying a proven restaurant brand with 445 locations and plans to expand to 2,000.[xxi,xxii]**

In other words, foodservice is no longer a nice-to-have amenity for c-stores. It's a core growth strategy. As CSP Daily News put it: "This demonstrates the importance of foodservice to the convenience store industry and represented an acknowledgment by RaceTrac of the benefits and synergies that could be realized from such a combination."[xxii]

The deal could encourage other restaurant chains to explore partnerships with convenience store operators.[xxi] And it raises an immediate question for both industries: **how do you integrate loyalty programs across two fundamentally different guest experiences?**

## Why Convergence Is Accelerating

RaceTrac's Potbelly acquisition didn't happen in a vacuum. **The broader market is moving in the same direction:**

- **C-stores are stealing QSR guests.** 72% of consumers now view c-stores as a viable alternative to QSRs, up from 56% a year ago.[xxiii] Morning meal traffic surged 5% year-over-year at food-forward c-stores versus just 1% at QSRs.[xvi] Wawa's revenue has doubled to an estimated $19 billion since 2014, and guests are increasingly visiting for food, not fuel.[xvi]
- **Technology consolidation is forcing the issue.** Restaurant technology M&A rose 45% in the first half of 2025 versus the same period in 2024.[xxiv] Major deals include DoorDash acquiring SevenRooms for $1.2 billion, Olo selling to Thoma Bravo for $2 billion, and Wonder acquiring Grubhub for $650 million.[xxv] Restaurant operators increasingly prefer working with fewer, more capable technology partners rather than managing dozens of point solutions.[xxv]
- **The economics are compelling.** From 2019 to 2022, more than $44 billion in venture capital and growth equity flowed into the restaurant technology sector.[xxvi] That capital is now searching for consolidation opportunities. Brands that can operate multi-concept loyalty programs have a competitive advantage. Those who can't are acquisition targets.
- **Guests expect it.** Your guests don't segment their lives into "c-store trips" and "restaurant trips." They want breakfast, lunch, dinner, and convenience. If you can deliver a seamless experience across concepts, with unified rewards, consistent personalization, and frictionless payment, you win their frequency and their wallet share.

# Building Unified Loyalty Strategies

The problem is that merging two loyalty programs is exponentially harder than launching one from scratch.

You're not just combining member databases. You're reconciling different value propositions, different purchase behaviors, different brand identities, and different operational constraints.

A c-store transaction averages under $10 and happens in 90 seconds. A restaurant transaction averages $15–30 and involves menu customization, preparation time, and often delivery or curbside pickup.

## 5 Technology Considerations for Unified Loyalty

- **Single sign-on across concepts.** Guests should be able to log in once and access their rewards across all brands, whether you're in the restaurant or c-store industry (or both). This sounds simple, but it's not. Legacy systems often treat each concept as a separate database with separate authentication. Unified platforms with diligent integration eliminate this friction.
- **Shared currency with concept-specific redemptions.** Points earned at the c-store should be redeemable at the restaurant, and vice versa. But redemption options need to make sense for each concept. A free fountain drink works at a c-store; a free entrée works at a restaurant. Your platform needs to support both.

- **Cross-concept promotions without cannibalizing either brand.** If you offer "buy a sandwich, get fuel points," you're driving incremental c-store visits. But if your entire loyalty strategy becomes "use the restaurant to subsidize fuel," you've devalued the restaurant brand. Your tech needs to track cross-promotion performance and prevent over-reliance.
- **Real-time data sync across POS systems.** C-stores and restaurants typically run different point-of-sale (POS) vendors. Your loyalty platform needs to integrate with both, sync member data in real time, and trigger offers based on combined behavior across concepts.
- **Separate but connected brand identities.** Casey's runs a unified rewards program that covers both its convenience stores and its pizza business. Members see tailored offers for each part of the business, but everything operates under one umbrella brand.[xiv] So the model consists of a unified backend and a differentiated frontend.

## Maintaining Brand Identity Within Shared Platforms

Both your restaurant and c-store have personalities. Unified loyalty doesn't mean merged branding.

**Separate member communications.** Email and SMS campaigns should reflect the brand the guest is engaging with. A Potbelly loyalty message should look and sound like Potbelly, even if the underlying platform also powers RaceTrac rewards.

**Concept-specific personalization.** AI-driven offers need to respect brand context. If a guest only visits your c-store for fuel and snacks, don't spam them with restaurant catering offers. If they only visit your restaurant for lunch, don't push dinner deals. Unified platforms with strong segmentation tools let you personalize within brand boundaries.

**Tiered benefits that work across concepts.** Starbucks is launching a three-tier system with experiential rewards at the Reserve level that will go live on March 10th, 2026.[vii] For multi-concept operators, tiers need to deliver value across both environments. VIP status might unlock early access to new menu items at the restaurant and exclusive fuel discounts at the c-store.

## Cross-Promotion Opportunities and Challenges

Done right, cross-promotion drives incremental visits to both concepts. Done wrong, it trains guests to only visit when there's a deal.

**Opportunities:**

- **Fuel purchases trigger restaurant offers:** "You just saved on gas. Here's 20% off lunch today."
- **Restaurant purchases unlock c-store rewards:** "Thanks for ordering catering. Enjoy a free coffee on your next fuel stop."
- **Bundled redemptions:** "Redeem 500 points for a combo: sandwich, chips, and  fountain drink, valid at both locations."

**Challenges:**

- Guests gaming the system by concentrating spend at whichever concept offers better promotions
- Brand dilution if cross-promotions feel forced or irrelevant
- Operational complexity in training staff across concepts on unified program rules

The key is to test conservatively, measure incrementality, and scale what works.

# Paytronix's Unified Platform Advantage

Paytronix was built for this. Our platform handles multi-concept operations natively; no bolt-ons, no workarounds, no separate databases that kind-of-sort-of talk to each other when they're in the mood.

## How We Handle Multi-Concept Loyalty

- **Single guest profile across unlimited concepts.** One guest ID, one set of preferences, one loyalty balance, unlimited brand interactions. Whether your guest orders a sandwich, buys fuel, picks up groceries, or does all three, we track it as one unified relationship.
- **Concept-specific configuration without code.** Set different earn rates, redemption options, promotional rules, and communication preferences for each brand, all within the same platform. No developer required.
- **Cross-concept analytics and reporting.** See which guests visit both concepts. Measure cross-promotion performance, identify high-value multi-concept guests versus single-concept loyalists, and optimize accordingly.
- **Unified fraud prevention.** Multi-concept programs create more opportunities for abuse. Our platform monitors behavior across all brands and flags anomalies before they become costly.
- **Flexible integration architecture.** We connect to disparate POS systems, payment processors, and operational tools across concepts. When you acquire a new brand, we integrate their existing tech stack rather than forcing a rip-and-replace.

# Action Steps for Restaurants and C-Stores

## Market Analysis (Week 1-2)

- **Study multi-concept success models:** Analyze RaceTrac/Potbelly, Casey's partnerships, and Wawa's restaurant evolution to identify replicable unified loyalty strategies. What did they get right? What challenges did they face? What would you do differently?
- **Assess your cross-brand opportunities:** Evaluate potential partnerships or acquisitions where unified loyalty could create competitive advantages. Do you already operate multiple concepts that could benefit from integration?

## Strategic Planning (Month 1)

- **Define multi-concept brand architecture:** Establish how individual brand identities will be preserved while leveraging shared loyalty platform benefits. What stays separate? What will be unified? Where do you allow cross-brand visibility?
- **Map cross-promotion synergies:** Identify natural guest flow patterns between restaurant dining and convenience shopping for targeted campaigns. Which promotions drive incremental behavior versus shifting existing spend?

## Technology Infrastructure (Month 2)

- **Evaluate multi-concept platform requirements:** Ensure loyalty tech can handle different operational models, menu systems, and guest behaviors across concepts. Does your current vendor support this? If not, what's the migration path?
- **Design unified data strategy:** Plan how guest data will flow between concepts while maintaining regulatory compliance and brand-specific insights. Who owns the unified guest profile? How do you handle privacy across brands?

## Implementation Planning (Month 3)

- **Create cross-brand reward structures:** Develop loyalty benefits that work across different service models while maintaining each brand's value proposition. Test with small member segments before full rollout.
- **Build staff training programs:** Prepare teams to promote and support unified loyalty across different operational environments and guest expectations. C-store cashiers and restaurant servers need different training, but both need to understand how the unified program works.

## Optimization and Growth (Continuous)

- **Establish cross-concept performance metrics:** Track unified loyalty success through incremental visits, cross-brand engagement, and total guest lifetime value. Don't just measure program enrollment. Measure behavior change.
- **Plan strategic expansion opportunities:** Use unified loyalty data to identify markets and concepts ripe for convergence or partnership development. Where are your multi-concept guests concentrated? Where are the white space opportunities?

# The Three Pillars of Loyalty Excellence

**The loyalty programs winning in 2026 and beyond stand on three foundational pillars:**

- **Hyper-personalization** powered by predictive intelligence
- **Unified commerce systems** that connect every guest touchpoint
- **Community-driven growth** that turns members into brand advocates

Master all three, and you'll move beyond simply running a loyalty program and into building an engagement ecosystem that competitors can't replicate.

## The First Pillar: Hyper-Personalization and Predictive Intelligence

### From Segmentation to Segments of One

Traditional loyalty segmentation is dead (and has been for years). Grouping guests into buckets like high-frequency visitors and big spenders was useful when personalization meant batch-and-blast email campaigns.

Your guests now expect Netflix-level individualization. They want offers tailored to their specific preferences, purchase history, location, time of day, and even the weather.

Welcome to **Segments of One**, where every loyalty member is treated as a distinct market of one.[xxvii] This shift is driven by three converging forces: **AI and predictive analytics** that can process context in real time, the "Netflix Effect" where **guests expect hyper-relevant recommendations** everywhere, and **the death of third-party cookies** forcing brands to build first-party data strategies.[xxvii]

**Starbucks' Deep Brew AI engine** is the poster child. It customizes the mobile app interface for every user and suggests pairings based on local weather.[xxvii] Sephora, while not a restaurant or convenience store brand, offers hyper-personalized beauty recommendations as a digital beauty consultant.[xxvii] Even though Starbucks and Sephora serve different markets than c-store and restaurant guests, the expectations they've created applies to every hospitality brand.

The results speak for themselves. AI-powered personalization delivers up to 35% higher redemption rates versus traditional segmentation.[xxviii] 72% of guests feel more valued when loyalty programs are tailored to their preferences.[xxix] **Businesses using AI-driven loyalty strategies see 45% higher engagement rates.[xxix]**

## Propensity Modeling and Next Best Action

Here's where personalization gets predictive. **Propensity modeling** (a fancy term describing the probability of someone's natural tendency to do something) uses **historical data** and **machine learning** to **calculate the likelihood of specific actions**, including churn propensity, purchase propensity, and redemption propensity. In 2026, these scores update in real time.[xxvii]

But propensity scores alone don't drive action. That's where **Next Best Action (NBA)** comes in. NBA weighs business value against guest value and asks: "What is the most profitable way to make this guest happy right now?"[xxvii]

Let's make this concrete. A guest who typically orders breakfast hasn't visited in three weeks. A traditional loyalty program would send them a generic "we miss you" offer.

**On the other hand, NBA-powered loyalty looks at:**

- What's their favorite menu item?
- What offer amount has historically driven their return?
- What time of day do they typically visit?

Then it triggers a personalized push notification at 7:45 AM on Tuesday with 20% off their go-to breakfast sandwich, valid that morning only.

Predictive modeling in 2026 operates at accuracy levels that seemed impossible three years ago. Kognitiv Pulse, an AI-powered churn prediction tool, predicts churn with 95%+ accuracy.[xxx]

That level of precision means you're not wasting incentives on guests who were going to return anyway. You're surgically intervening with at-risk members before they lapse.

The use cases extend well beyond churn prevention. **AI now powers:**

- Personalized rewards
- Dynamic rewards optimization
- Guest lifetime value prediction
- Sentiment analysis
- Cross-channel attribution
- Omnichannel integration
- Fraud detection[xxx]

**Seven core AI-powered loyalty strategies have emerged as the foundation of modern programs:**

1. Hyper-personalized rewards
2. Predictive analytics
3. Omnichannel AI orchestration
4. Real-time feedback loops
5. Automated campaign management
6. Fraud detection
7. Conversational AI interfaces[liii]

Each capability builds on the others. Predictive churn scores feed into automated campaign triggers. Sentiment analysis informs personalized offer selection. Fraud detection protects the economics of generous reward structures. Together, they create loyalty programs that learn, adapt, and optimize continuously without manual intervention.

## First-Party Data: Your New Competitive Moat

Hyper-personalization requires data... *Lots* of it. And the third-party cookie infrastructure that most digital advertisers rely on is disappearing.

Over 70% of them still depend on third-party cookies for behavioral targeting, which means brands without a strong first-party data strategy risk losing guest insights entirely.[xxxii] Approximately 80% of marketers will rely primarily on first-party data within the next two years, according to Gartner.[xxxii]

Your loyalty program is the solution. When a guest joins, they're opting into a direct relationship. They're giving you permission to track purchases, preferences, and behaviors across all touchpoints, and they're doing it willingly because you're delivering tangible value in return.[xxvii]

The smartest brands are already building massive first-party data footprints through loyalty. Major consumer-facing companies from restaurants to media, including McDonald's, The New York Times, and Disney, are investing aggressively in direct guest relationships, treating loyalty programs as the foundation of their data strategy.[xxxi]

Companies with direct guest relationships and strong identity frameworks are best positioned for the cookieless future, and yours ought to be in that group.

But collecting data is only the starting point. **Activating it in real time is the differentiator.** Real-time data activation means the moment a guest completes an action, your systems respond.

A guest places a breakfast order at 7:30 AM. By 7:31 AM, your loyalty platform has updated their profile, recognized this is their third breakfast visit this week, triggered a streak bonus notification, and queued a personalized lunch offer to deploy at 11:00 AM when they're most likely deciding where to eat.

This requires infrastructure most legacy systems can't support. Batch processing creates blind spots. Nightly data syncs mean that by the time yesterday's data is analyzed and acted upon, the optimal engagement window has closed.

Modern guest engagement suites are built for real-time decisioning, ingesting data from POS systems, mobile apps, online ordering platforms, and marketing automation tools, processing it through AI models, and triggering personalized actions across channels within seconds.

**The data strategy is only as powerful as the business outcomes it drives.** While real-time personalization and AI-powered decisioning create the technical foundation for modern loyalty, the ultimate test is whether these capabilities translate into measurable guest value over time.

Recent Paytronix client data reveals exactly how this relationship between engagement frequency and business results plays out across different customer segments and why investing in unified data pays serious dividends.

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## Customer Lifetime Value by Segment and Visit Group

The same pattern holds consistently in both 2023 and 2024 across recent Paytronix client CLV data: **early-year visit frequency is a strong indicator of longer-term value.** As customers move from one visit to repeat visits, average lifetime value rises steadily. The step-up becomes especially pronounced in the **10+ visits tier**, which represents the most engaged guests.

In the most recent year (2024), all segments show meaningful compounding: customers in the **10+** visit tier deliver roughly **23x–32x** the lifetime value of one-visit customers, depending on segment. This is a helpful way to quantify what operators are already working toward operationally: when the guest experience reliably encourages one more visit, the value curve tends to follow.

Year-over-year, the shape of the curve remains stable, which is useful for planning purposes. Even when absolute dollar values shift slightly between years, the underlying relationship between repeat behavior and long-term value stays intact, making visit-frequency improvement a consistently measurable lever for growth.

### 2024 CLV Benchmarks by Segment

| Segment | Merchants (n) | Avg CLV (1 visit) | Median CLV (1 visit) | Avg CLV (5 visits) | Avg CLV (10+ visits) | Median CLV (10+ visits) | 10+ vs 1 (x) |
|---|---|---|---|---|---|---|---|
| **C-Store** | 45 | $250 | $107 | $630 | $7,895 | $6,379 | 31.6x |
| **FSR** | 113 | $181 | $129 | $1,157 | $4,561 | $3,483 | 25.2x |
| **QSR** | 91 | $115 | $95 | $640 | $2,699 | $1,802 | 23.5x |

# Customer Lifetime Value by Merchant and Visit Group

**Paytronix client CLV trajectory is predictable and repeatable across a broad base of operators.** In 2024, the median customer who visits once lands at **$111.49** in lifetime value, while the median customer in the **10+** visit tier reaches **$3,019.16**; a **~27x** difference that helps quantify the upside of consistent repeat engagement.

What's particularly useful here is the spread. The interquartile range (P25–P75) increases as visit frequency increases, which is expected; higher-engagement cohorts naturally reflect more variation in how brands monetize and retain their best guests.

But even with that spread, the stepwise progression remains smooth from 1 through 10 visits, suggesting the repeat-to-value relationship holds broadly rather than being driven by a small set of outliers.

Year-over-year (2023 to 2024), the overall curve remains directionally consistent. Similar to the previous dataset, these insights are valuable for forecasting and benchmarking, because you and your team can focus less on "reinventing" CLV outcomes and more on systematically moving more of your guests into higher-visit cohorts.

## 2024 CLV Benchmarks by Segment

| Visit Group | Merchants (n) | Mean CLV | Median CLV | CLV P25 | CLV P75 |
|---|---|---|---|---|---|
| 1 Visit | 249 | $169.37 | $111.49 | $83.56 | $156.13 |
| 2 Visits | 249 | $320.61 | $223.73 | $162.72 | $323.62 |
| 3 Visits | 249 | $501.75 | $344.09 | $236.37 | $503.25 |
| 4 Visits | 249 | $691.18 | $485.08 | $324.24 | $711.70 |
| 5 Visits | 249 | $872.63 | $605.16 | $400.03 | $901.83 |
| 6 Visits | 249 | $1,034.90 | $715.31 | $477.75 | $1,102.41 |
| 7 Visits | 249 | $1,209.89 | $846.52 | $557.73 | $1,319.63 |
| 8 Visits | 249 | $1,390.28 | $983.44 | $660.61 | $1,510.41 |
| 9 Visits | 249 | $1,603.25 | $1,080.69 | $736.56 | $1,765.73 |
| 10 Visits | 249 | $1,675.63 | $1,178.22 | $842.62 | $1,845.70 |
| 10+ Visits | 249 | $4,483.04 | $3,019.16 | $1,771.63 | $5,344.63 |

**These customer lifetime value patterns reveal why data strategy matters so much in loyalty programs.** The 27X difference between single-visit and high-frequency guests isn't just about encouraging more visits; it's about using guest data smartly to identify who has the potential to become a repeat customer and then personalizing their experience accordingly.

As guest expectations around data privacy continue to evolve, the brands that win will be those that build trust through transparency rather than trying to extract maximum data through hidden tracking.

## Privacy-First Personalization

Your guests are increasingly skeptical about how brands use their information. 34% of consumers drop their loyalty when brands use data irresponsibly, up from 30% in 2024.[iii]

The solution is **zero-party data**, or information that a guest intentionally and proactively shares (like their name, contact information, or birthday), as opposed to first-party data passively inferred from clicks and purchases.[xxvii]

When you ask guests to set preferences, dietary restrictions, favorite items, and celebration dates in exchange for better recommendations and exclusive offers, they opt in. This is the Privacy Value Exchange in which guests trade data for tangible benefits.[xxvii]

Privacy regulations are also tightening globally. The General Data Protection Regulation (GDPR) in Europe, the California Consumer Privacy Act (CCPA) in California, and similar frameworks emerging worldwide create a complex compliance landscape.

The answer is privacy by design: building consent management, data minimization, and regulatory compliance into the foundation of your loyalty architecture rather than retrofitting it later. **This means:**

- **Explicit opt-in for data collection.** Your guests should know exactly what data you're collecting and why. Avoid hidden tracking and buried consent in lengthy terms and conditions documents.
- **Granular preference controls.** Let guests choose which communications they receive, which personalization features they enable, and which data points they share. Some guests want maximum personalization and are willing to share everything. Others want basic rewards tracking with minimal data exposure. Accommodate both.
- **Data portability and deletion.** Guests who want to export their data or request deletion should be able to do so easily. This is good compliance and good guest experience.
- **Audit trails and governance.** Every data access, every algorithmic decision, and every personalization trigger should be logged. If a guest asks why they received a specific offer, you should be able to explain exactly which data points informed that decision.
- **Vendor compliance due diligence.** If your loyalty platform integrates with third-party tools, ensure those vendors meet the same privacy standards you've committed to. A data breach at a vendor partner becomes your data breach in the eyes of regulators and guests.

Brands that treat privacy as a competitive advantage rather than a compliance burden are building trust that translates to higher opt-in rates, richer data profiles, and more effective personalization.

# The Second Pillar: A Unified Commerce System

## Voice Commerce and Conversational AI

Voice AI is no longer experimental. The voice AI restaurant market is projected to expand from $10 billion to $49 billion by 2029.[xxxiv] 34% of restaurants have already adopted voice AI, and 48% are planning implementation within 12 months.[xxxv]

Why the acceleration? Labor shortages and missed revenue. The average annual restaurant turnover rate is 79.6%, and 45% of operators don't have enough staff.[xxxvi]

As little as 10% missed calls equals $27,000 lost annually for the average restaurant.[xxxvii] **Voice AI can deliver up to 760% annual ROI by capturing orders that would otherwise be lost.**[xxxv]

But voice AI isn't just about answering phones. It's about conversational commerce integrated with loyalty.

A guest calls to place an order. The AI recognizes their phone number, pulls up their loyalty profile, confirms their usual order with suggested modifications based on current inventory, applies their available rewards, and processes payment, all in less than 60 seconds.

ConverseNow voice AI currently operates in 1,100+ restaurants across 40 U.S. states, including Domino's, Fazoli's, and Blake's Lotaburger.[xxxvii] These are scaled deployments proving the technology works.

## Social Commerce Integration

Your guests are already deciding where to eat based on social media. 74% of consumers choose restaurants this way.[xxxviii] 55% share restaurant experiences on social platforms.[xxxviii] And 99% of full-service restaurants now have a social media presence, more than the 69% that have a website.[xxxix]

The next evolution is closing the loop: **turning social discovery into seamless ordering without leaving the platform.** By 2026, 17% of all online sales are expected through social platforms, with livestream shopping projected to reach roughly $70 billion in the U.S.[xl]

For loyalty programs, social commerce creates a new challenge: **maintaining personalization and rewards recognition across platforms you don't control.** When a guest discovers your brand on TikTok, clicks through to Instagram, and completes an order via a third-party integration, *does your loyalty system capture that journey?*

Can you trigger a first-time visitor offer? Can you apply their existing points balance? These are questions you need to answer, otherwise your competitors will.

Unified commerce systems connect these dots. They treat social platforms as another ordering channel, not a separate guest relationship.

## Emerging Payment Methods

The payments landscape is evolving faster than most loyalty platforms can keep up. The global biometric payment market was $11.54 billion in 2025, is projected to hit $13.48 billion in 2026, and is expected to reach $44.69 billion by 2034.[xli]

Over 2 billion biometric payment transactions were projected globally in 2025.xlii 70% of U.S. financial institutions plan to integrate biometrics into payment systems by 2025.[xlii]

When it comes to loyalty, rewards recognition must keep pace with payments because near-zero friction will raise expectations across the board. If a guest can pay with their palm or face, they expect their loyalty benefits to apply automatically without pulling out a phone or reciting a number.

Mastercard launched its Biometric Checkout Program in 2025, enabling fingerprint and facial recognition at POS terminals globally.[xliii] JPMorgan announced rollout of biometric payment terminals in the second half of 2025 in the U.S. through a partnership with PopID.[xliii]

**Not every experiment will succeed.** Amazon announced in January 2026 that it's shutting down its Amazon One palm payment system, citing "limited guest adoption."[xliv]

All palm readers will be removed by June 3, 2026. Despite Amazon's exit, palm biometrics are gaining ground elsewhere: Tencent PalmAI deployed in Bupa healthcare in Hong Kong, and Treeal is launching in Brazil.[xlv]

So, payment innovation is accelerating; some bets will fail, but the trajectory is frictionless, biometric, identity-based transactions where loyalty recognition is built into the payment flow.

## Breaking Down Walls Between Loyalty, Ordering, and Operations

The most powerful unified commerce systems treat loyalty as connective tissue that links ordering, operations, inventory, and marketing into one intelligent system.

Real-time inventory-aware offers mean you don't promote a limited-time menu item that's already sold out at the guest's preferred location. Dynamic pricing integrates with loyalty, so your VIP members see preferential rates without manual coupon entry.

**Cross-platform journey continuity means a guest can start an order on your mobile app, modify it on your website, pick it up in-store, and earn loyalty points that unlock a reward they redeem on the next visit, all tracked as *one unified interaction.***

McDonald's "Ready on Arrival" geofencing reduces wait times by 50%+ by triggering order prep when loyalty members enter the geofence around the restaurant.[ix] That's not just loyalty. That's *loyalty data driving operational efficiency.*

When your loyalty systems talk to inventory systems, staffing systems, and delivery logistics platforms, you unlock capabilities standalone programs can't touch.

You can throttle digital orders when kitchen capacity is constrained. You can surge loyalty offers during off-peak hours to control demand. You can personalize based not just on guest preferences but on real-time operational constraints.

# The Third Pillar: Community-Driven Growth

## From Members to Brand Advocates

Loyalty programs have traditionally focused on rewarding transactions. But the most powerful programs in 2026 reward advocacy. Brands that offer positive experiences receive three times more word-of-mouth marketing.[i] 79% of guests say they're more likely to recommend brands with good loyalty programs.[i]

More than half of the most loyal guests actively recommend brands to others, and 14% publicly endorse or defend the company via social media.[i] If guests receive value during a service interaction, there's an 82% probability of repurchase and a 97% likelihood of sharing positive word-of-mouth.[xl]

So the question isn't whether your loyalty members are advocating for your brand. It's whether you're recognizing and rewarding them for it.

## The Shift to Emotional Loyalty

**The biggest 2026 trend is the shift toward emotional loyalty.** Transactional loyalty is fleeting; guests leave the moment a better offer comes along.[xxvii] Emotional loyalty endures because it's rooted in how a brand makes guests feel, not just what discounts it offers.

This requires moving beyond reactive personalization to deeply gamified experiences. Chipotle launched badge-based gamification as the first national restaurant brand to do so, with personalized challenges, streak bonuses, and double-point days attracting 5 million participants.[xiii] That's not **loyalty**. That's **entertainment** layered on top of loyalty.

40% of consumers are more likely to join a program that uses AI.[xxxiii] But they're not excited about AI for AI's sake.

They're excited about what AI enables: **offers that feel handpicked, rewards that align with their values, experiences that surprise and delight.**

Building emotional loyalty also requires earning trust. AI adoption is accelerating, but trust still lags capability.

70% of shoppers have used AI features during the buying process, yet only 12% trust AI to make purchases for them. Their concerns center on privacy, data handling, fraud, and loss of control.[lii]

This creates a design mandate for your AI-powered loyalty systems: be useful and transparent, give guests control, and be explicit about the value exchange. The brands that get this right will build communities around trust. Those that don't will face growing skepticism from the guests they're trying to engage.

## Gamification and Peer-to-Peer Rewards

Loyalty fatigue is real. Your guests' phones are full of forgotten apps and unused memberships. In 2026, brands that cut through the noise offer entertainment along with rewards.[xxvii]

The new gamification standard rewards engagement, not just spending. Review quests, app login streaks, and social sharing all earn points.[xxvii] Brands are introducing "Squad Goals" where friends pool points and efforts to unlock shared rewards, leveraging peer pressure and social proof.[xxvii]

41% of consumers bought products promoted by influencers, double the overall average of 21%.[xlvi] 42% of Millennials show loyalty by installing a brand's app.[iii]

**These behaviors signal a generational shift:** loyalty is increasingly about shared experiences and social validation rather than personal benefit. Your most loyal guests can be your most effective influencers.

## Cause-Driven Community Challenges

Values-based loyalty is no longer optional. 63% of respondents are more likely to do business with brands whose purpose aligns with their values.i 60% of consumers rate sustainability as an important purchase criterion, and 34% say they'll pay more for sustainable products.[i]

Casey's Rewards includes a charitable component: **members can redeem points for donations to local schools.**[xlvii] This is a loyalty strategy that builds deep local roots. When your loyalty program enables guests to support their kids' schools, it creates emotional investment that transcends discounts.

The opportunity goes deeper. Your brand can launch location-specific loyalty experiences that drive neighborhood engagement. If you run a local restaurant,  you can create challenges tied to community events.

If you operate a c-store near a high school, you can offer student athlete discounts that parents can redeem. And if you're a franchise operator, you can customize offers based on local preferences and events.

Trust is also shifting to peers. As AI-generated content and sponsored posts become ubiquitous, community insights, peer recommendations, and lived experiences play a growing role in shaping loyalty.[ii]

**The brands that win are the ones turning their loyalty programs into platforms for community connection.**

# Action Steps for Restaurants and C-Stores

## Pillar 1: Hyper-Personalization and Predictive Intelligence

- **Implement 1:1 personalization framework:** Move beyond demographic segments to individual guest profiles that trigger unique offers based on personal preferences and behavioral patterns. Start with your top 20% of guests and prove the model before scaling.
- **Deploy churn prevention models:** Use AI to identify early warning signals and automatically trigger retention campaigns before guests disengage. A 5% increase in retention drives a 25–95% increase in profit.[v]
- **Build your first-party data collection framework:** Create comprehensive strategies for collecting zero-party and first-party guest data through loyalty programs, surveys, and preference centers. Offer explicit value exchanges where guests understand what they're sharing and what they're getting in return.
- **Implement real-time data activation:** Deploy technology that instantly uses guest data to trigger personalized offers, recommendations, and communications across all touchpoints within seconds of a guest action. This requires moving from batch processing to event-driven architecture.
- **Establish privacy-first data collection:** Create transparent value exchanges where guests willingly share preferences in return for meaningful personalization benefits. Make the trade explicit: "Tell us your dietary preferences, get better recommendations."
- **Build next-best-action systems:** Orchestrate real-time decision engines that determine optimal timing, channel, and offer for each guest interaction. This requires integration between your loyalty platform, marketing automation, and operational systems.

## Pillar 2: Unified Commerce System

- **Integrate voice and conversational AI:** Enable guests to place orders, check rewards, and get recommendations through voice assistants and chatbots. Start with phone ordering before expanding to smart speakers and in-app voice.
- **Connect loyalty across all payment methods:** Ensure reward recognition works seamlessly with mobile wallets, contactless payments, and emerging biometric payment options. Test with small rollouts before broad deployment.
- **Implement predictive ordering systems:** Use purchase history and behavioral data to enable smart reordering and automated replenishment for regular guests. McDonald's frequency jumped 150% post-loyalty enrollment in part because of frictionless reordering.[ix]
- **Create cross-platform journey continuity:** Allow guests to start transactions on mobile apps and complete them in-store without losing personalization or rewards. Every handoff is a potential failure point so eliminate them.

## Pillar 3: Community-Driven Growth

- **Launch local community challenges:** Design location-specific campaigns and cause-driven initiatives that build neighborhood connections and brand advocacy. Franchise operators should have tools to customize without breaking brand standards.
- **Enable member-generated content programs:** Create systems for guests to share experiences, reviews, and recommendations while earning rewards for peer-to-peer referrals. 41% of consumers bought products promoted by influencers.[xlvi] Your loyal guests can be your influencers.
- **Build trust through transparency:** Be explicit with your guests about how you're using AI and data. Give them control over their personalization settings and make the value exchange clear. Trust is the foundation community loyalty is built on.

# AI and Data: The Intelligence Behind Engagement

Five years ago, AI in loyalty programs was an experiment. Brands tested chatbots, ran pilot campaigns with predictive analytics, and talked cautiously about "exploring machine learning."

In 2026, AI is not optional. **It's the difference between loyalty programs that drive measurable ROI and those that *bleed budget while guests disengage.***

The maturation has been rapid and decisive. AI-enabled loyalty programs can deliver 20% to 50% increases in guest lifetime value.[xlviii] Companies using AI to improve guest experience have seen up to 15% increases in retention.[xlviii]

The question is no longer *whether* to invest in AI. It's how fast you can deploy it and what capabilities you're prioritizing first.

## AI Maturation in Loyalty: From Experimental to Essential

### The Proof Is in the Performance

McKinsey's research on "Next Best Experience" (NBE) reveals the economics driving AI adoption. AI-powered NBE can **increase guest satisfaction by 15 to 20%**, **increase revenue by 5 to 8%**, and **reduce cost to serve by 20 to 30%.**[xlix]

None of these are marginal improvements. They're the kind of gains that separate market leaders from brands fighting for survival.

Domino's implemented AI-powered predictive analytics to optimize its marketing campaigns and saw a **33.53% total response rate**—*a 16.57% improvement over previous campaigns*—delivering over $71 million in incremental revenue for franchises and a ***605.98% incremental ROI***.[xlix] These results came from deploying machine learning that targets the right guests with the right offers at the right time, rather than relying on broad segmentation and guesswork.

T-Mobile used predictive analytics combined with AI-tailored retention offers to achieve a 20% reduction in churn and a 30% boost in guest renewal rates.[xlviii] Such comprehensive campaign development and launching is the new standard.

Brands that master predictive AI are retaining more guests and doing it more cost-effectively than traditional retention marketing ever could.

### Generative AI for Content and Campaign Creation

Generative AI adoption has exploded. **73% of marketing teams now use generative AI in 2025, a 97% increase from the 37% who used it weekly in 2023**.[l] GenAI adoption surged 116% year over year and is now deployed across 15.1% of marketing activities versus 7.0% in spring 2024.[l]

The productivity gains are tangible. Sales productivity improved from 5.1% to 8.6%, **a 69% increase.** Marketing overhead reduction jumped from 7.0% to 10.8%, a 54% improvement.l And 92% of businesses across sectors plan to invest in generative AI tools within the next three years.[li]

For your loyalty operation, GenAI's real value is scaling personalization to segments of one. A QSR brand running 50 loyalty campaigns monthly can now generate unique creative variations for each micro-segment without expanding headcount.

A c-store chain testing promotional messaging across 2,000 locations can auto-generate location-specific copy that accounts for regional preferences, weather patterns, and competitive dynamics.

Today's generative AI output quality has reached the point where many guests can't reliably distinguish AI-generated content from human-written copy. That means you can deliver Netflix-level personalization at scale without Netflix-level budgets.

Brands are also increasingly recognizing that meaningful AI progress doesn't require replatforming or major changes to their existing tech stack. AI can and should be layered onto existing loyalty systems.[ii] This lowers the barrier to entry and reduces implementation risk

# Action Steps for Restaurants and C-Stores

**AI Implementation and ROI Measurement**

- **Establish AI ROI baseline metrics:** Define clear KPIs for AI initiatives, including campaign performance lift, cost savings, and guest engagement improvements to prove essential business value. Track pre-AI and post-AI performance across the same metrics to isolate impact. Common KPIs include redemption rates, offer acceptance rates, guest lifetime value, churn rate reduction, and cost per acquisition (CPA).
- **Deploy generative AI for campaign creation:** Implement AI tools to automatically generate personalized email content, social media posts, and promo offers at scale while maintaining brand voice consistency. Start with template-based generation before advancing to fully autonomous content creation. Test AI-generated content against human-written control groups to validate quality and performance.
- **Establish privacy-by-design architecture:** Build all AI and data systems with built-in privacy protections, consent management, and regulatory compliance for GDPR and CCPA from the ground up rather than retrofitting security measures. Conduct privacy impact assessments before launching new features. Appoint a data protection officer or equivalent role responsible for ongoing compliance monitoring. Provide staff training on data handling best practices and regulatory requirements.

# Performance Metrics That Matter

The metrics you track determine the loyalty program you build. Track only enrollment numbers, and you'll *optimize for sign-ups* at the expense of engagement. Track only *redemption rates,* and you'll train guests to visit *only when they have rewards to burn.*

**Track the wrong KPIs, and you'll make data-driven decisions that systematically undermine the long-term value both you and your guests are looking for.**

The most sophisticated loyalty programs in 2026 measure performance across the full guest engagement funnel. They track acquisition, activation, engagement, retention, revenue, and advocacy. They attribute value across channels and use leading indicators to predict future behavior rather than relying solely on lagging metrics that report what already happened.

## Engagement Suite KPIs: Beyond Traditional Loyalty Metrics

### The Limitation of Single-Channel Measurement

Traditional loyalty metrics focus on program-specific activity, such as enrollment rate, active member percentage, average points balance, and redemption rate. These matter, but they tell an incomplete story.

A guest might not redeem rewards frequently but could be a high-value guest who visits weekly and spends above average. Another guest might redeem aggressively but only visit when they have points to burn, generating minimal incremental revenue. **If you're only tracking redemption rate, you're treating these two guests as equally valuable when their actual contribution to your business is radically different.**

Engagement suite KPIs measure the full relationship, not just loyalty program mechanics. **They include:**

- **Cross-channel purchase frequency.** How often does a guest transact across all channels: in-store, online ordering, delivery, catering, drive-thru? Omnichannel guests have higher lifetime value than single-channel guests.
- **Channel preference and migration patterns.** Are guests shifting from in-store to digital ordering? From third-party delivery to first-party? Understanding channel dynamics helps you streamline your marketing and operations spending.
- **Engagement breadth.** How many program features does a guest use? Mobile app, email campaigns, SMS offers, referral programs, gamification challenges? Breadth correlates with stickiness.
- **Incremental behavior change.** What's the difference between a guest's pre-enrollment and post-enrollment behavior? This isolates the true impact of your loyalty program from baseline guest value.

EY (formerly Ernst & Young, the global consulting and advisory firm) identifies the core loyalty metrics as guest lifetime value, purchase frequency, average order value, redemption and engagement rates, Net Promoter Score, social engagement, and referral rates.[liv] But they also highlight a critical measurement challenge: **your best and most loyal guests are the ones most likely to sign up for loyalty programs, creating selection bias.**

You need cross-sectional and longitudinal analyses, including pre- and post-comparisons and difference-in-difference methodologies, for defensible ROI analysis.[liv]

## The ROI Calculation That Actually Matters

Loyalty program ROI is calculated as:

> **(Incremental Revenue + Cost Savings – Program Cost) divided by Program Cost.**[lv]

The key word is "incremental." You're not measuring total revenue from loyalty members. You're measuring the revenue you wouldn't have captured *without* the loyalty program.

This requires a control group or historical baseline. What did these guests spend before enrollment? What do similar non-enrolled guests spend? The difference, multiplied across your member base, is your incremental revenue.

Cost savings also matter. So, look at reduced guest acquisition spend because of higher retention, lower marketing costs because of more efficient targeting, and operational efficiencies from predictable demand patterns among frequent visitors.

Bain & Company research shows that increasing guest retention rates by just 5% can increase profits by 25% to 95%.[v] That multiplier effect is why retention-focused loyalty programs deliver ROI that acquisition-focused marketing can't match.

## Convenience Store-Specific KPIs

C-stores face unique measurement challenges. Transaction frequency is higher than restaurants. Average transaction values are lower. Fuel sales create different economics than food service. Lottery and tobacco purchases complicate incrementality analysis.

PDI Technologies, which serves over 200,000 sites globally, identifies 10 critical KPIs for convenience store loyalty programs: loyalty penetration rate, visit frequency per member, average spend per loyalty member, offer redemption rate, guest retention rate, loyalty ROI, enrollment growth, account registration rate, active member growth, and average loyalty transactions per store.[lvii]

Forbes calls ROI the most important KPI in loyalty.[lvii] But PDI emphasizes that registered members are more engaged and more valuable than unregistered or anonymous participants. Registration rate reflects store-level promotion quality and staff training effectiveness.[lvii]

For c-stores, fuel promotions drive foot traffic but food service drives margin. The most valuable loyalty programs get guests inside the store and purchasing higher-margin prepared foods, not just redeeming discounts at the pump.

## Cross-Channel Attribution in Unified Platforms

Attribution has always been loyalty's hardest problem. A guest sees a billboard, receives an email offer, gets a push notification, and then visits your store. Which touchpoint deserves credit for the visit?

Traditional attribution models use first-touch, last-touch, or linear approaches. First-touch credits the initial awareness channel. Last touch credits the final interaction before purchase. Linear distributes credit equally across all touchpoints. All three are oversimplifications.

Unified platforms enable sophisticated multi-touch attribution. They track every interaction across every channel and use machine learning to weight the incremental contribution of each touchpoint. This reveals which marketing investments are driving genuine behavior change versus riding on organic demand.

Cross-channel attribution also exposes inefficiencies. If you're spending heavily on paid social ads targeting guests who are already highly engaged loyalty members, you're wasting budget. Unified platforms let you suppress ads to guests who don't need incentives and redirect spend toward acquisition and reactivation.

# The Fourth Visit Principle

One of the most powerful frameworks in restaurant loyalty is the Fourth Visit Principle. The concept is simple but the implications are profound: if you can get a new guest to visit four times, you've likely created a long-term regular.

The data backs this up. In full-service restaurants, 45% of first-time guests return within six months. After the second visit, that jumps to 75%. After the fourth visit, it reaches 90%. For QSR, the pattern is similar, with 50% returning after the first visit, 70% after the second, and 85% after the fourth.[lix]

The fourth visit represents the threshold for habit formation, namely the point where occasional visitors become regulars with return rates climbing to 90% to 95%. First-time guests have a 46% return rate, but after the fourth visit that climbs to 95%.[lix]

This means your loyalty program's most important job isn't rewarding your best guests. It's accelerating new guests to their fourth visit. Loyalty programs boost visits and spending 18 to 30% per enrolled member.[lix] The brands that win are the ones using that boost strategically to drive habit formation.

The economics reinforce this approach. Acquiring a new guest costs five to seven times more than retaining an existing one.[lix] If your loyalty program can double the percentage of first-time guests who reach four visits, you've fundamentally changed your guest acquisition efficiency.

# 2026 Industry Benchmarks

Before diving into more new Paytronix data, here's where the broader industry stands. The average annual activity rate across loyalty programs is 59%.[i] On average, 50% of rewards are redeemed.[i] Companies allocate an average of 27% of marketing budgets to guest loyalty and CRM.[i]

The redemption gap matters. Members who redeem rewards spend 3.1 times more annually than members who don't redeem.[i] This isn't just correlation. Redemption signals engagement. Guests who redeem are actively using the program, thinking about your brand, and visiting with intent.

According to the Open Loyalty Benchmark, 37% of loyalty leaders say retention and lifetime value are the ultimate success measures, 39% measure through revenue, ROI, or profit, and 32% track engagement metrics.[lx]

Enable3 recommends a tiered metrics framework: start with retention rate, guest lifetime value, and redemption rate as foundational KPIs. Then layer in churn analysis. Finally, track engagement depth, tier movement, and referral activity.[lxi]

## Average Loyalty vs. Non-Loyalty Order Values Across Channels

**In addition to what recent, public consumer data shows us as of late, the real story emerges when we examine how guest behavior unfolds over time.** The gap between average performance and exceptional results often comes down to understanding the critical transition points in a customer's journey, particularly that crucial second visit where most loyalty programs either prove their value or lose the guest forever.

Our own recent data reveals exactly where these make-or-break moments occur and why some concepts consistently outperform others in converting one-time visitors into loyal regulars.

## Repeat Order Frequency Trends Based on Number of Completed Guest Visits

In this year's report, we're also looking at whether *coming back once was enough to make guests come back again.* The pattern that emerges across all nine concepts is one of the most consistent findings in loyalty data and one of the most actionable.

**For most concepts, the steepest drop happens between the first and second visit.** Once a member makes it to visit four or five, the odds of a sixth, seventh, and eighth visit increase sharply.

The hardest step in loyalty isn't getting someone to try you. It's getting them back a second time.

**Gasoline** and **Beverage and Snack** categories stand apart from the rest of the field. Once a gasoline-concept member makes their first visit, their second-visit rate is 79%, and by visit five, over 90% of remaining members keep coming back.

Even amid gasoline's widely observed drop in initial activation rates (covered in the 90-day active rate data), the underlying loyalty mechanics for members who do return are extraordinarily strong. Beverage and Snack follows the same pattern: high second-visit conversion (60%), with momentum building steadily to 87% by visit nine.

Specialty concepts lead on initial activation at 83%, though they see a larger first-to-second visit drop, suggesting that the initial sign-up experience and first-visit offer may be doing more of the work than the program itself.

The dining segments tell a more complicated story. Family Dining's second-visit rate dropped nearly 8 points year-over-year — from 40% to just 33% — which is the biggest decline of any transition point. That's a red flag worth watching, even though mid-funnel momentum (visits 2 through 6) actually improved.

Fine Dining, true to its nature, has the lowest second-visit rate of any concept at 26%, but members who push through to visit five or six become remarkably sticky, with deep-loyalty rates having improved since 2025 is now over. Bar and Grill remains the most structurally challenged: low activation, low second-visit rates, and mid-funnel momentum that has barely moved year-over-year.

The one bright spot across all nine concepts is once a member crosses the **five-visit threshold**, they tend to keep showing up, regardless of category.

## Tables by Concept

*Measurement definitions*

- ***Initial Activation*** **=** *% of all enrolled members who visited at least once.*
- ***2nd Visit Rate*** **=** *% of first-time visitors who came back again (the most predictive transition point).*
- ***Habit Threshold*** **=** *% of 4-visit members who reached a 5th (where habit typically sets in).*
- ***Deep Loyalty Rate*** **=** *% of 9-visit members who reached a 10th.*
- ***Mid-Funnel Momentum*** **=** *average transition rate across visits 2–6 (overall stickiness once past the first hurdle).*

### Bar and Grill

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Initial Activation (0→1st visit)** | 32.1% | 30.2% | ▼ 2.0 pts |
| **2nd Visit Rate (1→2)** | 30.7% | 32.9% | ▲ 2.2 pts |
| **Habit Threshold (4→5)** | 65.6% | 65.4% | ▼ 0.2 pts |
| **Deep Loyalty Rate (9→10)** | 80.1% | 79.2% | ▼ 0.9 pts |
| **Mid-Funnel Momentum (visits 2–6 avg)** | 60.8% | 60.6% | ▼ 0.2 pts |

## Beverage and Snack

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Initial Activation (0→1st visit)** | 72.5% | 61.4% | ▼ 11.1 pts |
| **2nd Visit Rate (1→2)** | 62.4% | 60.2% | ▼ 2.2 pts |
| **Habit Threshold (4→5)** | 81.6% | 80.9% | ▼ 0.7 pts |
| **Deep Loyalty Rate (9→10)** | 87.5% | 87.3% | ▼ 0.2 pts |
| **Mid-Funnel Momentum (visits 2–6 avg)** | 78.6% | 77.2% | ▼ 1.4 pts |

## Casual Dining

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Initial Activation (0→1st visit)** | 59.4% | 57.6% | ▼ 1.8 pts |
| **2nd Visit Rate (1→2)** | 40.3% | 41.2% | ▲ 0.9 pts |
| **Habit Threshold (4→5)** | 65.7% | 66.8% | ▲ 1.1 pts |
| **Deep Loyalty Rate (9→10)** | 78.3% | 79.0% | ▲ 0.7 pts |
| **Mid-Funnel Momentum (visits 2–6 avg)** | 62.5% | 63.4% | ▲ 0.8 pts |

## Fine Dining

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Initial Activation (0→1st visit)** | 46.7% | 46.1% | ▼ 0.6 pts |
| **2nd Visit Rate (1→2)** | 26.4% | 25.8% | ▼ 0.5 pts |
| **Habit Threshold (4→5)** | 62.2% | 60.5% | ▼ 1.7 pts |
| **Deep Loyalty Rate (9→10)** | 75.2% | 80.5% | ▲ 5.3 pts |
| **Mid-Funnel Momentum (visits 2–6 avg)** | 57.4% | 57.4% | — |

## Gasoline

**Note:** This category experienced significant active rate growth despite larger decreases in engagement, power users, and average visits. This typically indicates a growing user base that hasn't returned to engage in a while, not necessarily red flags for program health.

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Initial Activation (0→1st visit)** | 68.2% | 38.7% | ▼ 29.5 pts |
| **2nd Visit Rate (1→2)** | 76.8% | 79.1% | ▲ 2.4 pts |
| **Habit Threshold (4→5)** | 90.6% | 90.9% | ▲ 0.3 pts |
| **Deep Loyalty Rate (9→10)** | 92.7% | 92.7% | — |
| **Mid-Funnel Momentum (visits 2–6 avg)** | 89.4% | 89.8% | ▲ 0.4 pts |

## Sandwich / Mexican

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Initial Activation (0→1st visit)** | 67.6% | 65.0% | ▼ 2.6 pts |
| **2nd Visit Rate (1→2)** | 43.3% | 47.2% | ▲ 3.8 pts |
| **Habit Threshold (4→5)** | 73.4% | 73.0% | ▼ 0.4 pts |
| **Deep Loyalty Rate (9→10)** | 83.2% | 83.4% | ▲ 0.2 pts |
| **Mid-Funnel Momentum (visits 2–6 avg)** | 69.9% | 70.9% | ▲ 1.0 pts |

## Snack

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Initial Activation (0→1st visit)** | 51.9% | 50.9% | ▼ 1.1 pts |
| **2nd Visit Rate (1→2)** | 45.1% | 43.5% | ▼ 1.5 pts |
| **Habit Threshold (4→5)** | 78.6% | 78.2% | ▼ 0.4 pts |
| **Deep Loyalty Rate (9→10)** | 85.4% | 87.2% | ▲ 1.8 pts |
| **Mid-Funnel Momentum (visits 2–6 avg)** | 75.2% | 75.1% | ▼ 0.1 pts |

## Specialty

| Metric | 2024 | 2025 | YoY Change |
|---|---|---|---|
| **Initial Activation (0→1st visit)** | 80.5% | 82.5% | ▲ 2.0 pts |
| **2nd Visit Rate (1→2)** | 59.6% | 59.7% | ▲ 0.1 pts |
| **Habit Threshold (4→5)** | 75.0% | 75.0% | — |
| **Deep Loyalty Rate (9→10)** | 81.2% | 78.9% | ▼ 2.3 pts |
| **Mid-Funnel Momentum (visits 2–6 avg)** | 72.6% | 72.2% | ▼ 0.5 pts |

**Understanding visit frequency patterns is only part of the loyalty equation.** The other key factor is how deeply you integrate loyalty into your broader guest experience strategy.

While visit data shows us guest behavior, feature adoption data reveals operator behavior; specifically, whether brands are treating loyalty as a standalone program or as the foundation of a comprehensive guest engagement ecosystem.

## Engagement Suite Adoption Index

**The breadth of platform adoption tells an eye-opening story about loyalty program maturity.** Operators who limit themselves to basic rewards functionality are missing significant engagement opportunities, while those who integrate multiple features create seamless guest experiences that drive both frequency and spend.

The data reveals exactly where the gaps are and which concepts are leading the way in comprehensive platform utilization.

## Multi-Feature Usage Penetration

Across hundreds of clients, the average Paytronix operator uses 3.6 of 7 available features. This shows the typical client is leaving nearly half the platform on the table.

**The two Paytronix features with the strongest adoption across all concepts are Gift (77%) and Loyalty (72%).** These features are the on-ramps of deeper guest engagement and provide consistent experiences throughout economic upswings and downturns.

**The features with the lowest adoption are Payments (33%) and Order & Delivery (40%),** both of which tend to require more technical integration and operational lift to activate.

Concepts using the platform most deeply are **Bar and Grill** and **Beverage and Snack,** which average nearly five features per client, with 30% and 37% respectively running six or seven features. These are operators who have gone beyond loyalty as a standalone program and built it into multiple guest touchpoints. Specialty and Family Dining follow at roughly four features on average.

**The concept with the most room for broader product adoption is Fine Dining.** Recent internal data shows a meaningful share of fine dining operators primarily use our platform for gift card processing alone.

Order and Delivery and Payments are the clearest growth opportunities across almost every concept. Despite being among the most engagement-driving features, neither has crossed the 50% adoption threshold in any concept outside of Beverage and Snack's Payments rate (56%) and Specialty's Order and Delivery rate (58%).

**Gasoline operators, whose visit frequency data shows the strongest retention numbers in the entire report, are at 45% for Order and Delivery and 38% for Payments.** These are noteworthy gaps for a segment where ease and availability are the core value propositions.

This dataset indicates the operators getting the most out of their loyalty programs are those who've wired it into ordering, payment, and communication, not just rewards.

## Bar and Grill

| Feature | Adoption Rate |
|---|---|
| **Loyalty** | 97.0% |
| **Subscriptions & Accounts** | 93.9% |
| **Email** | 90.9% |
| **Gift** | 84.8% |
| **Comps** | 81.8% |
| **Order & Delivery** | 30.3% |
| **Paytronix Payments** | 18.2% |

| | |
|---|---|
| **Avg Features Used** | **5.0 of 7** |
| **Full Platform (6–7 features)** | 30.3% |
| **Single Feature Only** | 0.0% |

## Beverage and Snack

| Feature | Adoption Rate |
|---|---|
| **Loyalty** | 96.3% |
| **Subscriptions & Accounts** | 88.9% |
| **Email** | 88.9% |
| **Gift** | 85.2% |
| **Paytronix Payments** | 55.6% |
| **Order & Delivery** | 44.4% |
| **Comps** | 33.3% |
| **Avg Features Used** | **4.9 of 7** |
| **Full Platform (6–7 features)** | 37.0% |
| **Single Feature Only** | 0.0% |

## Casual Dining

| Feature | Adoption Rate |
|---|---|
| **Gift** | 84.5% |
| **Loyalty** | 67.8% |
| **Email** | 62.6% |
| **Comps** | 62.3% |
| **Order & Delivery** | 41.8% |
| **Paytronix Payments** | 33.6% |
| **Subscriptions & Accounts** | 0.0% |
| **Avg Features Used** | **3.5 of 7** |
| **Full Platform (6–7 features)** | 17.5% |
| **Single Feature Only** | 9.4% |

## Family Dining

| Feature | Adoption Rate |
|---|---|
| **Gift** | 81.7% |
| **Loyalty** | 71.7% |
| **Email** | 70.8% |
| **Comps** | 65.8% |
| **Order & Delivery** | 40.0% |
| **Paytronix Payments** | 33.3% |
| **Subscriptions & Accounts** | 25.0% |
| **Avg Features Used** | **3.9 of 7** |
| **Full Platform (6–7 features)** | 21.7% |
| **Single Feature Only** | 11.7% |

## Fine Dining

| Feature | Adoption Rate |
|---|---|
| **Gift** | 85.7% |
| **Comps** | 71.4% |
| **Loyalty** | 48.6% |
| **Email** | 47.1% |
| **Order & Delivery** | 20.0% |
| **Paytronix Payments** | 18.6% |
| **Subscriptions & Accounts** | 0.0% |
| **Avg Features Used** | **2.9 of 7** |
| **Full Platform (6–7 features)** | 8.6% |
| **Single Feature Only** | 14.3% |

## C-Store / Gasoline

| Feature | Adoption Rate |
|---|---|
| **Loyalty** | 97.3% |
| **Email** | 97.3% |
| **Subscriptions & Accounts** | 53.4% |
| **Order & Delivery** | 45.2% |
| **Paytronix Payments** | 38.4% |
| **Gift** | 0.0% † |
| **Comps** | 0.0% † |
| **Avg Features Used** | **3.3 of 5 applicable** |
| **Full Platform (6–7 features)** | 0.0% † |
| **Single Feature Only** | 0.0% |

*† Gift and Comps are not applicable to gasoline/c-store concepts by product design. Full Platform benchmark reflects 5 applicable features.*

## Sandwich / Mexican

| Feature | Adoption Rate |
|---|---|
| **Gift** | 86.9% |
| **Loyalty** | 61.9% |
| **Email** | 60.7% |
| **Comps** | 56.0% |
| **Order & Delivery** | 36.9% |
| **Paytronix Payments** | 36.9% |
| **Subscriptions & Accounts** | 1.2% |
| **Avg Features Used** | **3.4 of 7** |
| **Full Platform (6–7 features)** | 20.2% |
| **Single Feature Only** | 17.9% |

## Snack

| Feature | Adoption Rate |
|---|---|
| **Gift** | 82.1% |
| **Loyalty** | 71.4% |
| **Email** | 71.4% |
| **Comps** | 39.3% |
| **Order & Delivery** | 35.7% |
| **Paytronix Payments** | 25.0% |
| **Subscriptions & Accounts** | 0.0% |
| **Avg Features Used** | **3.3 of 7** |
| **Full Platform (6–7 features)** | 10.7% |
| **Single Feature Only** | 14.3% |

## Specialty

| Feature | Adoption Rate |
|---|---|
| **Gift** | 78.9% |
| **Loyalty** | 78.9% |
| **Email** | 73.7% |
| **Comps** | 63.2% |
| **Order & Delivery** | 57.9% |
| **Paytronix Payments** | 44.7% |
| **Subscriptions & Accounts** | 0.0% |
| **Avg Features Used** | **4.0 of 7** |
| **Full Platform (6–7 features)** | 23.7% |
| **Single Feature Only** | 5.3% |

**Client adoption and guest frequency patterns reveal the following: the most successful loyalty programs are those that treat measurement as the foundation of continuous optimization.** That said, knowing what to measure is only valuable if you know how to act on those insights.

The operators who consistently outperform industry benchmarks are the ones who've built systematic processes for turning data signals into immediate interventions before small issues become major problems.

# Strategic Insights and Actions

## The Metrics That Predict Future Performance

Lagging indicators tell you what happened. Leading indicators tell you what's coming. The most valuable metrics in your loyalty dashboard are the ones that give you time to intervene before problems become crises.

- **Declining visit frequency among high-value members.** When your best guests start visiting less often, you have a narrow window to win them back before they lapse entirely. Track rolling 30-day visit frequency for top-tier members and trigger retention campaigns the moment frequency drops below their historical baseline.
- **Redemption rate trends by cohort.** If newer member cohorts are redeeming at lower rates than previous cohorts, your value proposition isn't resonating. This signals the need to refresh rewards, simplify redemption mechanics, or improve member education.
- **Program feature adoption velocity.** How quickly do new members activate key features like mobile ordering, saved payment methods, or personalized offers? Slow adoption predicts lower engagement and higher churn.
- **Tier progression rates.** In tiered programs, upward movement is healthy. Stagnation or downward movement signals disengagement. Track the percentage of members advancing tiers quarter over quarter.

## From Measurement to Action

Data without action is just noise. The point of tracking these KPIs is to enable faster, smarter interventions.

- **Automate responses to threshold breaches.** When a member's predicted churn score crosses 70%, trigger a personalized win-back campaign automatically. When visit frequency drops 30% below baseline, deploy a targeted incentive.
- **Segment your member base by health scores.** Combine multiple metrics into composite health scores: engaged and growing, stable, at-risk, lapsed. Tailor your engagement strategy to each segment's needs.
- **Test and learn continuously.** Use control groups to validate that your interventions are driving incremental behavior change. A 10% lift in one test becomes the new baseline for the next iteration.
- **Close the loop with operations.** Share loyalty insights with store managers and franchise operators. When a location has unusually high member churn, investigate operational issues. When a location has exceptional member engagement, identify best practices to replicate.

The metrics that matter are the ones that change how you operate. Measure what drives action, act on what you measure, and iterate relentlessly.

# Sector-Specific Strategies

Restaurants and convenience stores face fundamentally different operational realities. Restaurants optimize for dwell time and check size. C-stores optimize for speed and basket additions.

Restaurants fight labor shortages with $15+ hourly wages. C-stores fight razor-thin fuel margins by converting pump visitors into food buyers.

But both sectors are converging on the same loyalty imperative: turn transactions into relationships, turn relationships into habits, and turn habits into competitive moats that third-party delivery platforms and private equity roll-ups can't replicate.

## Restaurant Evolution

### Digital-First Dining Experiences

The restaurant industry has crossed a threshold. 68% of full-service restaurants and 71% of quick-service establishments now offer loyalty programs, with adoption expected to reach 80%.[lxii] It's no longer optional infrastructure but competitive survival.

The math is straightforward. Restaurant loyalty program members visit 22% more frequently than non-members.[lxii]

Guests with emotional connections to a restaurant brand spend 23% more annually.lxii Among Gen Z diners, 58% prefer a restaurant where they're already a loyalty program member.[lxiii]

For an industry operating on 3 to 5% profit margins, a 20% frequency lift and 23% spending increase among emotionally connected members is the difference between profitability and closure.[lxiv]

Digital-first dining means loyalty isn't bolted onto your operations. It's woven into every touchpoint.

Mobile ordering isn't a nice-to-have for tech-savvy guests. It's how the majority of your high-value guests prefer to interact with your brand.

Self-service kiosks might save labor, but they're also data collection points that capture preferences, upsell opportunities, and behavioral signals that inform your next campaign.

The best restaurant loyalty programs in 2026 treat digital channels as the primary experience and in-store visits as one component of an omnichannel relationship. Your guest's journey starts when they open your app to browse the menu, continues when they place an order for pickup, extends when they earn points at checkout, and cycles back when they receive a personalized offer three days later based on that visit.

McDonald's "Ready on Arrival" geofencing exemplifies this. When loyalty members enter the geofence around a restaurant, their mobile order triggers kitchen prep, reducing wait times by over 50%.[ix] That's using loyalty data to drive operational efficiency that non-members don't experience.

## Labor Optimization Through Guest Self-Service

The restaurant labor crisis is the new normal. 82% of restaurant executives are planning AI investments to address chronic understaffing.[xxxiv] Voice AI alone can deliver up to 760% annual ROI by capturing orders that would otherwise be lost to missed calls and overwhelmed staff.[xxxv]

But self-service also helps redirect labor to higher-value activities. When guests order through kiosks or mobile apps, your staff isn't stuck taking orders.

They're preparing food, delivering hospitality, and solving problems. When voice AI handles phone orders, your team isn't tied to the phone during rush periods.

Self-service also improves order accuracy and average check size. Guests ordering through digital channels make fewer errors, customize more freely, and add more items when prompted by intelligent upsell algorithms.

Digital orders have higher average values because the friction of asking a person for modifications disappears.

The loyalty integration opportunity is massive. Self-service channels should auto-recognize loyalty members, apply available rewards, suggest personalized add-ons based on purchase history, and trigger post-purchase engagement. Every self-service interaction is a chance to deepen the relationship, not just process a transaction.

Prime cost management offers another lens on labor optimization. **Prime cost, which is labor plus cost of goods sold, should target 55 to 60%, though the industry average runs 58 to 62%.**[lxv]

Labor typically represents 30 to 40% depending on service model, while COGS runs 28 to 32%. Operators using weekly prime cost reviews report 5% higher EBITDA margins.[lxv]

Loyalty programs affect both sides of prime cost. On the labor side, digital ordering and self-service reduce staffing needs during peak periods. On the COGS side, predictable demand from high-frequency loyalty members improves inventory planning and reduces waste.

## Performance Benchmarks and Operational KPIs

Guest repeat rate is the foundational restaurant metric. Industry average runs 28 to 35%. Top operators achieve 45 to 50%.[lxv]

The gap between average and excellent is where loyalty programs prove their value. **If your loyalty program can move your repeat rate from 30% to 40%, you've fundamentally changed your business economics.**

Net Promoter Score provides another comparative benchmark. Top-tier restaurant brands score 65 or higher. The industry average runs 45 to 55.

Restaurant-specific benchmarks show average scores of 20 to 30, with top performers reaching 50 or higher.[lxiv] Loyalty members typically score higher than non-members because the program itself signals brand preference.

Guest retention rate matters because existing guests are 31% more likely to spend more than new guests.[lxiv] This compounds over time. A guest who visits monthly for five years generates far more lifetime value than five separate guests who visit once and never return.

**Restaurant operators track KPIs across 11 key areas:** guest experience, employee management, financial management, health and safety, loss prevention, marketing, operational efficiency, sales and revenue, strategic growth, sustainability, and technology innovation.[lxvi] Loyalty programs touch nearly all of them, but the most direct impact shows in guest experience metrics, marketing efficiency, and sales growth.

# C-Store Transformation

## Fresh Food Programs and Loyalty Integration

The convenience store industry is in the middle of a dramatic transformation. The global market reached $704 billion in 2025, is projected to hit $747 billion in 2026, and is expected to grow to $1,001.6 billion by 2031 at a compound annual growth rate of 6.05%.[lxvii] North America is the largest market. Asia-Pacific is the fastest-growing region at 8.22% CAGR.[lxviii]

The highest growth segment is hyper-convenience stores, expanding at 10.35% CAGR through 2031. These formats leverage compact layouts with barista bars, fresh kitchens, and expanded grocery aisles.[lxviii] They're convenience stores reimagined as food destinations.

7-Eleven's transformation tells the story. Food is now the largest U.S. category, overtaking cigarettes for the first time. lxviii Casey's is applying AI inventory models to cut stockouts and spoilage in fresh food categories.[lxviii] These are core business strategies, not pilot programs.

- The guest behavior data supports the shift. 85% of U.S. shoppers have tried made-to-order food at a c-store.
- Hot meal purchases climbed from 29% in 2024 to 35% in 2025.[xxiii] That's a 21% year-over-year increase in a mature category.
- Loyalty integration is the unlock. 72% of shoppers are already in a c-store loyalty program. 85% would join if rewards were personalized.[xxiii]

But here's the failure point: cashiers failed to mention loyalty programs 65% of the time.[xxiii] That makes it an execution problem rather than a technology one.

The fix requires three interventions. First, automated loyalty recognition at point of sale so cashiers don't need to ask.

Second, passive enrollment mechanisms where guests can join via mobile app or website without in-store interaction. Third, staff training and incentives tied to loyalty enrollment rates.

Digital advertising inside c-stores is also accelerating. 47% of shoppers noticed digital ads on-site, nearly double last year's 27%. More than one-third made purchases because of those ads.[xxiii]

When you pair in-store digital ads with loyalty data, you can serve personalized offers to identified guests at the moment they're deciding what to buy.

## Fuel-to-Food Conversion Strategies

Wawa's transformation captures the industry shift. Guests increasingly say, "I don't even get gas. I get food."[xvi] They're visiting for breakfast sandwiches, hoagies, and coffee, not fuel. 72% of consumers now view c-stores as a viable alternative to quick-service restaurants, up from 56% a year ago.[xxiii]

This creates both opportunity and risk. The opportunity is higher margins on food versus fuel. The risk is that as electric vehicle adoption accelerates, c-stores dependent on fuel revenue face existential challenges.

**The brands that win are the ones converting fuel guests into food guests before the transition becomes urgent.**

Loyalty programs are the conversion mechanism that turns fuel guests into food buyers. Use fuel purchases to trigger bundled rewards, such as frequent fill-ups earning discounts on breakfast sandwiches or free coffee.

You can create tiered programs where fuel spending unlocks food benefits, then track which guests cross over and which don't. **Target the non-crossover segment with personalized incentives that pull them inside the store.**

Wawa demonstrates the potential. Their morning meal traffic surged 5% year-over-year while quick-service restaurants saw just 1% growth.[xvi] They're stealing share from traditional breakfast QSRs by offering comparable quality, faster service, and integrated loyalty rewards.

The broader consumer landscape is shifting in ways that affect both restaurants and c-stores. GLP-1 weight loss drugs are changing the food landscape. People are eating less and being more selective about food types.[xxii]

This puts pressure on transaction counts but creates opportunity for premium, health-focused offerings that command higher margins.

## Mobile-First Convenience Experiences

C-stores face a trust paradox with AI and automation. **70% of shoppers have used AI features during the buying process, but only 12% trust AI to make purchases for them.** Their concerns center on privacy, data handling, fraud, and loss of control.[lii]

This shapes how c-stores should deploy AI-powered loyalty. Use AI for personalized recommendations and offer optimization, but keep the final purchase decision in the guest's control. Surface relevant promotions based on purchase history, but don't auto-add items to baskets or auto-complete transactions.

Acosta Group's 2026 consumer predictions highlight four key trends: shoppers are turning to AI companions but trust concerns slow automation; health is becoming more personalized, functional, and transparent; shoppers seek innovation that feels relevant rather than gimmicky; and consumers are looking for broader definitions of value beyond just low prices.[lii]

For c-store loyalty, this translates to mobile-first experiences that feel helpful rather than intrusive. Mobile apps should make reordering favorites faster than in-store browsing.

Push notifications should deliver timely, relevant offers, not generic spam. Personalization should be transparent so guests understand why they're seeing specific recommendations.

The mobile app becomes the loyalty hub. Guests check rewards balances, browse personalized offers, place ahead orders for pickup, and manage payment methods.

The in-store experience becomes faster because preferences are pre-saved and rewards are auto-applied. The post-purchase experience continues with targeted follow-up based on what was purchased.

Casey's sends 200 million personalized communications monthly, with 30% of revenue driven by Salesforce marketing channels.[xv] That scale is only possible with mobile-first infrastructure and AI-powered automation.

But it's also only effective when the personalization engine understands guest preferences well enough to send relevant offers rather than noise.

The c-stores that win in 2026 are the ones treating loyalty as infrastructure, not a program. It's the connective tissue linking fuel, food, merchandise, and services into one unified guest relationship that competitors can't replicate.

# Implementation Roadmap

Most loyalty programs fail not because of bad strategy but because of bad execution. Brands launch with ambitious visions of hyper-personalization and omnichannel engagement, then get bogged down in integration challenges, data migration nightmares, and staff resistance to new workflows.

Six months in, the program is live but underperforming. 12 months in, leadership questions the ROI. 18 months in, you're looking at vendors again.

The implementation roadmap determines whether your loyalty program becomes a competitive advantage or an expensive distraction. Get the sequence right, set realistic timelines, and invest in change management, and you'll join the 90% of loyalty program owners reporting positive ROI at an average of 4.8 times investment.[i] Rush the rollout, skip integration testing, or neglect staff training, and you'll become a cautionary tale.

## Building Your Guest Experience Ecosystem

### Phase 1: Assessment Phase (Weeks 1-4)

Start with an honest audit of your current state. This assessment phase determines everything that follows. If you don't know where you are, you can't plan a realistic path to where you want to go.

**Current state analysis includes:**

- **Map every guest touchpoint:** in-store transactions, online ordering, delivery, catering, mobile app interactions, email campaigns, SMS offers, social media engagement
- **Document your technology stack:** POS systems, payment processors, online ordering platforms, marketing automation tools, CRM systems, analytics dashboards
- **Identify integration gaps:** which systems talk to each other today, what's manual, what's automated, what breaks frequently
- **Benchmark performance against industry standards:** active member rate, redemption rate, repeat visit frequency, loyalty member lift versus non-members
- **Audit data quality and accessibility:** what data do you have, where does it live, how clean is it, where are the gaps
- **Interview stakeholders across the organization:** store managers, marketing, operations, finance, IT

## Phase 2: Platform Selection (Weeks 5-8)

77% of executives say loyalty programs are of top importance to their leadership team.[vi] 80% of loyalty program owners plan to increase or significantly increase investments in guest loyalty over the next three years.i 65% of companies want to replatform and revamp their loyalty program.[i]

The platform decision must go beyond features because you're choosing a technology partner you'll work with for years.

**Key criteria and considerations:**

- **Multi-concept capability:** Can one guest profile span multiple brands? Can you configure different earn rates and redemption options per concept?
- **AI readiness:** Does the platform support real-time AI decisioning? Can it layer AI onto existing systems without disrupting core infrastructure?[ii]
- **Integration architecture:** Does the platform integrate natively with your POS, payment processor, and online ordering system? The restaurant technology sector is fragmented, and operators prefer fewer, more capable technology partners.[xxv]
- **Scalability and performance:** What's the vendor's uptime track record? How do they handle peak transaction volumes during promotional campaigns?
- **Support and expertise:** Does the vendor offer strategic guidance or just technical support? Can they provide benchmarks and best practices from comparable clients?
- **Total cost of ownership:** Look beyond licensing fees to include integration costs, data migration, ongoing maintenance, staff training, and hidden fees.

Request demos with your actual data if possible. Run proof-of-concept tests on high-priority use cases. Talk to existing clients in your segment to validate vendor claims.

## Phase 3: Integration Planning (Weeks 9-16)

Integration is where implementation roadmaps derail. Three major shifts are driving loyalty in 2025 and 2026: AI-powered personalization, demand for instant and frictionless redemption, and the move toward experiential loyalty over pure discounts.[lxix] Your integration plan needs to support all three while maintaining operational stability.

**Phased approach to loyalty suite adoption:**

- **Start with core use case.** Identify the one capability that delivers immediate value. For most restaurants, it's points-based rewards with mobile app redemption. For most c-stores, it's fuel discounts tied to in-store food purchases. Get that working flawlessly before layering in advanced features.

- **Break integration into modules.** POS integration, payment integration, online ordering integration, mobile app integration, marketing automation integration. Each module gets tested independently before connecting to the next.

**Establish data governance:**

- Who owns the guest profile?
- How do you handle duplicate records?
- What's the master source of truth for each data point?
- How do you manage consent and privacy preferences across systems?

- **Build rollback plans.** If something breaks during integration, can you revert to the previous state without losing data? What's the contingency if a critical integration fails during peak hours?
- **Test relentlessly.** Load testing to ensure the system handles peak transaction volumes. User acceptance testing with real staff on real workflows. Security testing to validate compliance with PCI, GDPR, and CCPA requirements.

Loyalty programs in 2026 should layer AI onto existing systems without disrupting core infrastructure. Priority is readiness, not reinvention.[ii]

## Phase 4: Launch Strategy (Weeks 17-20)

Technology launches are easy. Organizational change is hard. Your launch strategy needs to address both.Phased approach to loyalty suite adoption:

**Change management and training:**

- **Staff training comes first.** Cashiers need to enroll members and explain program benefits. Managers need to troubleshoot technical issues and interpret performance data. Marketing teams need to build campaigns and analyze results. Train in waves: start with champions, then expand to early adopters, then roll out broadly.
- **Soft launch with a controlled cohort.** Test the program with a subset of locations or a segment of your guest base before going wide. Use the soft launch to identify friction points, refine messaging, and validate that systems perform under real-world conditions.
- **Member communication and education.** Guests need to understand how to join, how to earn, how to redeem, and why they should care. **Deploy multi-channel campaigns:**
  - In-store signage
  - Email and SMS
  - Social media
  - Website banners
  - App notifications

- Keep the message simple. Overcomplicating loyalty programs kills adoption.
- **Operational readiness checklist:**
  - Hardware and network bandwidth adequate at all locations
  - Backup procedures for system outages
  - Escalation paths for technical issues
  - Promotional materials stocked
  - Staff schedules adjusted for increased enrollment activity during launch
- **Measurement framework.** Establish baseline metrics before launch so you can measure lift. Track enrollment rates, active member rates, redemption rates, incremental visit frequency, and incremental spend. Set weekly check-ins to review performance and troubleshoot issues.

## Phase 5: Optimization Cycle (Ongoing)

Launch is the beginning, not the end. The best loyalty programs continuously optimize for performance.

**Continuous improvement framework:**

- **A/B testing everything.** Offer amounts, messaging, timing, channels, creative assets. Run controlled experiments with statistical rigor. A 10% lift in one test becomes the new baseline for the next iteration.
- **Segmentation refinement.** Your initial segments are hypotheses. Use performance data to validate or refine them:
  - Which segments respond best to which offers?
  - Where are you over-investing in low-value segments?
  - Where are you under-investing in high-potential segments?
- **Feature adoption tracking.** Which program features are guests using? Which are ignored? If you built a referral program but no one refers, either the incentive is wrong or the friction is too high. Investigate and fix it.
- **Feedback loops with operations.** Share loyalty insights with store managers and franchise operators. When a location has exceptional performance, identify best practices to replicate. When a location underperforms, investigate root causes.

Hyper-personalization wins, data fuels growth, and community equals loyalty, but execution is everything.[lxx] The brands that treat optimization as a discipline, not an afterthought, are the ones sustaining double-digit growth in mature programs.

# How Paytronix Leads the Way

## Comprehensive Platform Capabilities

Paytronix was built for the complexity of multi-unit restaurant and c-store operations. We don't just provide software. We provide a complete guest engagement ecosystem.

Loyalty, online ordering, CRM, AI-powered personalization, payments, and gift cards in one unified platform. No Frankenstein integrations. No data sync delays. No finger-pointing between vendors when something breaks.

## Industry Expertise and Support

Our team understands restaurant and c-store operations because we've spent over 20 years exclusively in these sectors. We know what works, what doesn't, and how to adapt best practices to your specific operational model.

The restaurant technology sector faces imminent disruption, with agentic AI expected to significantly impact the industry within the next 12 months.[xlviii] We're built for the AI-powered future.

## Proven Results Across Segments

Our clients operate over 35,000 locations across full-service restaurants, quick-service restaurants, and convenience stores. We've seen what drives results in each segment and can benchmark your performance against comparable operators.

Managing relationships with multiple tech vendors creates operational overhead, data inconsistencies, and support challenges.[xxv] We consolidate what other platforms fragment.

# The Future is Unified Loyalty and Deep Engagement

The loyalty programs winning in 2027 won't be the ones with the most points or the flashiest gamification. They'll be the ones guests hardly notice because the experience feels effortless.[xxvii] The goal is not to feel like a program at all.[xxvii]

## 2027 Predictions and Preparations

Coalition loyalty is making a comeback. Unified wallets where everyday spend converts to value across multiple brands, such as Bilt Rewards linking rent payments to travel points, Nectar partnering with British Airways Avios, and Uber partnering with Marriott.[lxxi] With guest acquisition costs jumping 220% in eight years, the economics increasingly favor retention partnerships over standalone acquisition spending.[xxxiii]

The financial environment is also creating opportunity. For c-store operators specifically, the recently reinstated 100% bonus depreciation for qualified c-store property provides significant benefits for acquisitions and new store builds.[xxii] If you're planning expansion, loyalty infrastructure investments may qualify for accelerated depreciation treatment. Consult your tax advisor, but the timing for technology investments has rarely been better from a capital planning perspective.

### What Paytronix Leadership Sees Coming

Our team spends every day working with restaurant and c-store brands on the front lines of loyalty innovation. Here's where they see the industry heading.

- **The end of channel-based competition.** Kristin Lynch, Senior Director of Restaurant Insights, believes the "occasions" framework will replace traditional channel definitions in 2027. Your guests don't think in channels. They think in occasions: quick lunch, family dinner, or a road trip snack.
  - As c-stores add made-to-order food and QSRs expand grab-and-go options, the boundaries between categories are dissolving. The brands that organize around guest occasions rather than their own category definitions will capture share from those still competing within traditional lanes.

- **AI becomes accessible to independent operators.** Tim Ridgely, VP of Engineering, sees 2027 as the year automation tools reach small businesses at scale. As labor costs rise and margins tighten, smaller operators are under the most pressure to do more with less.
  - Advances in hardware and the consumerization of AI are making it possible to run powerful models on compact, affordable devices without massive infrastructure. A single-location restaurant using AI to streamline food prep, optimize staffing, or adjust pricing based on real-time demand is no longer a fantasy. These capabilities used to require enterprise-level investment.

- **Loyalty becomes operational intelligence.** Michelle Casey, Manager and Senior Strategist for Restaurants, predicts that brands will re-evaluate how their loyalty programs impact processes well beyond marketing. Loyalty programs are evolving from point systems into engines for guest engagement and operational intelligence.
    - They're powering AI-driven decisions that optimize menus based on purchase patterns, predict staffing needs, and personalize campaigns. In 2027, the brands that use loyalty insights across their entire business will be the ones setting the pace.

## The Competitive Advantage of Early Adoption

The brands that moved early on unified guest engagement platforms are now two to three years ahead of competitors still cobbling together point solutions. This lead compounds; every quarter of guest data enriches their predictive models. Every campaign refines their personalization algorithms. Every integration deepens their operational efficiency.

**80% of loyalty program owners plan to increase or significantly increase investments in guest loyalty over the next three years.**[i] The question is whether you're leading that investment wave or following it. First movers capture the highest-value guests. Fast followers fight for what's left.

The restaurant technology sector is consolidating rapidly. Companies that have been waiting for market conditions to improve won't be able to sit on the sidelines any longer.[xlviii] The window for gaining a technology advantage is narrowing fast.

## Next Steps with Paytronix

As an operator, it's likely you increasingly prefer working with fewer, more capable technology partners rather than managing dozens of disconnected solutions.xxv The platform decisions you make in 2026 will determine your competitive position through 2030 and beyond.

Guest acquisition cost has jumped 220% in eight years.[xxxiii] The brands that master retention economics through loyalty programs will have a compounding advantage over competitors stuck in the acquisition hamster wheel.

The brands winning in 2027 are making platform decisions today. If you're ready to move beyond fragmented point solutions and build a guest engagement ecosystem that drives measurable ROI, we should talk.

**Request a demo** or reach out to your Paytronix account owner to discuss your loyalty strategy.

# Endnotes


[i] Queue-it

[ii] m-wise

[iii] SAP Emarsys

[iv] Medallia

[v] Bain & Company

[vi] Harvard Business Review Analytic Services

[vii] Barchart

[viii] Marketer in the Loop

[ix] Diginomica

[x] New Food Magazine

[xi] Yahoo Finance

[xii] Nation's Restaurant News

[xiii] Chipotle Investor Relations

[xiv] C-Store Dive

[xv] Retail TouchPoints

[xvi] CNBC

[xvii] Porter's Five Forces Analysis

[xviii] CSP Daily News

[xix] Convenience Store News

[xx] Restaurant Dive

[xxi] Reuters

[xxii] CSP Daily News

[xxiii] Convenience Store News / Intouch Insight

[xxiv] Restaurant Technology News

[xxv] Cloud Awards

[xxvi] Hospitality Technology

[xxvii] Trifft Loyalty

[xxviii] Happy Rewards

[xxix] Simple Loyalty

[xxx] Kognitiv

[xxxi] eMarketer

[xxxii] Gizmeon / Gartner

[xxxiii] Quboid

[xxxiv] Hostie AI

[xxxv] Hostie AI

[xxxvi] FSR Magazine

[xxxvii] Maple

[xxxviii] Cropink

[xxxix] Restroworks

[xl] WiserReview

[xli] Fortune Business Insights

[xlii] CoinLaw

[xliii] Juniper Research

[xliv] Payments Dive

[xlv] Biometric Update

[xlvi] Secure Privacy

[xlvii] CSP Daily News

[xlviii] LinkedIn / Raymond Gerber

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[l] AllAboutAI / Gartner / CMO Survey / Duke University

[li] Digital Marketing Institute / McKinsey

[lii] CSP Daily News / Acosta Group

[liii] Fueler

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[lv] Loyalty Methods

[lvi] Loyalytics / Bain & Company

[lvii] PDI Technologies

[lviii] Facilities Dive

[lix] Brand Command

[lx] Open Loyalty Benchmark 2026

[lxi] Enable3

[lxii] iOrders

[lxiii] Restroworks

[lxiv] NovaTab

[lxv] HC-Resource

[lxvi] Solink

[lxvii] Globe Newswire / Mordor Intelligence

[lxviii] Mordor Intelligence

[lxix] Tada

[lxx] Social Firm

[lxxi] Westlight Marketing

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