

# THE LOYALTY PUZZLE

HIGH-PRIORITY LOYALTY RESEARCH QUESTIONS  
2025 EDITION

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PRESENTED BY

The Loyalty Science Lab



2025

# INTRODUCTION



The Loyalty Science Lab continues its mission to identify important loyalty-related research issues. During 2024 through the first quarter of 2025, we gathered insights from loyalty experts, our advisory board members, academic researchers, and online professional discussions. The purpose of these conversations was to identify the most pressing unanswered or inadequately answered questions in customer loyalty and related fields that require thorough, evidence-based investigations.

This document shares the identified research questions resulting from that effort. These questions have been organized into the fifteen themes below to help guide future loyalty research initiatives. We are sharing these questions with the business and academic community with the hope that they will inspire more research on these important issues, stimulate discussion, and drive innovation in loyalty strategy and customer relationship management.

## Research Themes

1. Measuring and Quantifying Loyalty Value
  2. AI and Intelligence-Driven Loyalty
  3. Emotional Dimensions of Loyalty
  4. Economic Uncertainty and Loyalty Resilience
  5. Privacy in the Personalization Era
  6. Loyalty Program Architecture and Design Evolution
  7. Generational Loyalty Dynamics
  8. The Employee-Customer Loyalty Connection
  9. Ecosystem and Multi-Entity Loyalty
  10. Brand Values and Loyalty Connections
  11. Customer Disengagement and Intervention
  12. Fostering Loyalty Through Communities
  13. Digital Context Evolution and Loyalty
  14. Loyalty-Variety Balance
  15. Loyalty Program Communication
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# 1. MEASURING AND QUANTIFYING LOYALTY VALUE




The challenge of accurately measuring the return on loyalty and loyalty initiatives such as loyalty programs remains one of the most persistent challenges in the field.

**How can organizations develop comprehensive frameworks to measure the true incremental value of loyalty initiatives?**

- What functional methodologies can accurately attribute causality rather than mere correlation in loyalty initiative outcomes, differentiating between customers who would have purchased anyway versus truly incremental sales?
- How can we quantify the ROI of experiential and emotional loyalty benefits (like exclusive access or personalized recognition) compared to transactional rewards (points, discounts) beyond traditional financial metrics?
- How can we effectively measure and optimize for "micro-moments" that collectively shape customer experience but individually fall below traditional measurement thresholds?
- What metrics should be used to demonstrate the business impact of loyalty initiatives to different stakeholders?

**What is the relationship between declared loyalty metrics and actual customer behaviors?**

- How predictive are self-reported metrics (NPS, satisfaction surveys, stated preferences) of future purchasing behaviors and long-term loyalty?
  - What methodologies can reconcile the significant gap between what customers say they value in brands and loyalty programs versus their observed behaviors?
  - How do contextual factors (economic conditions, competitive offers, life changes) influence the reliability of traditional loyalty measurements?
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# 2. AI AND INTELLIGENCE-DRIVEN LOYALTY

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As artificial intelligence and machine learning become increasingly sophisticated, their role in customer loyalty management continues to expand, raising important questions about implementation, ethics, and effectiveness.

**How does the integration of artificial intelligence transform loyalty management strategies?**

- What are the optimal architectures for AI systems that enhance customer relationships without creating alienation or "uncanny valley" effects in customer interactions?
- How can machine learning effectively transition from reactive response systems to truly predictive customer management capabilities that anticipate needs before they arise?
- What are the ethical boundaries and appropriate governance frameworks for AI-driven personalization in loyalty contexts? What are the hidden biases in AI-driven CRM models, and how do they impact different customer segments unfairly?

**What constitutes the ideal balance between automation and human touchpoints throughout the loyalty journey?**

- What factors influence customer preferences for AI versus human interactions at different points in the loyalty journey?
  - What types of loyalty moments benefit most from human intervention vs. automation vs. human augmentation, and how does this vary by industry and customer segment?
  - How should organizations structure their service delivery models to optimize this balance between technological efficiency and human connection?
  - What are the critical components of a feeling AI that can best improve brand-customer interactions?
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# 3. EMOTIONAL DIMENSIONS OF LOYALTY

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Moving beyond transactional loyalty to create emotional connections with customers represents a significant opportunity for differentiation and competitive advantage.

## **What neurological and psychological mechanisms drive the transition from transactional to emotional loyalty?**

- How do repeated positive interactions create neural pathways associated with brand attachment that mimic relationship formation?
- What psychological factors explain why some brands achieve "addiction-like" loyalty while others with similar offerings don't?
- What specific triggers or experiences catalyze the shift from calculated, rational loyalty (based on rewards) to emotionally-driven commitment that persists without transactional benefits?
- How can these psychological and neurological mechanisms be intentionally activated through loyalty program design and customer experience management?

## **How does the concept of reciprocal loyalty influence customer-brand relationships?**

- What specific brand behaviors and marketing actions create the perception that the organization is genuinely loyal to its customers rather than merely extracting value?
  - How do experiences of reciprocity and mutual commitment affect customer retention and advocacy compared to traditional transactional loyalty programs?
  - How can loyalty programs be redesigned to create genuine reciprocity rather than purely transactional relationships?
  - What methodologies can effectively measure customers' perception of brand reciprocity and its impact on long-term relationship quality?
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# 4. ECONOMIC UNCERTAINTY AND LOYALTY RESILIENCE

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In a world of economic volatility and persistent inflationary pressures, understanding how loyalty dynamics shift during challenging times becomes increasingly important.

**How do macroeconomic conditions affect the fundamental dynamics of customer loyalty?**

- How do customer value perceptions fundamentally change during economic uncertainty, and how should loyalty initiatives adapt to remain relevant?
- At what specific threshold does economic pressure override established brand loyalty, and how does this vary across product categories and customer segments?
- What specific loyalty program elements remain effective during inflationary periods or economic downturns when consumers become more price-sensitive?
- How can brands inflation-proof their loyalty programs?

**How have post-pandemic shifts permanently altered customer loyalty expectations and behaviors?**

- Which pandemic-era adaptations in loyalty programs (points vs. experience emphasis, digital engagement approaches, contactless options, etc.) should be maintained versus reverted? What pandemic-induced customer preference changes will persist?
  - How have the accelerated digital transformation and channel preference shifts impacted long-term loyalty program engagement and effectiveness?
  - What research methodologies can effectively differentiate between temporary disruptions and permanent behavioral changes in the post-pandemic loyalty landscape?
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# 5. PRIVACY IN THE PERSONALIZATION ERA

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As privacy regulations tighten and consumer awareness grows, balancing personalization with privacy has become a critical challenge for loyalty marketers.

**How can organizations navigate the fundamental tension between data-driven personalization and evolving privacy expectations?**

- What frameworks help optimize the use of first-party data and zero-party data in increasingly regulated environments while still delivering personalized experiences?
- How do privacy concerns and willingness to share data vary across demographics and contexts, and how should personalization strategies adapt accordingly?
- What alternative data architectures and consent mechanisms can support sophisticated personalization while enhancing privacy protection and building customer trust?

**How do regulatory and technological changes in data collection impact loyalty initiatives' effectiveness?**

- What strategic adaptations are required as third-party cookies are eliminated and cross-platform tracking capabilities diminish?
  - How can loyalty programs leverage privacy-enhancing technologies like federated learning or differential privacy while maintaining personalization capabilities?
  - What methodologies can accurately measure the impact of privacy changes on loyalty initiative performance across different industry sectors?
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# 6. LOYALTY PROGRAM ARCHITECTURE AND DESIGN EVOLUTION

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As loyalty programs mature, questions about optimal design, structural evolution, and adaptation become increasingly relevant.

**What constitutes optimal loyalty program architecture for different business models and sectors?**

- How do point-based versus point-free program structures compare in effectiveness across industries with varying purchase frequencies and margin structures? What are the key design components of a point-free program?
- What specific design considerations are most critical for high-frequency versus low-frequency purchase contexts to maintain engagement between transactions?
- How should program complexity be carefully calibrated to maximize engagement while minimizing cognitive load and decision fatigue for members?
- What is the ideal payout percentage of a program and on what value should it be calculated?

**How should loyalty programs evolve over time to maintain relevance and effectiveness?**

- Is consumers' point elasticity decreasing? How does point elasticity compare with price elasticity?
  - What systematic methodologies can identify when and how programs should be refreshed to prevent loyalty fatigue while preserving core value?
  - How can organizations manage significant program transitions to minimize member dissatisfaction and perception of broken promises?
  - What communication strategies most effectively prepare members for program changes while maintaining trust and engagement throughout the transition?
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# 7. GENERATIONAL LOYALTY DYNAMICS




The shifting demographics of consumer markets present both challenges and opportunities for customer loyalty strategies that seek to engage diverse age cohorts effectively.

## **How do fundamental loyalty motivations and expectations differ across generational cohorts?**

- What specific loyalty program elements (digital features, sustainability focus, community components) resonate most effectively with each generation from Baby Boomers to Gen Alpha?
- How are digital natives' expectations around instant gratification, social engagement, and platform experiences reshaping fundamental loyalty paradigms?
- What research methodologies can effectively distinguish between age-related loyalty behaviors versus true generational differences that will persist as cohorts age?

## **How will demographic shifts transform loyalty program effectiveness over the next decade?**

- How should organizations prepare for the declining influence of point-accumulation models as younger consumers with different loyalty expectations gain purchasing power?
  - What new loyalty mechanisms will emerge as Gen Z and Gen Alpha become dominant consumer groups, given their focus on authenticity, experience, and social impact?
  - How can multi-generational loyalty programs effectively span diverse preferences within a single framework while still feeling personally relevant?
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# 8. THE EMPLOYEE-CUSTOMER LOYALTY CONNECTION

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The relationship between employee experience and customer loyalty represents an often-overlooked dimension of loyalty strategy.

**What is the relationship between employee experience and customer loyalty outcomes?**

- How do employee treatment and satisfaction causally impact how employees treat customers and the resulting customer experience and subsequent loyalty?
- What methodologies can quantify the direct return on investment in employee experience initiatives in terms of improved customer loyalty metrics?
- How do authentic employee advocacy behaviors influence customer perceptions and loyalty compared to scripted interactions?

**What organizational structures and cultures most effectively foster customer-centricity that drives loyalty?**

- How can organizations break down internal silos between marketing, sales, service, and product teams to create more seamless loyalty experiences?
  - What leadership approaches and internal incentive structures most effectively instill customer-centric values throughout organizations?
  - How do internal metrics, compensation systems, and recognition programs influence external loyalty outcomes and customer experience quality?
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# 9. ECOSYSTEM AND MULTI-ENTITY LOYALTY

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As companies operate in increasingly complex environments involving multiple stakeholders, understanding these dynamics is critical.

## **How does loyalty function in complex ecosystems with multiple stakeholders?**

- What factors determine how loyalty is distributed between manufacturers, retailers, and platforms when multiple entities contribute to the customer experience?
- How does loyalty evolve when customers engage with multiple competing brands simultaneously?
- How effective are coalition loyalty programs compared to single-entity loyalty initiatives in terms of customer acquisition, retention, and incremental revenue?
- What methodologies can accurately measure and attribute loyalty impact in multi-stakeholder environments like automotive (brand vs. dealer) or retail (brand vs. store)?

## **How are platform and marketplace dynamics reshaping traditional loyalty conceptualizations?**

- What unique loyalty considerations exist in peer-to-peer and sharing economy contexts where service providers and consumers interact through platforms?
  - How can service providers (e.g., ride-sharing drivers, homestay hosts) and consumers both develop platform loyalty in environments with minimal direct brand interaction?
  - What loyalty mechanisms are most effective in decentralized commerce environments like Web3, blockchain-driven brands, or community marketplaces?
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# 10. BRAND VALUES AND LOYALTY CONNECTIONS

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In an increasingly value-conscious and polarized marketplace, it is imperative that brands better understand how brand values and ideology influence loyalty.

**How does ideological alignment between brands and consumers impact loyalty outcomes?**

- What is the quantifiable relationship between shared values and customer retention across different product categories and price points?
- How does the importance of ideological alignment and purpose-driven initiatives vary across product categories and customer segments?
- What methodologies can effectively measure brand-consumer value congruence and its impact on both attitudinal and behavioral loyalty?
- How do loyalty program designs need to evolve to remain relevant across widening socioeconomic divides? What tiering approaches maintain program aspirational value without alienating core customers?

**How should organizations navigate ideological complexity in polarized environments?**

- What brand actions and external circumstances shape consumers' perception of a brand's ideology?
  - What strategies minimize negative loyalty impacts when brands take controversial positions on social or political issues?
  - How can organizations maintain authentic brand values while minimizing the alienation of customer segments with diverging perspectives?
  - What decision frameworks help brands determine when to engage versus avoid contentious issues, considering both short-term reaction and long-term loyalty implications?
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# 11. CUSTOMER DISENGAGEMENT AND INTERVENTION




Identifying and addressing early signs of customer disengagement represents a significant opportunity for businesses and their loyalty initiatives.

## **What behavioral patterns predict future loyalty erosion or customer defection?**

- How can organizations detect "silent churn" where customers gradually reduce engagement before formally ending relationships?
- What digital signals and behavioral indicators serve as reliable early warning signs of loyalty deterioration across different industries?
- How do disengagement patterns vary across different customer segments, product categories, and engagement channels?

## **What intervention strategies most effectively re-engage customers showing signs of diminishing loyalty?**

- Which personalization approaches and offers are most effective for different types and causes of disengagement?
  - What timing considerations and intervention windows are critical for maximizing the effectiveness of win-back strategies?
  - How can automated systems be optimized to detect and respond to subtle loyalty decline signals before relationship deterioration becomes irreversible?
  - What program structures effectively counter "loyalty fatigue" in markets saturated with similar rewards programs? How can loyalty programs effectively balance transactional rewards with experiential benefits to reduce disengagement?
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# 12. FOSTERING LOYALTY THROUGH COMMUNITIES

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The role of community in fostering loyalty has gained increased attention as brands seek to create deeper connections with customers.

## **How do customer-to-customer interactions influence loyalty outcomes?**

- What is the quantifiable impact of community-building initiatives on traditional loyalty metrics beyond NPS and retention rates?
- How do brand communities create additional psychological barriers to exit beyond traditional loyalty mechanisms like points and status?
- How do community-based loyalty and points-based loyalty interact and reinforce each other? When should brands prioritize community building over traditional loyalty mechanics?
- What methodologies can effectively measure the indirect loyalty effects of community engagement compared to direct program participation?

## **What strategies most effectively foster genuine community engagement rather than transactional participation?**

- How should organizations balance facilitation versus direct participation in communities to maximize authenticity and engagement?
  - What approaches transform superficial transactional participation into meaningful community connection with lasting loyalty effects?
  - How do online community dynamics and engagement translate to offline loyalty behaviors and purchasing decisions?
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# 13. DIGITAL CONTEXT EVOLUTION AND LOYALTY

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As digital contexts continue to evolve rapidly, understanding how loyalty dynamics function in new environments presents both challenges and opportunities.

## **How are emerging digital environments transforming fundamental loyalty dynamics?**

- How can loyalty be effectively measured and cultivated in digital subscription models where purchases are automated rather than discrete decisions and traditional purchase frequency metrics don't apply?
- What unique loyalty considerations exist in content subscription services where consumption doesn't deplete inventory and switching costs are minimal?
- How can traditional loyalty programs integrate effectively with subscription models? What loyalty mechanics drive subscription renewals versus traditional repeat purchases?
- How does fragmented digital engagement across multiple touchpoints and platforms impact cohesive brand attachment and loyalty development?

## **How do immersive technologies impact brand relationship formation?**

- What is the relationship between virtual/augmented reality experiences and emotional loyalty development compared to traditional brand interactions?
  - How does digital identity formation in virtual spaces influence brand attachment and loyalty behaviors in both digital and physical environments?
  - What new opportunities do metaverse environments and other immersive digital experiences create for novel loyalty initiatives and engagement models?
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# 14. LOYALTY-VARIETY BALANCE

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Understanding how to maintain loyalty while accommodating consumers' natural desire for variety represents an important area for exploration.

**How do contradictory consumer motivations for variety-seeking and loyalty coexist within individual consumers?**

- What psychological mechanisms explain how consumers mentally reconcile and balance novelty-seeking behaviors with established loyalty behaviors?
- How does this dynamic tension between consistency and exploration vary across different product categories and consumption contexts?
- What research methodologies can effectively measure these competing motivations and their relative influence on purchase decisions?

**How can organizations accommodate variety-seeking tendencies while maintaining customer loyalty?**

- What program designs effectively reward consistent patronage while encouraging exploration within the brand's ecosystem?
  - How can brands strategically expand their product and service ecosystem to satisfy variety-seeking instincts within their offerings?
  - What strategies help maintain overall share-of-wallet when variety-seeking in certain categories is inevitable consumer behavior?
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# 15. LOYALTY PROGRAM COMMUNICATION

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Effective communication remains a critical element in loyalty program success, yet questions about optimal approaches persist.

**What communication approaches optimize loyalty program engagement without causing message fatigue?**

- What is the optimal frequency, timing, channel mix, and content balance for loyalty program communications across different program types?
- How do communication preferences and engagement patterns vary across member segments, program types, and industry contexts?
- What methodologies can accurately determine member receptiveness to different message types and identify the threshold where communication becomes excessive?

**How should organizations communicate program changes to maximize acceptance and minimize negative reactions?**

- What framing approaches and transparency strategies minimize perceptions of value diminishment during necessary program changes?
  - How can organizations effectively transition members between different program structures while maintaining trust and perceived fairness?
  - What communication strategies and timelines build understanding and acceptance of necessary program evolutions while preserving member goodwill?
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# ABOUT LOYALTY SCIENCE LAB



Loyalty Science Lab is a collaborative research initiative within the Strome College of Business at Old Dominion University. Its mission is to create and promote cutting-edge scientific research on brand and customer loyalty. Through collaborative efforts between marketing practitioners and academic researchers, the Lab identifies high-priority loyalty-related issues, engage in deep, evidence-based scientific research on these issues, and disseminate the insights to benefit loyalty research and practice.

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